



**DELAWARE VALLEY REGIONAL
FINANCE AUTHORITY**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION,
INDEPENDENT AUDITORS' REPORTS,
AND ADDITIONAL INFORMATION

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**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
BUCKS, CHESTER, DELAWARE, AND MONTGOMERY COUNTIES, PENNSYLVANIA**

1811 Bethlehem Pike
Flourtown Commons, Suite C350
Flourtown, PA 19031

BOARD OF DIRECTORS

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Flourtown, Pennsylvania
Administrator

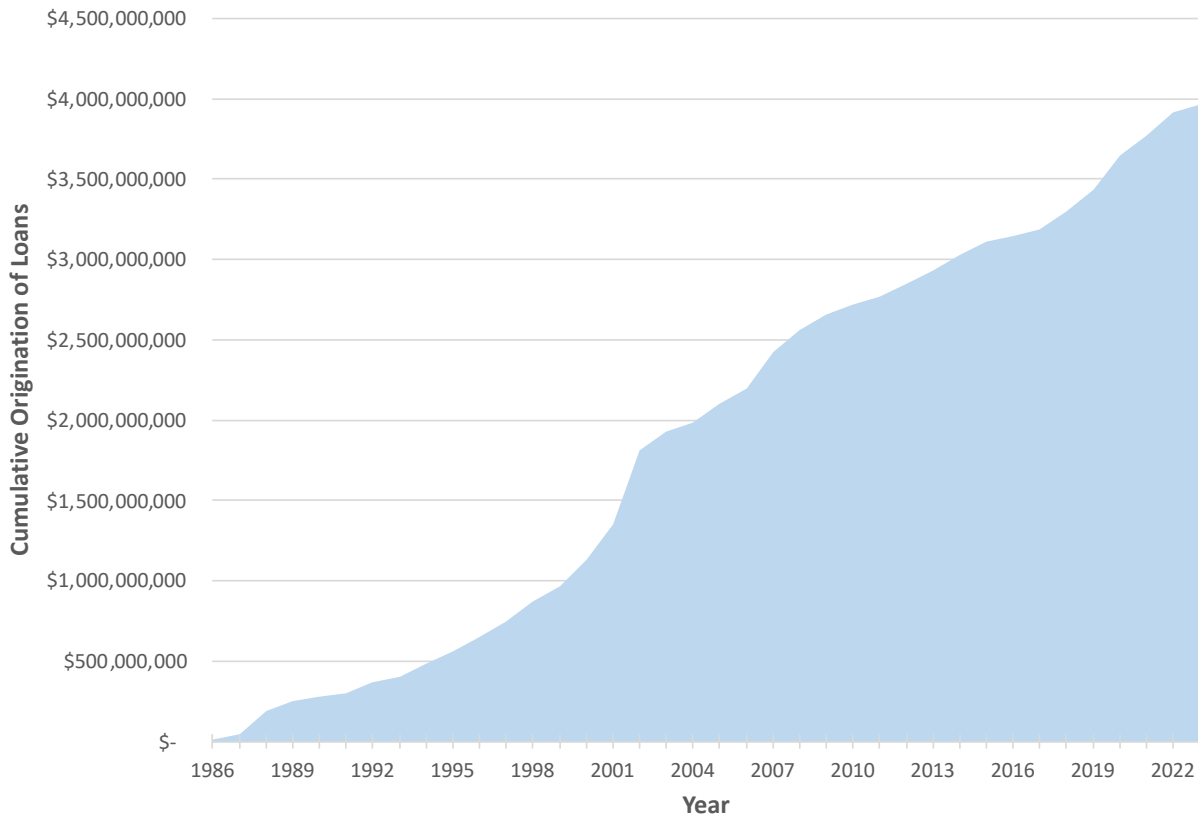


DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

INTRODUCTION

Bucks, Chester, Delaware, and Montgomery Counties, Pennsylvania (the “Counties”) formed the Delaware Valley Regional Finance Authority (“DelVal”) under the provisions of the Pennsylvania *Municipality Authorities Act* (the “*Authorities Act*”) on December 23, 1985. The Counties created DelVal to provide loans for capital projects (the “Loan Program”) to Pennsylvania townships, boroughs, cities, school districts, and counties (each a “Local Government Unit”) and authorities (each an “Authority”) created under Pennsylvania statute by or on behalf of any one or more Local Government Units. DelVal has originated 621 loans (each a “Loan”) with an aggregate principal amount of \$3.96 billion to 212 different Local Government Units and Authorities (each a “Participant”) in 16 counties of Pennsylvania since its creation in 1985.

Cumulative Loans Originated since 1985



Source: Calhoun Baker Inc.

Each Loan to a Local Government Unit is secured by the pledge of its full faith, credit, and taxing power. DeVal may also require a Loan to a Local Government Unit to be additionally secured by a financial guaranty policy (each a “Participant Credit Enhancement”) issued by an insurer (each a “Participant Credit Enhancer”) with a rating of “Aa3” or higher from Moody’s Investors Service (“Moody’s”) or “AA-” or higher from S&P Global Ratings (“S&P”). DeVal is the beneficiary of the Participant Credit Enhancements; the Participant Credit Enhancements do not secure the repayment of debt service on any bonds issued by DeVal.

Each Loan to an Authority must meet at least one of the following conditions: (i) rated “Aa3” or higher by Moody’s or “AA-” or higher by S&P, (ii) secured by a guaranty (each a “Guaranty”) with the pledge of the full faith, credit, and taxing power of a Local Government Unit (each a “Guarantor”), or (iii) secured by a Participant Credit Enhancement. The Master Indenture requires the Loan Agreement for any Loan to an Authority not secured by a Guaranty or Participant Credit Enhancement to include a covenant by the Authority to secure a Guaranty or Participant Credit Enhancement if its rating is reduced below “Aa3” by Moody’s or “AA-” by S&P. In the Master Indenture, DeVal has covenanted to restrict Loans to Authorities that are not secured by a Guaranty, to an aggregate principal amount not in excess of 20% of the total funding for Loan origination under the Master Indenture at the time the Loan is originated.

The governing body of DeVal consists of a Board of Directors (the “Board”) of five members appointed by the Counties. Each year, one of the Counties appoints a member to a five-year term. The Board meets monthly.

Members of the Board of Directors in 2023

<u>Member</u>	<u>Office</u>	<u>Appointed by:</u>	<u>Term Expires</u>
Joseph E. Brion, Esq.	Chairman	Chester County	2024
James H. Shacklett, III	Vice Chairman	Montgomery County	2025
Robert J. Harvie	Secretary	Bucks County	2026
David E. Landau	Treasurer	Delaware County	2027
Anand Solanki	Secretary/Treasurer	Chester County	2028

Source: Calhoun Baker Inc.

The Board oversees the operations of DeVal and appoints the Administrator, the Solicitor, the Bond Counsel, and the trustees (collectively, the “Trustee”) of the DeVal bond issues to conduct the Loan Program. The Administrator, Calhoun Baker Inc., is responsible for the credit review and approval of Loan applications, the investment of DeVal’s funds, the calculation of the Loan rates, the management of debt issuance, and the execution of interest rate swap transactions. The Solicitor, Carmen P. Belefonte, Esq., directs DeVal’s legal affairs. Bond Counsel (principally, Eckert Seamans Cherin & Mellott, LLC) renders opinions related to the issuance of bonds, the execution of interest rate swap agreements, and the closings of Loans. Computershare Corporate Trust, a Trustee, invoices and collect the Loan repayments, principally through Automated Clearing House (“ACH”) debits of the Participants’ demand deposit accounts. TD Bank, N.A., as Trustee, holds all DeVal funds and makes all disbursements. Each disbursement must be authorized by the Board and directed by the Administrator.

Loans from DeVal are limited to funding capital projects permitted under the Pennsylvania *Local Government Unit Debt Act* (the “*Debt Act*”). DeVal’s charter prohibits any Loan that would constitute a “Tax and Revenue Anticipation Note” under the *Debt Act* and any Loan to health or higher education institutions. The Board of DeVal and the Administrator must approve any new Loan. Generally, DeVal requires any Local Government Unit, Authority, or Guarantor that does not have a published rating, applying for a Loan of \$1,000,000 or more, to secure a published rating of the Loan of “A-”, “A3”, or higher or a commitment of a Participant Credit Enhancement.

The primary objectives of the Loan Program are to:

- 1) Provide funding with a lower all-in true interest cost (taking into consideration costs of issuance, interest costs, and annual administrative costs) than the Participants could achieve on their own,
- 2) Offer variable rate and fixed rate funding options, and
- 3) Improve the ability and flexibility of Participants to manage their debt.

DelVal accomplishes these objectives by realizing economies of scale, utilizing a revolving loan pool structure, and entering into interest rate swap transactions.

DelVal issues bonds or notes (collectively, the “DelVal Series”), from time to time, generally in aggregate principal amounts greater than \$100 million in order to fund multiple Loans. By issuing in large principal amounts, DelVal realizes lower costs of issuance than would have been realized if each of the Participants issued a separate bond issue. When Loans are repaid, the repayments are used to originate new Loans. This revolving loan structure further reduces the incurrence of costs of issuance to fund the new Loans. Ten series issued by DelVal were outstanding as of December 31, 2023:

- 1) \$16,815,000 Local Government Revenue Bonds, 1997 Series B and C (the “1997 Series”),
- 2) \$219,535,000 Local Government Revenue Bonds, 1998 Series A (the “1998 Series”),
- 3) \$125,000,000 Local Government Revenue Bonds, 2002 Series C (the “2002 Series”),
- 4) \$110,000,000 Local Government Revenue Bonds, 2007 Series A, B and C (the “2007 Series”),
- 5) \$115,000,000 Local Government Revenue Bonds, 2018 Series A, D, and E (the “2018 Series”),
- 6) \$125,000,000 Local Government Revenue Bonds, 2020 Series B and D (the “2020 Series”),
- 7) \$45,000,000 Local Government Revenue Bonds, 2021 Series A (the “2021 Series”),
- 8) \$155,000,000 Local Government Revenue Bonds, 2022 Series A, B and C (the “2022 ABC Series”),
- 9) \$97,000,000 Local Government Revenue Bonds, 2022 Series D and E (the “2022 DE Series”), and
- 10) \$141,030,000 Local Government Revenue Bonds, 2023 Series A (the “2023 Series”).

The 1997 Series, 1998 Series, and 2002 Series (collectively, the “Indenture Series”) were issued under separate indentures with separate trust estates. DelVal executed the Covenant Agreement in 2001 to enhance the security of the bondholders by pledging to transfer any excess funds held under any DelVal Series to cure any deficiency under any other DelVal Series. The indentures of all DelVal Series incorporate the Covenant Agreement.

All DelVal Series issued since 2007 and that will be issued in the future (collectively, the “Master Series”) were or will be issued under the Master Trust Indenture and supplemental indentures. The Master Series are and will be secured with all other Master Series equally and ratably by all the assets under the trust estate of the Master Indenture.

DelVal has entered into interest rate swap agreements (collectively, the “Swap Agreement”) with six different counterparties (each a “Counterparty”):

- 1) Bank of America, N.A.,
- 2) Barclays Bank PLC,
- 3) Citibank, N.A.,
- 4) PNC Bank, National Association,
- 5) Toronto-Dominion Bank, and
- 6) Royal Bank of Canada.

DelVal has executed interest rate swap transactions related to the DelVal Series (each a “Bond Swap”) to hedge its exposure to changes of fixed interest rates and to basis risk of floating interest rates. Under the Bond Swaps, DelVal pays the Securities Industry and Financial Markets Association (“SIFMA”) Municipal Swap Index (the “SIFMA Index”), and DelVal receives a fixed rate or floating rate with same basis as the related DelVal Series. DelVal’s net cost of funds is equal to the SIFMA Index plus a spread. DelVal also executes interest rate swap transactions that offset the Bond Swaps to hedge the interest rate risk of providing fixed rate Loans (each a “Loan Swap”) requested by Participants. Under these transactions, DelVal receives the SIFMA Index and pays a fixed interest rate that hedges the fixed rate of the Loan. DelVal has also executed swaps to eliminate basis risk of investments (each an “Investment Swap”). Under these transactions, DelVal pays a floating rate with the same basis as the related investment and receives the SIFMA Index.

The DelVal Loan rates are set by the Administrator each month at levels sufficient to fund:

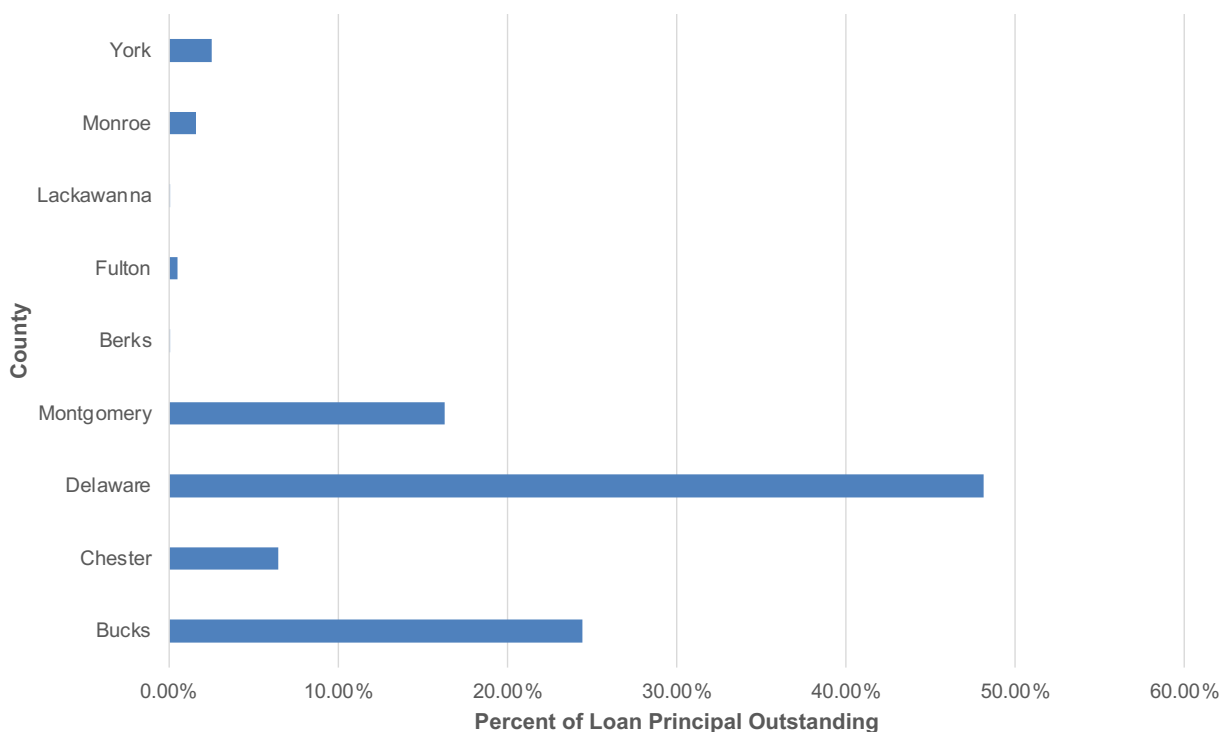
- 1) Debt service payments on the DelVal Series,
- 2) Net payments due under the Swap Agreement, and
- 3) Administrative costs and liquidity requirements necessary for the operation of the Loan Program.

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LOAN PORTFOLIO

DelVal has been most active lending within the Counties. The Counties encompass an area of approximately 2,060 square miles and a population of approximately 2.6 million people. More than 420 Local Government Units and Authorities are located within the Counties. As a matter of policy of the Board, DelVal limited its lending activities to Participants located within the Counties until 2002. Then, in order to provide geographic diversification to its portfolio, DelVal began lending outside the Counties, principally in the eastern half of the Commonwealth. Currently, 235 Loans, in the aggregate principal amount of approximately \$975 million, are outstanding to 105 Participants located in nine different counties. Approximately, 95.29% of the outstanding Loan principal has been originated to Participants located within the Counties.

Percentage of Loan Principal Outstanding by County as of December 31, 2023

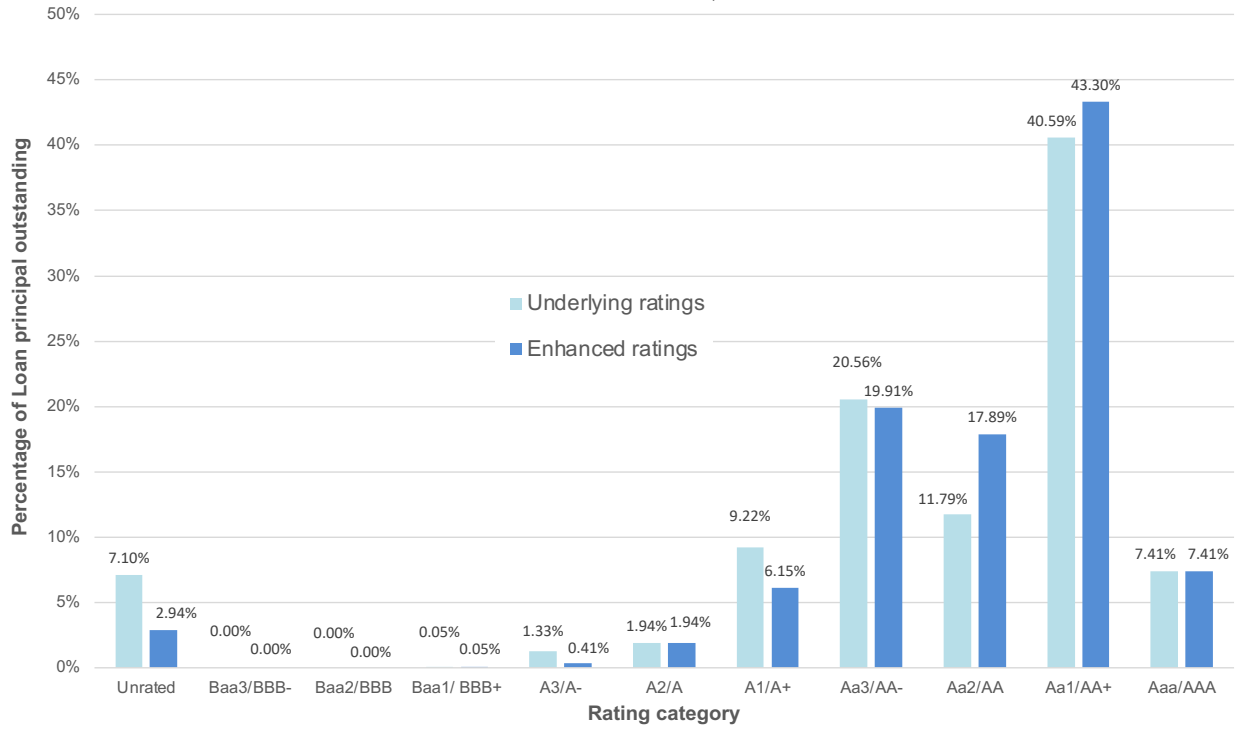


Source: Calhoun Baker Inc.

As of December 31, 2023, approximately 7.10% of the principal of the Loans outstanding was originated to Participants that had no published underlying ratings, and 0.05% of the principal of the Loans outstanding was originated to Participants with published underlying ratings below “A3” or “A-”. Approximately, 80.35% of the Loan principal was originated to Participants with published underlying ratings of “Aa3”, “AA-”, or higher. The weighted average underlying rating is “Aa2/AA”.

DelVal is the beneficiary of Participant Credit Enhancements issued by Assured Guaranty Municipal Corp. (“AGM”) and Build America Mutual Company (“BAM”) that secured 13.09% of the Loan principal outstanding as of December 31, 2023. AGM is rated “A1” with a stable outlook by Moody’s, “AA” with a stable outlook by S&P, and “AA+” with a stable outlook by Kroll Bond Rating Agency (“Kroll”). BAM is rated “AA” with a stable outlook by S&P. Taking into consideration the financial guaranty policies, 2.99% of the Loan principal outstanding was uninsured and unrated or rated below “A3/A-”, and 88.52% of the Loan principal was rated “Aa3/AA-” or higher.

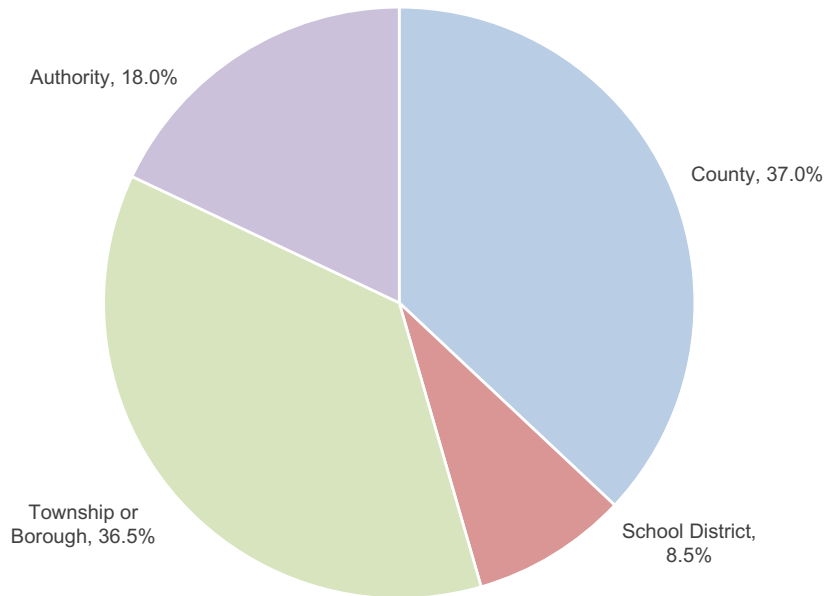
Underlying and Enhanced Ratings of Loan Principal Outstanding as of December 31, 2023



Source: Calhoun Baker Inc.

The DelVal Loans outstanding are diversified by type of legal entity. A chart with the percentage of Loan principal outstanding by type of Participant is shown below.

Percentage of Loan Principal Outstanding by Type of Participant as of December 31, 2023



Source: Calhoun Baker Inc.

Loans to school districts benefit from the provisions of the *Public School Code* and the *Debt Act* that authorize an “intercept” of state funding. If any school district fails to make its required debt service payments on the Loans on the date such payments are due under a Loan Agreement, the Secretary of Education of the Commonwealth is required to withhold, from any subsidy payment of any type due to the school district by the Commonwealth, an amount equal to the debt service payments owed. The withholding provisions are not part of any contract with DelVal, and future legislation may amend or repeal the provisions of the *Public School Code* or the *Debt Act*. Enforcement may also be limited by bankruptcy, insolvency, or other laws of equitable principles affecting the enforcement of creditors’ rights generally.

DelVal operates the Loan Program of the outstanding DelVal Series as one program. Funding for Loans is often split among two or more DelVal Series. Periodically, DelVal assigns Loans from one DelVal Series to another to facilitate the origination of new Loans and to provide for the payment of principal on the DelVal Series. Loans are amortized over a period that approximates the useful life of the projects funded from the Loans. The amortization period cannot exceed the maturity of the related DelVal Series used to fund the Loan. A schedule of the projected annual amortization of the Loans outstanding is set forth below.

Loan Amortization Schedule as of December 31, 2023

<u>Year</u>	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
2024	\$ 4,115,000	\$ 37,664,000	\$ 5,013,000	\$ 49,446,700	\$ 96,238,700
2025	4,058,000	37,610,000	5,033,000	49,195,900	95,896,900
2026	880,000	24,923,000	11,271,000	49,149,100	86,223,100
2027	663,000	24,670,000	10,320,000	47,849,300	83,502,300
2028	-	21,338,000	10,424,000	43,940,600	75,702,600
2029	-	-	17,725,000	38,282,700	56,007,700
2030	-	-	17,786,000	39,040,000	56,826,000
2031	-	-	11,609,000	38,444,000	50,053,000
2032	-	-	8,445,000	38,563,000	47,008,000
2033	-	-	-	40,942,000	40,942,000
2034	-	-	-	37,208,000	37,208,000
2035	-	-	-	36,932,000	36,932,000
2036	-	-	-	32,881,000	32,881,000
2037	-	-	-	32,043,000	32,043,000
2038	-	-	-	30,658,000	30,658,000
2039	-	-	-	25,701,000	25,701,000
2040	-	-	-	21,577,000	21,577,000
2041	-	-	-	17,478,000	17,478,000
2042	-	-	-	13,602,000	13,602,000
2043	-	-	-	10,244,000	10,244,000
2044	-	-	-	6,895,000	6,895,000
2045	-	-	-	6,132,000	6,132,000
2046	-	-	-	4,604,000	4,604,000
2047	-	-	-	4,749,000	4,749,000
2048	-	-	-	1,622,000	1,622,000
2049	-	-	-	1,537,000	1,537,000
2050	-	-	-	1,460,000	1,460,000
2051	-	-	-	1,020,000	1,020,000
2052	-	-	-	395,000	395,000
Total	<u>\$ 9,716,000</u>	<u>\$146,205,000</u>	<u>\$ 97,626,000</u>	<u>\$721,591,300</u>	<u>\$ 975,138,300</u>

Weighted Average Maturity (years): 1.16 2.12 4.98 8.79 7.33

Source: Calhoun Baker Inc.

Below is a schedule of the ten Participants with the highest concentration levels of Loans. Delaware County accounts for 30.789% of the Loan principal outstanding, and the ten highest account for 63.206% of the Loan principal outstanding. A complete listing of the Loans outstanding is attached as “EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2023”.

**Ten Participants with the Highest Concentration of Loans
as of December 31, 2023**

<u>No.</u>	<u>Borrower</u>	<u>County</u>	<u>Participant or Guarantor Ratings</u>		<u>Total Outstanding 31-Dec-23</u>	<u>Insured (1) Loan Principal</u>	<u>Concentration</u>	
			<u>Moody's</u>	<u>S&P</u>			<u>Borrower</u>	<u>Cumulative</u>
1	Delaware County	Delaware	Aa1	AA+	\$ 300,233,000	\$ -	30.789%	30.789%
2	Bristol Township	Bucks	Aa3	---	59,501,000	-	6.102%	36.891%
3	Bucks County	Bucks	Aa1	AAA	54,504,100	-	5.589%	42.480%
4	Bucks County Water and Sewer Authority	Bucks	---	A+	51,017,000	51,017,000	5.232%	47.712%
5	Lower Perkiomen Valley Regional Sewer Authority	Montgomery	---	AA-	41,065,000	-	4.211%	51.923%
6	Upper Dublin Township	Montgomery	Aa1	---	26,617,000	-	2.730%	54.652%
7	Marple Township	Delaware	---	AA	23,652,000	-	2.426%	57.078%
8	Aston Township	Delaware	---	AA-	22,220,000	-	2.279%	59.357%
9	Montgomery Township	Montgomery	---	AAA	21,453,000	-	2.200%	61.557%
10	Bensalem Township	Bucks	Aa1	---	16,086,000	-	1.650%	63.206%

(1) Certain loans are insured by Assured Guaranty Municipal Corp. ("AGM") and Build America Mutual Assurance Company ("BAM") with the Delaware Valley Regional Finance Authority as the beneficiary. AGM is rated "A1" by Moody's, "AA" by S&P, and "AA+" by Kroll. BAM is rated "AA" by S&P.

Source: Calhoun Baker Inc.

CITY OF CHESTER, CHAPTER 9 BANKRUPTCY FILING AND SETTLEMENT

The City of Chester (the “City”), Delaware County, Pennsylvania, filed a petition for an order of relief under Chapter 9 of the *Bankruptcy Code* on November 10, 2022. DelVal had one Loan outstanding to the City, the General Obligation Notes, 2010 B Series (the “City Loan”) in the outstanding principal amount of \$932,000, scheduled to mature on June 25, 2025. The City Loan was secured by: (i) a senior pledge under the Pennsylvania *Gaming Act* of host fees received from casino table games at the Harrah’s Philadelphia Casino (the “Harrah’s Table Games Revenues”), (ii) a senior pledge of the host fees from the Covanta solid waste disposal plant located in the City, (iii) a subordinate pledge of other host fees from Harrah’s, and (iv) the pledge of the City’s full faith, credit, and taxing power. The City Loan was originated from DelVal’s 2002 Series, and the 2002 Series is overcollateralized by more than \$28 million.

The City defaulted on its monthly interest payments of \$2,023 from November 25, 2022, to February 25, 2023. This was the first and only payment default in the history of the DelVal Loan Program. DelVal received a payment from the City of \$91,194 on March 3, 2023, under a stipulation of the Bankruptcy Court, for the delinquent interest payments, interest payments to accrue in 2023, and a portion of the principal payment due on June 25, 2023.

The City and DelVal negotiated a settlement agreement that was submitted to the Bankruptcy Court on April 17, 2023, and the Bankruptcy Judge approved a Stipulation and Consent Order (the “Stipulation”) on May 17, 2023. Under the terms of the Stipulation, the Harrah’s Table Game Revenues would be deposited and held in escrow until funds sufficient to pay the annual debt service on the City Loan are accumulated, and DelVal would disclaim and waive any liens on or interests in any other revenues of the City. The City prepaid the outstanding principal amount of \$865,184.46 on December 21, 2023. The City has no remaining obligations under its Loan Agreement.

COVENANT AGREEMENT

The Covenant Agreement was adopted on April 9, 2001, and amended and restated on August 3, 2009, to improve the security of the bondholders of the DelVal Series. Under the terms of the Covenant Agreement, DelVal pledges to use, in accordance with the provisions of each Trust Indenture, any available unrestricted funds (the “Excess Funds”) to cure any deficiency in any trust estate. The Excess Funds may only be used to benefit the Loan Program to:

- 1) Replenish any deficiency of a debt service reserve fund or
- 2) Pay any debt service payments, interest rate swap payments, administrative expenses, and interest rate swap termination payments.

Below is a schedule of the annual trend of Excess Funds. The Statement of Excess Funds differs from the Balance Sheet in that the amortization of non-cash items (such as original issue premium and bond insurance premiums) are not included. Investments and restricted investments are shown at their fair market values, and bonds and Loans are shown at their par amounts. The Recycling Funds, the funds held by DelVal to originate new Loans, were over-collateralized by approximately \$46.7 million as of December 31, 2023. The fair market values of DelVal’s interest rate swap transactions, as of December 31 of each year, are also shown on the schedule, but they are not included in the calculation of Excess Funds.

Comparative Statement of Excess Funds Available to Transfer to Any Trust Estate in the Event of a Deficiency for the Years Ended December 31

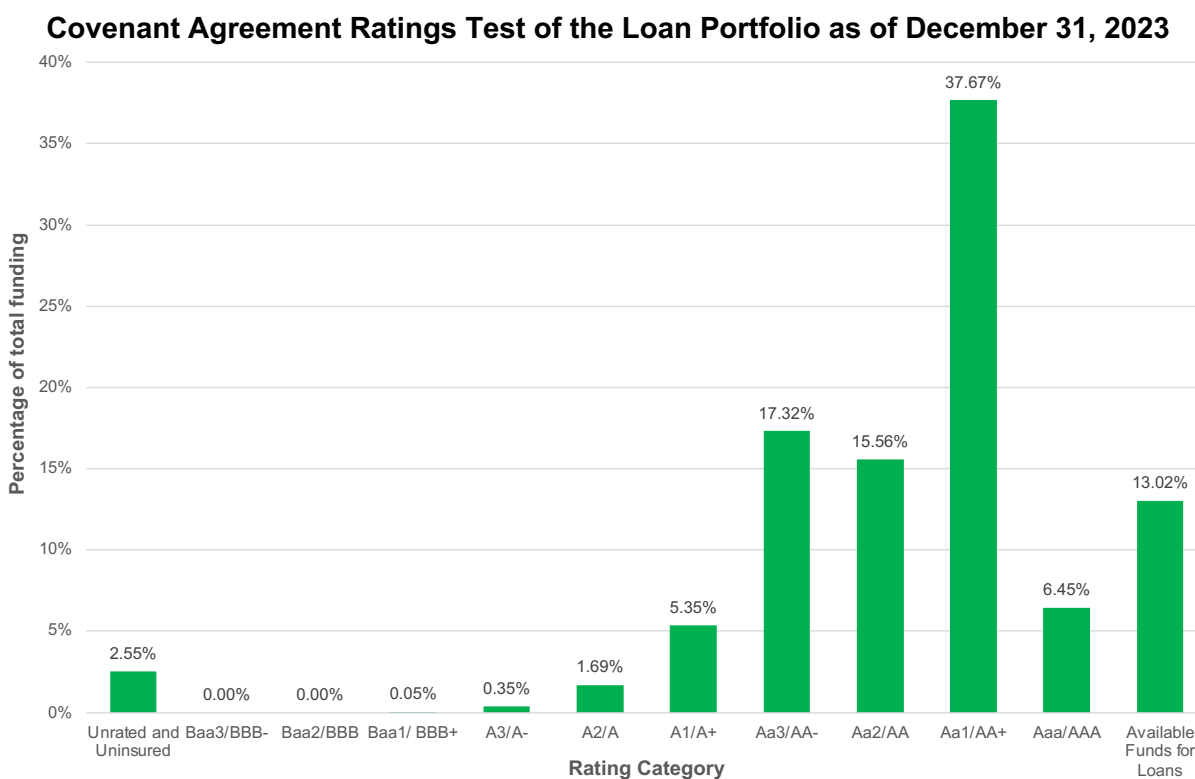
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<i>Assets</i>					
Cash and cash equivalents	\$ 57,200,213	\$ 55,208,582	\$ 52,947,186	\$ 121,111,001	\$ 158,507,845
Restricted cash and cash equivalents	40,300,000	40,513,000	55,706,000	57,622,000	53,323,000
Investments	1,532,239	-	1,247,212	-	-
Restricted investments	32,741,194	34,137,078	20,696,575	20,893,580	21,566,300
Loan interest receivable	390,255	339,657	340,788	1,087,379	374,125
Interest rate swaps receivable	5,262,924	5,167,042	5,154,005	5,008,388	5,901,607
Investment earnings receivable	169,819	68,321	40,896	255,686	358,249
Prepaid expenses	98,881	77,964	92,733	180,952	141,828
Loans to local governments	<u>884,685,593</u>	<u>973,003,500</u>	<u>1,016,168,000</u>	<u>1,048,570,800</u>	<u>975,138,300</u>
Total assets	<u>1,022,381,118</u>	<u>1,108,515,144</u>	<u>1,152,393,395</u>	<u>1,254,729,786</u>	<u>1,215,311,254</u>
<i>Liabilities and Deductions</i>					
Accrued expenses	21,898	43,473	11,472	37,555	25,856
Estimated rebate liability	150,000	150,000	200,000	400,000	400,000
Interest rate swaps payable	248,564	183,778	43,844	408,764	1,049,334
Bond interest payable	11,285,530	11,077,822	11,295,759	13,287,699	14,037,942
Bonds payable	<u>973,000,000</u>	<u>1,053,000,000</u>	<u>1,098,000,000</u>	<u>1,200,000,000</u>	<u>1,149,380,000</u>
Total liabilities	<u>984,705,992</u>	<u>1,064,455,073</u>	<u>1,109,551,075</u>	<u>1,214,134,018</u>	<u>1,164,893,132</u>
<i>Excess Funds</i>	<u>\$ 37,675,126</u>	<u>\$ 44,060,071</u>	<u>\$ 42,842,320</u>	<u>\$ 40,595,768</u>	<u>\$ 50,418,122</u>
<i>Fair Market Value of Interest Rate Swap Transactions (1)</i>					
	<u>\$ 123,403,081</u>	<u>\$ 110,484,725</u>	<u>\$ 99,334,725</u>	<u>\$ 130,802,459</u>	<u>\$ 95,496,833</u>

(1) Fair market value includes the unamortized prepaid interest rate swap expense of the 1998 Series.

Source: Calhoun Baker Inc.

The Covenant Agreement requires the Participant (or its Guarantor) of a new Loan, not secured by a Participant Credit Enhancement, to have a published rating of “A3” or “A-” or higher (the “Rating Threshold”) unless the proportion of (i) the principal amounts of uninsured Loans outstanding plus the principal amounts of Loans to Participants (or their Guarantors) that are rated below the Rating Threshold to (ii) the total DelVal funds available to originate Loans (the “Loan Funds”) will not exceed 10% (the “Ratings Test”). The Ratings Test gives equal weight to the ratings of the rating agencies. If the Participant or Guarantor has only one published rating, the analysis gives full weight to the published rating. If a Loan is secured by a Participant Credit Enhancement, the analysis gives full weight to the higher of the rating of (i) the insurer or (ii) the Participant or Guarantor.

Below is a chart that shows the Ratings Test. The chart shows the percentage of the Loan principal outstanding in each rating category. “Available Funds” are amounts deposited in the Recycling Fund that are available to originate new Loans. Approximately, 2.60% of the Available Funds were committed to Participants who were uninsured and unrated or rated below the Rating Threshold.



Source: Calhoun Baker Inc.

Generally, DelVal requires a published rating at or above the Rating Threshold or a financial guaranty policy for any new Loan of \$1 million or more, even if the Ratings Test is satisfied. DelVal does not normally require ratings or insurance for Loans less than \$1 million if the Ratings Test is satisfied and the credit is approved by the Administrator.

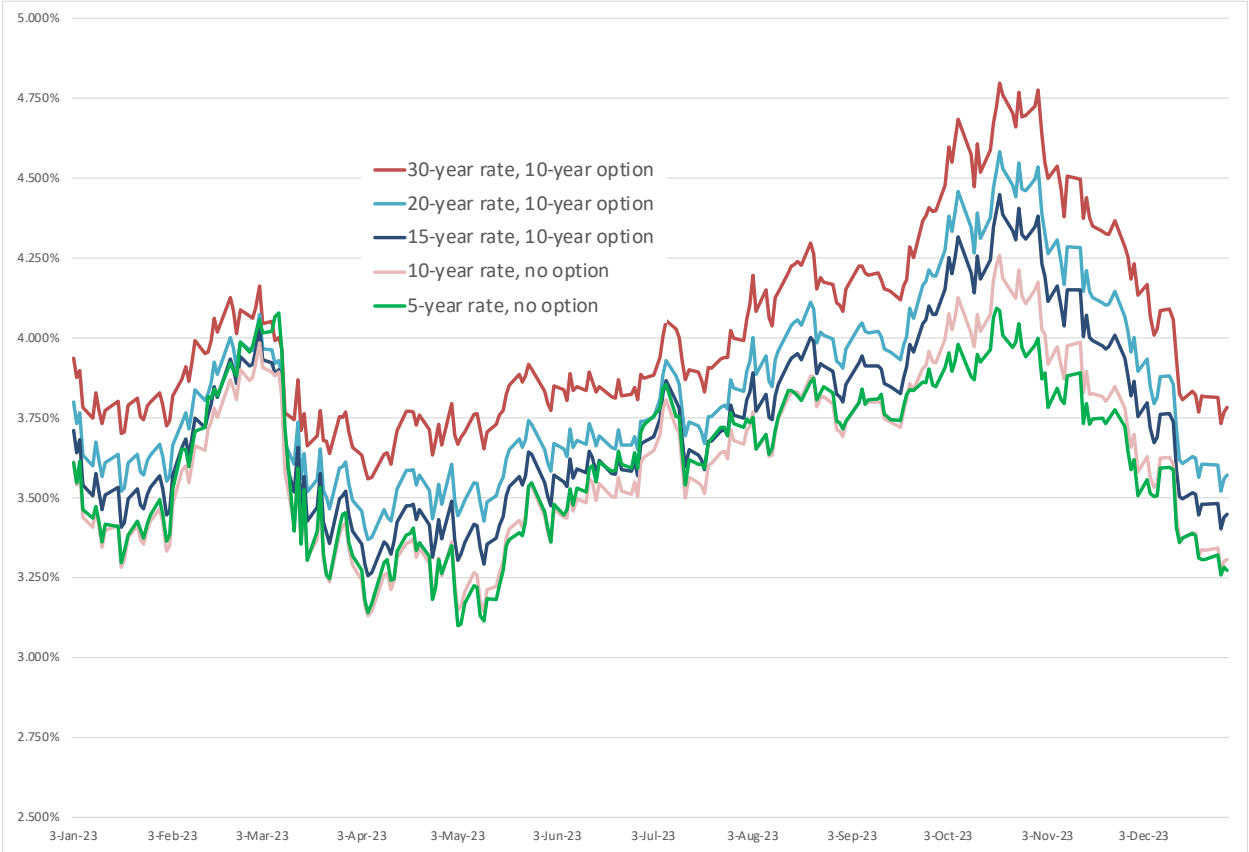
All future bonds issued by DelVal will be issued under the Master Indenture and will be equally and ratably secured by all the assets under the trust estate of the Master Indenture. As long as the 1997, 1998, or 2002 Series are outstanding, the Covenant Agreement will apply to all of the bonds issued under the Master Indenture. The Ratings Test provisions are incorporated in the Master Indenture.

ECONOMICS OF THE LOAN PROGRAM

The DelVal Loan Program has been successful due to the low cost of funds and the flexibility of the Loan Program. DelVal utilizes interest rate swap transactions (each a “Loan Swap”) to hedge its risk of providing a fixed rate Loan. This ability to hedge allows DelVal to provide any structure a Participant requests. All or a portion of a Loan can be variable rate or fixed rate; a fixed rate can be set for a period shorter than the maturity date of the Loan; and Loans can be divided into tranches with fixed rates for different terms. Even the smallest Participants can reduce their interest costs, avoid unnecessary refunding costs, and manage their exposure to future changes of interest rates.

A chart of the trend of certain DelVal fixed rates, for level-debt amortization, over the past year is shown below. Rates vacillated with changing sentiments on the resolve of the Federal Reserve Bank to keep rates elevated, expectations of a recession, and concerns of unrealized losses on investments held by banks. Interest rates decreased in the last quarter of the year as inflation indicators declined and expectations of rate cuts by the Federal Reserve Bank became conventional wisdom.

Trend of DelVal Loan Rates, Level Debt Amortization, as of December 31, 2023

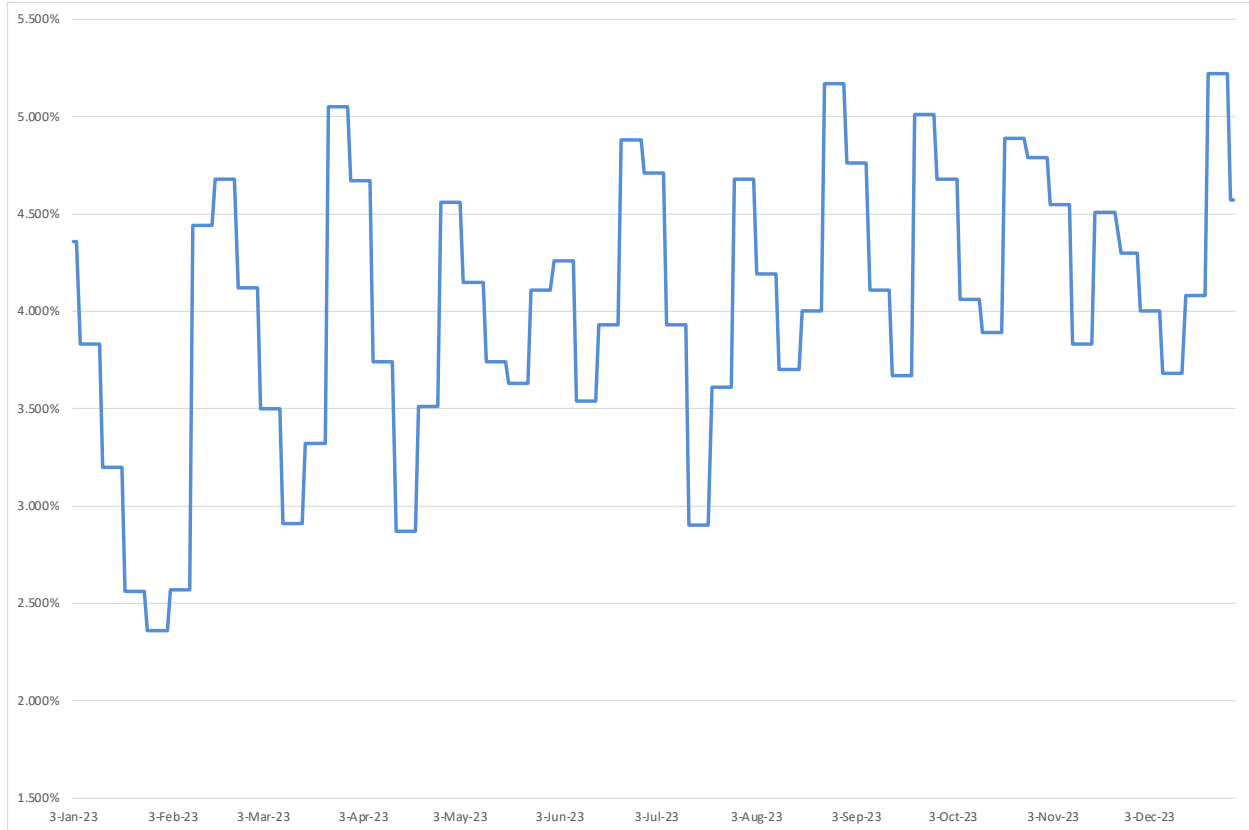


	<u>Average Rate for Quarter Ending:</u>				<u>Annual</u>	<u>Rate on</u>
	<u>31-Mar-23</u>	<u>30-Jun-23</u>	<u>30-Sep-23</u>	<u>31-Dec-23</u>	<u>Average</u>	<u>31-Dec-23</u>
30-year rate, 10-year option	3.855%	3.768%	4.115%	4.326%	4.015%	3.783%
20-year rate, 10-year option	3.714%	3.582%	3.940%	4.107%	3.835%	3.571%
15-year rate, 10-year option	3.632%	3.476%	3.842%	3.975%	3.731%	3.448%
10-year rate, no option	3.546%	3.364%	3.740%	3.809%	3.614%	3.306%
5-year rate, no option	3.593%	3.379%	3.761%	3.722%	3.614%	3.273%

Source: Calhoun Baker Inc.

The DeVal variable rate is linked to the SIFMA Index. The variable rate was extremely volatile and abnormally high in 2023. Normal seasonal spikes for outflows from money market funds and fiscal year-end window dressing of balance sheets were accompanied by spikes for headlines on inflation and employment data. As of December 31, 2023, 0.95% of the Loan principal outstanding was variable rate. Most of these Loans were essentially grant anticipation notes that will be prepaid when the grant funds are received. A chart of the variable rate for the past year is shown below.

Trend of the DeVal Variable Loan Rate in 2023



	<u>Average Rate for Quarter Ending:</u>				<u>Annual</u>	<u>Rate on</u>
	<u>31-Mar-23</u>	<u>30-Jun-23</u>	<u>30-Sep-23</u>	<u>31-Dec-23</u>	<u>Average</u>	<u>31-Dec-23</u>
Variable loan rate	3.595%	3.972%	4.169%	4.340%	4.018%	4.570%

Source: Calhoun Baker Inc.

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The Administrator tracks the tax-exempt bond issues sold in eastern Pennsylvania, excluding Philadelphia (the “Market Area”), and calculates the All-In True Interest Cost (the “All-In TIC”) of each issue. The calculations of All-In TIC incorporate all costs of issuance and interest payments. The Administrator then compares the yields of the maturities of each issue to a comparable issue sold at the yields of the Bloomberg AAA General Obligation Bonds Callable Indices (the “AAA Indices”) at par and to a comparable DeVal Loan on the date of each sale. The comparable DeVal Loan includes estimated bond insurance premiums, if insurance would be required by the Administrator, rating fees, and the same option provisions as the bond issue. A summary of the comparison for the past five years is shown below.

Bond Issues in DeVal’s Market Area*

<u>Bond issues in the Market Area*</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total par amount	\$ 3,653,830,000	\$ 3,262,220,000	\$ 2,972,060,000	\$ 1,884,440,000	\$ 1,676,170,000
Number of issues	261	211	194	95	94
Average par amount	\$ 13,999,349	\$ 15,460,758	\$ 15,319,897	\$ 19,836,211	\$ 17,831,596
Weighted average rating	AA	AA	AA	AA	AA
Weighted average maturity (years)	10.93	10.58	12.39	14.74	14.58
Costs of issuance (% of par amount)**					
Bond issues	1.503%	1.484%	1.538%	1.442%	1.564%
Comparable DeVal Loans***	<u>0.663%</u>	<u>0.662%</u>	<u>0.657%</u>	<u>0.652%</u>	<u>0.638%</u>
Over comparable DeVal Loan	0.840%	0.822%	0.881%	0.790%	0.925%
Average debt service costs**					
Bond issues	\$ 19,720,912	\$ 20,601,150	\$ 21,418,197	\$ 31,892,269	\$ 30,001,717
Comparable DeVal Loans***	<u>18,743,721</u>	<u>19,117,668</u>	<u>20,609,115</u>	<u>30,274,900</u>	<u>29,078,174</u>
Over comparable DeVal Loan	<u>\$ 977,191</u>	<u>\$ 1,483,482</u>	<u>\$ 809,082</u>	<u>\$ 1,617,369</u>	<u>\$ 923,544</u>
All-In True Interest Cost**					
Bond issues	2.927%	2.404%	2.372%	3.750%	4.429%
Comparable DeVal Loans***	<u>2.346%</u>	<u>1.566%</u>	<u>2.004%</u>	<u>3.263%</u>	<u>4.153%</u>
Over comparable DeVal Loan	0.581%	0.837%	0.368%	0.487%	0.275%

* Some official statements may have been missed inadvertently.

**Weighted averages.

***DeVal Loan rates are based on actual end of day rates and include a comparable option and rating agency or insurance fees.

Past results are not a predictor of future spreads and costs.

Source: Calhoun Baker Inc.

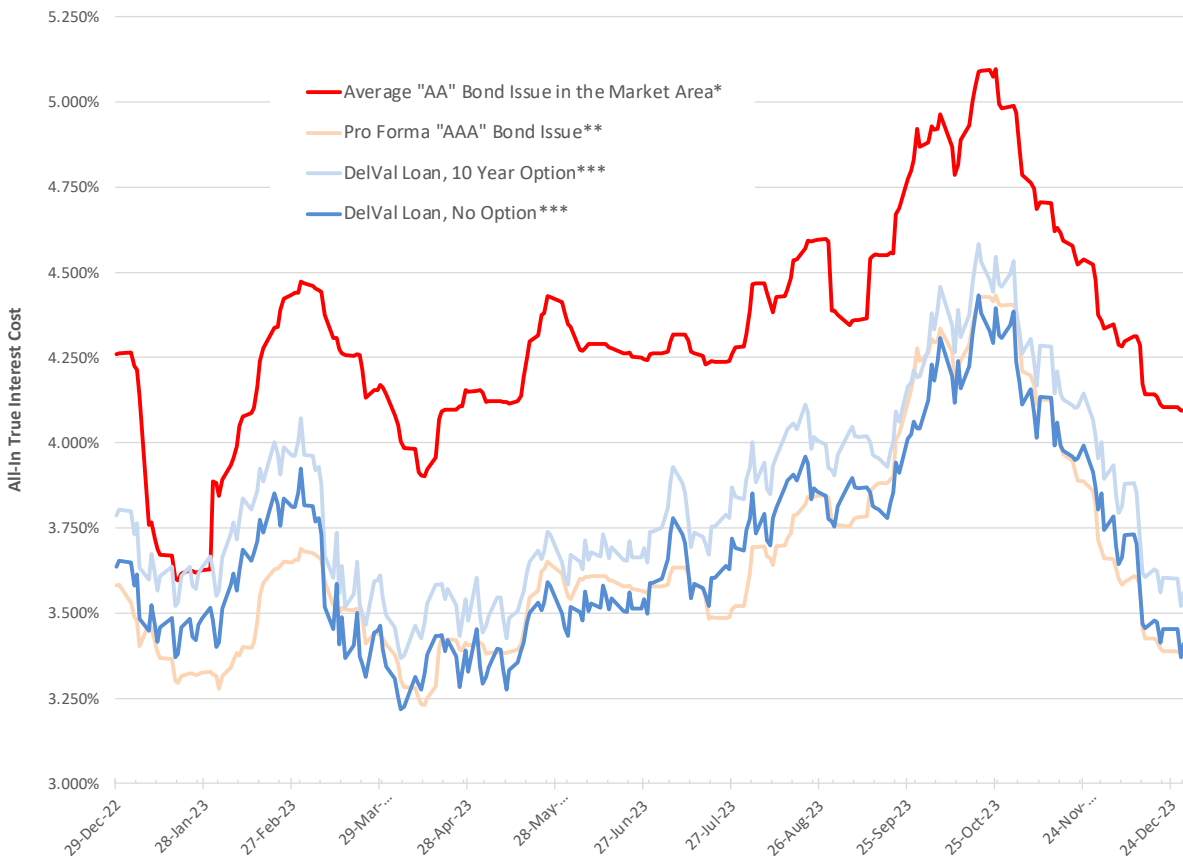
Total issuance of bonds by Local Government Units and Authorities declined by 54% par amount and 64% by number of issues from 2019. Issuance declined by nearly \$1.1 billion in 2022 and an additional \$210 million in 2023. Inflation of construction and acquisition costs, higher interest rates, reduced refunding opportunities, and availability of federal and state grants depressed issuance in 2022 and 2023.

The DeVal advantage throughout this period is due to both the lower costs of issuance and lower interest rates. In 2023, the weighted average of DeVal’s All-In TIC was 0.275% below the weighted average of all bonds issued in the Market Area. DeVal’s costs of issuance averaged nearly 60% less than the average costs of issuance of bonds in the Market Area.

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A pro forma comparison of the All-In TIC of a 20-year level debt structure of the average “AA” rated bond issue sold in the Market Area (the “Average “AA” Bond”), a “AAA” Bond Issue, and a DelVal Loan is shown in the chart below. The Average “AA” Bond is based on actual sales of bonds in the Market Area with published ratings in the “AA” category and assumes costs of issuance equal to the rolling 30-day average of actual costs of issuance and coupons at par equal to the rolling 30-day average of actual spreads over the AAA Indices at par. The “AAA” Bond Issue assumes costs of issuance equal to the Average “AA” Bond and 5% coupons with a 10-year option and yields equal to the AAA Indices. The DelVal Loan is based on actual end-of-day rates and costs of issuance. The DelVal Loan is shown with and without a 10-year option. Generally, during periods in which the Loan rates are low or expectations of lower rates in the future are high, the option is not likely to be economic. The option breakeven rate, the interest rate after exercising the option that reduces the net present value of the debt service payments below that of the Loan without an option, is so low and the window to economically execute the option is so short that it is unlikely to be realized.

**Pro Forma All-In True Interest Costs of the
Average “AA” Bond Issue, “AAA” Bond Issue, and DelVal Loan
20-Year Level Debt Amortization for the Year Ended December 31, 2023**

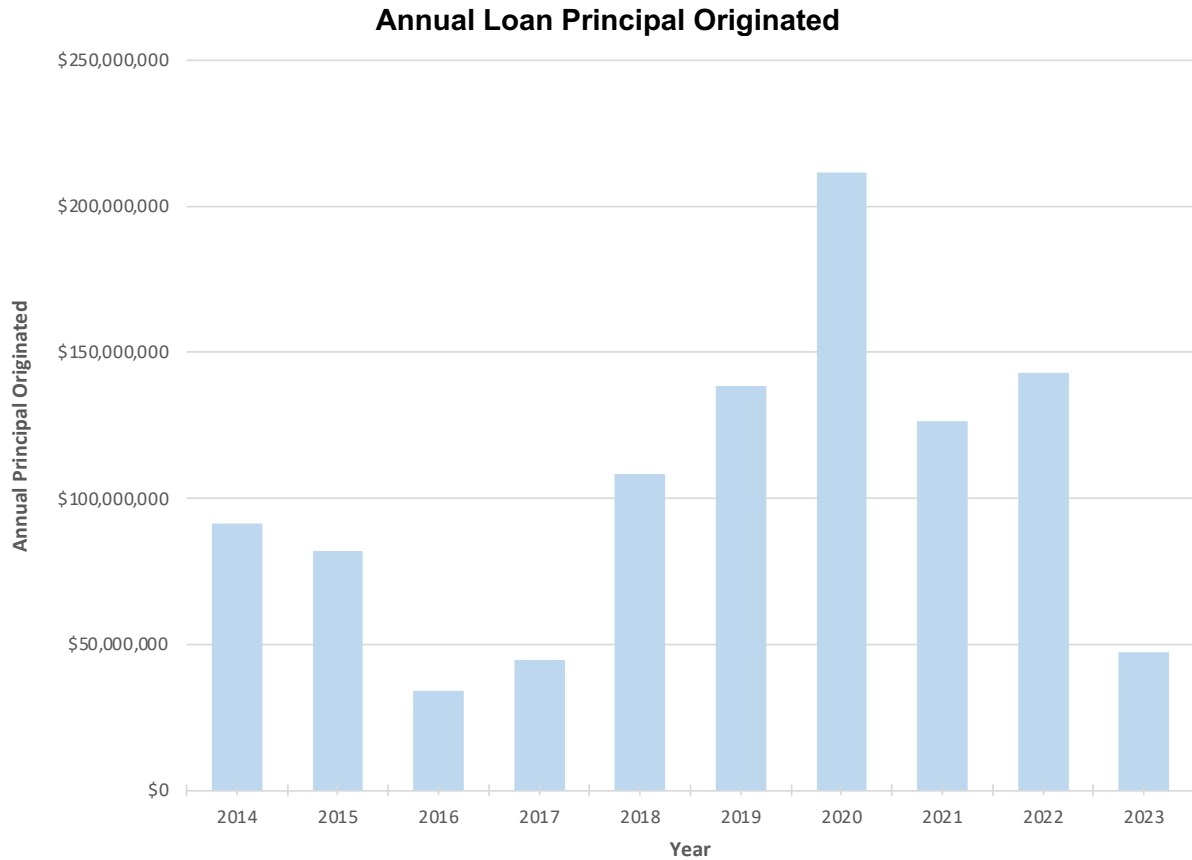


*Based on actual weighted average spreads to "AAA" indices and actual issuance costs.
 ** Based on Bloomberg "AAA" general obligation bond indices, 5% coupon, 10-year option, and actual costs of issuance.
 ***Based on actual rates and issuance costs. The option is not likely to be economic when the Loan rate is under 2.50%.
Past results are not a predictor of future spreads and costs.

Source: Calhoun Baker Inc.

DEMAND FOR LOANS

Below is a chart of the principal amounts of Loans originated each year from 2014 to 2023. Loan origination was restricted in 2016 and 2017 due to large maturities of the 1997 Series and 2002 Series in 2017 and the 1998 Series in 2018. Origination increased after the issuance of new DeVal Series beginning in 2018. Fiscal year 2020 was the most active period for origination in the past decade due to the historically low interest rates following the COVID-19 outbreak. Origination decreased in 2023 due to: (i) inflation that increased construction and acquisition costs, (ii) higher interest rates, and (iii) the availability of grants from the \$2.2 trillion *Coronavirus Aid, Relief and Economic Security Act* (“CARES”) and the \$1.9 trillion *American Rescue Plan Act* (“ARPA”).



Source: Calhoun Baker Inc.

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During the year beginning January 1, 2023, and ending December 31, 2023, DelVal originated seven Loans with an aggregate principal amount of approximately \$47 million. The relative advantages of DelVal Loans compared to bank loans and bond issues continued throughout this period.

Loans Originated from January 1, 2023, to December 31, 2023

<u>No.</u>	<u>Loans Closed</u>	<u>County</u>	<u>Insurer</u>	<u>Underlying Rating</u>			<u>Amount</u>	<u>Closing</u>
				<u>Kroll</u>	<u>Moody's</u>	<u>S&P</u>		
1	Delaware County	Delaware	--	--	Aa1	AA+	\$ 35,000,000	24-Feb-23
2	Eddystone Borough	Delaware	BAM	--	--	--	3,300,000	12-May-23
3	Lansdowne Borough	Delaware	--	A+	--	--	939,000	26-Jun-23
4	Brookhaven Borough	Delaware	--	--	--	--	250,000	6-Jul-23
5	Forbes Road School District	Fulton	--	--	--	--	400,000	25-Oct-23
6	Marple Township	Delaware	--	--	--	AA	6,115,000	13-Nov-23
7	Swarthmore Borough	Delaware	--	--	--	--	1,410,000	30-Nov-23
Total							<u>\$ 47,414,000</u>	

Source: Calhoun Baker Inc

DelVal expects the demand for new Loans in 2024 to rebound from the low levels of 2023 as Local Government Units and Authorities accept the higher interest rates and higher costs of capital projects and the spigot of grants from CARES and ARPA closes; however, DelVal expects demand to remain lower than the historical average for origination. A listing of the applications received and Loans in process is shown below.

Applications Received and Loans in Process as of December 31, 2023

<u>No.</u>	<u>Loans in Process</u>	<u>County</u>	<u>Underlying Rating</u>		<u>Amount</u>	<u>Closing</u>
			<u>Moody's</u>	<u>S&P</u>		
1	Kennett Square Borough	Chester	A2	AA-	\$ 4,229,000	9-Jan-24
2	Hatfield Township	Montgomery	**	AA	21,000,000	30-Jan-24
Total					<u>\$ 25,229,000</u>	

Source: Calhoun Baker Inc.

A schedule of the total funding of the Loan Program and the available funding for Loans is shown in the schedule below.

Funds Available to Originate Loans as of December 31, 2023

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
DelVal Series at par	\$16,815,000	\$219,535,000	\$125,000,000	\$788,030,000	\$ 1,149,380,000
Overcollateralization	-	-	28,159,000	18,569,250	46,728,250
Debt Service Reserve Funds	<u>(1,681,500)</u>	<u>(21,953,500)</u>	<u>(12,500,000)</u>	<u>(38,888,000)</u>	<u>(75,023,000)</u>
Total funding for Loans	15,133,500	197,581,500	140,659,000	767,711,250	1,121,085,250
Loans outstanding	<u>(9,716,000)</u>	<u>(146,205,000)</u>	<u>(97,626,000)</u>	<u>(721,591,300)</u>	<u>(975,138,300)</u>
Funds available for Loans	<u>\$ 5,417,500</u>	<u>\$ 51,376,500</u>	<u>\$ 43,033,000</u>	<u>\$ 46,119,950</u>	<u>\$ 145,946,950</u>

Source: Calhoun Baker Inc.

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FINANCING ACTIVITIES

DelVal accesses the capital markets periodically to fund the Loan Program. DelVal issues the type of debt that will minimize its cost of funds at that time. DelVal's objective with each issuance is to create a pool of funds with a net cost to DelVal that is comparable to the cost of a 7-day variable rate demand bond ("VRDB") at that time. If DelVal cannot achieve that cost, it will not issue. DelVal has outstanding issues of: (i) fixed rate bonds, (ii) floating rate bonds indexed to the Secured Overnight Financing Rate ("SOFR") published by the New York Federal Reserve Bank, 1-Month Term SOFR published by the CME Group Benchmark Administration ("CME"), 3-Month Term SOFR published by CME, and the SIFMA Index, and (iii) 7-day remarketed VRDBs.

Below is a summary of the DelVal Series that are currently outstanding.

DelVal Series Outstanding as of December 31, 2023

<i>Series</i>	<i>Par Amount</i>	<i>Debt Service Reserve Fund (1)</i>	<i>Option Date (2)</i>	<i>Purchase or Remarketing Date</i>	<i>Termination of Letter of Credit</i>	<i>Maturity Date</i>	<i>Basis Rate</i>
1997 B Series	\$ 6,815,000		No option	---	---	1-Jul-27	Fixed rate
1997 C Series	<u>10,000,000</u>		No option	---	---	1-Jul-27	Fixed rate
Total 1997 Series	<u>16,815,000</u>	\$ 1,681,500					
1998 A Series	<u>219,535,000</u>	21,953,500	No option	---	---	1-Aug-28	Fixed rate
2002 Series	<u>125,000,000</u>	12,500,000	No option	---	---	1-Jul-32	Fixed rate
Master Series							
2007 A Series	10,000,000		No option	---	---	1-Jun-37	Fixed rate
2007 B Series	50,000,000		Any date	Weekly	19-May-26	1-Jun-42	7-day
2007 C Series	50,000,000		1-Jun-17	---	---	1-Jun-37	3M Term SOFR
2018 A Series	10,000,000		No option	---	---	1-Sep-33	Fixed rate
2018 D Series	30,000,000		1-Sep-23	1-Sep-24	---	1-Sep-48	1M Term SOFR
2018 E Series	75,000,000		1-Sep-24	1-Sep-25	---	1-Sep-48	1M Term SOFR
2020 B Series	50,000,000		No option	---	---	1-Nov-24	Fixed rate
2020 D Series	75,000,000		Any date	Weekly	1-Jun-26	1-Nov-55	7-day
2021 Series	45,000,000		No option	---	---	1-Oct-29	Fixed rate
2022 A Series	5,000,000		No option	---	---	1-Mar-30	Fixed rate
2022 B Series	75,000,000		1-Mar-25	1-Mar-26	---	1-Mar-57	SIFMA Index
2022 C Series	75,000,000		1-Mar-26	1-Mar-27	---	1-Mar-57	SOFR Index
2022 D Series	22,000,000		No option	---	---	1-Mar-29	Fixed rate
2022 E Series	75,000,000		Any date	Weekly	14-Jul-27	1-Mar-57	7-day
2023 Series	50,000,000		1-Sep-32	---	---	1-Mar-33	Fixed rate
2023 Series	41,030,000		1-Sep-33	---	---	1-Mar-34	Fixed rate
2023 Series	<u>50,000,000</u>		1-Sep-34	---	---	1-Mar-35	Fixed rate
Total Master Series	<u>788,030,000</u>	<u>38,888,000</u> (3)					
Total	<u>\$ 1,149,380,000</u>	<u>\$ 75,023,000</u>					

- (1) The Debt Service Reserve Funds are the maximum permissible amounts, the least of (i) 10% of the par amount, (ii) the maximum annual debt service payment, and (iii) 125% of average annual debt service.
- (2) Options can be exercised at a price of 100% of the principal amount, plus accrued interest. Exercise of the option to redeem or remarket requires 15 to 30 days of notice to Bondholders.
- (3) Held under the Master Indenture to secure all Series issued under the Master Indenture.

Source: Calhoun Baker Inc.

DelVal issued the \$141 million 2023 Series on February 22, 2023. The proceeds of the 2023 Series were used to fund: (i) the acquisition of Loans from other DelVal Series, (ii) a deposit to the Debt Service Reserve Fund, and (iii) the costs of issuance. Proceeds from the acquisition of Loans by the 2023 Series and other DelVal Series, together with other available funds, were used to optionally redeem the \$50 million

Local Government Revenue Bonds, 2018 Series C (the “2018 C Series”) and \$100 million Local Government Revenue Bonds, 2020 Series A (the “2020 A Series”) on February 22, 2023.

The DelVal Board annually adopts a Post Issuance Compliance Policy, and under the policy, the Administrator monitors and reports any compliance issues with Treasury regulations or rules of the Municipal Securities Rulemaking Board. A rebate payment of \$29,018 related to the 2020 A Series was submitted to the Treasury on April 5, 2023.

All DelVal Series are subject to Extraordinary Mandatory Redemption under certain circumstances. The principal reasons for an Extraordinary Mandatory Redemption would be the inability of DelVal to lend proceeds or the necessity to comply with Treasury regulations.

The Financial Conduct Authority (the “FCA”) of the United Kingdom ceased to authorize the publication of US Dollar LIBOR indices for 1, 3, 6, and 12 months after June 30, 2023. The Supplemental Indentures of the 2007 Series and 2018 Series provided that the LIBOR rates related to the 2007 C Series, 2018 D Series, and 2018 E Series be replaced by the Term SOFR legacy rates recognized by the Alternative Reference Rates Committee convened by the Federal Reserve Bank after June 30, 2023.

The 1997 Series, 1998 Series, 2002 Series, 2007 A Series, 2018 A Series, 2020 B Series, 2021 Series, 2022 A Series, and 2022 D Series are all fixed rate bonds that are not subject to optional redemption. The 2023 Series are fixed rate bonds that are subject to optional redemption 6 months prior to each principal maturity. All these Series are rated “A1” by Moody’s with a stable outlook. The 1997 Series and 1998 Series were originally rated by S&P based upon municipal bond insurance policies issued by Ambac. S&P withdrew the ratings for the 1997 Series and 1998 Series when Ambac filed for reorganization. All other outstanding fixed rate bonds issued by DelVal are rated “A+” with a stable outlook by S&P.

The interest rates on the 2007 C Series are set at spreads to 67% of 3-Month Term SOFR, adjusted and payable quarterly. The 2007 C Series may be optionally redeemed at par on or after June 1, 2017. The 2007 C Series is rated “A1” by Moody’s and “A+” by S&P.

The 2018 D and E Series are set at spreads to 67% of 1-Month Term SOFR, adjusted and payable monthly. The 2018 D and E Series are rated “A1” by Moody’s and “A+” by S&P, and the 2018 D and E Series are subject to mandatory purchase on September 1, 2024, and September 1, 2025, respectively. These Series may be optionally redeemed at par beginning one year prior to their respective purchase dates.

The \$50 million 2007 B Series were remarketed by PNC Capital Markets as a 7-day VRDB, secured by a Letter of Credit issued by PNC Bank, National Association (the “PNC LOC”). The PNC LOC is scheduled to terminate on May 19, 2026. The 2007 B Series is rated “AA+/A-1” by S&P, “A1/VMIG 1” by Moody’s, and “A+/F1” by Fitch Ratings (“Fitch”). The short-term ratings are all based solely on PNC’s short-term ratings. The long-term ratings of Moody’s and Fitch are also based solely on the long-term rating of PNC. The S&P long-term rating is based on the joint probability of a default by both DelVal and PNC. The remarketing rate has averaged 3.33269% over the past year, 0.00154% over the average SIFMA Index.

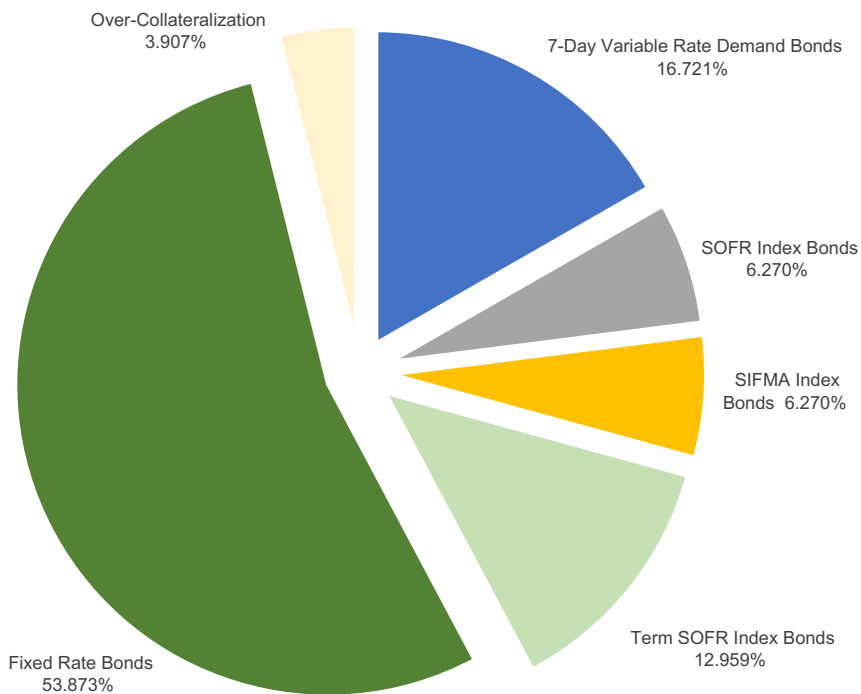
The \$100 million 2020 A Series, \$75 million 2020 D Series, and \$75 million 2022 E Series were remarketed by TD Securities as 7-day VRDB’s, secured by Letters of Credit issued by TD Bank, N.A. (collectively, the “TD LOCs”). The TD LOC for the 2020 A Series terminated when those bonds were redeemed on February 22, 2023. TD LOC for the 2020 D Series is scheduled to terminate on June 1, 2026, and the TD LOC for the 2022 E Series is scheduled to terminate on July 14, 2027. The 2020 A Series, 2020 D Series, and 2022 E Series were rated “Aa3/VMIG 1” by Moody’s and “AA+/A-1” by S&P. The short-term ratings were based on TD’s short-term ratings. The Moody’s long-term ratings were based on TD’s

long-term rating. The S&P long-term ratings were based on the joint probability of a default by both DelVal and TD. The remarketing rates of the 2020 D Series and 2022 E Series averaged 3.31788% over the past year, 0.01327% below the average SIFMA Index.

The interest rates on the 2018 C Series and the 2022 B Series were set at spreads to the SIFMA Index, adjusted and payable monthly. The 2022 C Series were set at spreads to 67% of the Secured Overnight Financing Rate (“SOFR”), adjusted and payable monthly. The 2018 C Series was redeemed on February 22, 2023. The 2022 B and C Series are subject to mandatory purchase on March 1, 2026, and March 1, 2027, respectively, and they may be optionally redeemed at par beginning one year prior to their respective purchase dates. The 2022 B and C Series were rated “A1” by Moody’s and “A+” by S&P.

The total funding for the Loan Program, including the over-collateralization of \$46,728,250, was \$1,196,108,250 as of December 31, 2023. A chart of the composition of the funding as of December 31, 2023, is shown below.

Composition of the Funding for the DelVal Loan Program



Source: Calhoun Baker Inc.

DelVal expects to issue one or more new Series in 2024 and 2025. When cost-of-funds targets are met, DelVal will issue new Series to redeem the 2018 D and E Series and to replace the funding lost from the maturity of the 2020 B Series and redemptions of the 1997 and 1998 Series. The debt service payments in 2023 and the estimated debt service payments thereafter of the DelVal Series outstanding on December 31, 2023, assuming that none of the DelVal Series are optionally redeemed or converted to other interest rate modes, are shown on the following page. Interest rates on variable rate DelVal Series beginning in 2024 are based on the last rate resets of 2023.

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Debt Service Payments in 2023 and Estimated Debt Service Payments thereafter for the DeVal Series Outstanding on December 31, 2023

Fiscal Year	1997 Series (2)		1998 Series (2)		2002 Series		Master Series (3)		Total Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2023 (1)	\$11,185,000	\$1,801,000	\$ 30,465,000	\$ 13,750,000	\$ -	\$ 7,187,500	\$ 150,000,000	\$ 28,482,547	\$ 191,650,000	\$ 51,221,047	\$ 242,871,047
2024	-	1,163,455	-	12,074,425	-	7,187,500	80,000,000 (4)	31,201,323	80,000,000	51,626,703	131,626,703
2025	-	1,163,455	-	12,074,425	-	7,187,500	-	27,707,638	-	48,133,018	48,133,018
2026	-	1,163,455	-	12,074,425	-	7,187,500	-	27,707,638	-	48,133,018	48,133,018
2027	16,815,000	1,163,455	-	12,074,425	-	7,187,500	-	27,707,638	16,815,000	48,133,018	64,948,018
2028	-	-	219,535,000	12,074,425	-	7,187,500	-	27,707,638	219,535,000	46,969,563	266,504,563
2029	-	-	-	-	-	7,187,500	67,000,000	27,257,638	67,000,000	34,445,138	101,445,138
2030	-	-	-	-	-	7,187,500	5,000,000	25,782,638	5,000,000	32,970,138	37,970,138
2031	-	-	-	-	-	7,187,500	-	25,657,638	-	32,845,138	32,845,138
2032	-	-	-	-	125,000,000	7,187,500	-	25,657,638	125,000,000	32,845,138	157,845,138
2033	-	-	-	-	-	-	60,000,000	23,907,638	60,000,000	23,907,638	83,907,638
2034	-	-	-	-	-	-	41,030,000	21,926,738	41,030,000	21,926,738	62,956,738
2035	-	-	-	-	-	-	50,000,000	20,016,438	50,000,000	20,016,438	70,016,438
2036	-	-	-	-	-	-	-	19,516,438	-	19,516,438	19,516,438
2037	-	-	-	-	-	-	100,000,000	17,426,955	100,000,000	17,426,955	117,426,955
2038	-	-	-	-	-	-	-	15,337,473	-	15,337,473	15,337,473
2039	-	-	-	-	-	-	-	15,337,473	-	15,337,473	15,337,473
2040	-	-	-	-	-	-	-	15,337,473	-	15,337,473	15,337,473
2041	-	-	-	-	-	-	-	15,337,473	-	15,337,473	15,337,473
2042	-	-	-	-	-	-	10,000,000	15,062,473	10,000,000	15,062,473	25,062,473
2043	-	-	-	-	-	-	-	14,787,473	-	14,787,473	14,787,473
2044	-	-	-	-	-	-	-	14,787,473	-	14,787,473	14,787,473
2045	-	-	-	-	-	-	-	14,787,473	-	14,787,473	14,787,473
2046	-	-	-	-	-	-	-	14,787,473	-	14,787,473	14,787,473
2047	-	-	-	-	-	-	-	14,787,473	-	14,787,473	14,787,473
2048	-	-	-	-	-	-	75,000,000	13,936,901	75,000,000	13,936,901	88,936,901
2049	-	-	-	-	-	-	-	11,385,188	-	11,385,188	11,385,188
2050	-	-	-	-	-	-	-	11,385,188	-	11,385,188	11,385,188
2051	-	-	-	-	-	-	-	11,385,188	-	11,385,188	11,385,188
2052	-	-	-	-	-	-	75,000,000	9,381,416	75,000,000	9,381,416	84,381,416
2053	-	-	-	-	-	-	-	8,713,493	-	8,713,493	8,713,493
2054	-	-	-	-	-	-	-	8,713,493	-	8,713,493	8,713,493
2055	-	-	-	-	-	-	75,000,000	8,490,851	75,000,000	8,490,851	83,490,851
2056	-	-	-	-	-	-	-	6,041,798	-	6,041,798	6,041,798
2057	-	-	-	-	-	-	150,000,000	1,510,449	150,000,000	1,510,449	151,510,449
Total	\$28,000,000	\$6,454,820	\$250,000,000	\$ 74,122,125	\$ 125,000,000	\$ 71,875,000	\$ 938,030,000	\$ 618,957,876	\$1,341,030,000	\$771,409,821	\$2,112,439,821

(1) Actual debt service payments.

(2) Municipal bond insurance policy issued by Ambac Assurance Corporation secures the bonds to maturity.

(3) A direct-draw, letter of credit issued by PNC Bank, National Association, secures the remarketing of the \$50,000,000 2007 Series B Bonds. The stated expiration date of the facility is May 19, 2026.

A direct-draw, letter of credit issued by TD Bank N.A., secures the remarketing of the \$75,000,000 2020 D Series Bonds. The stated expiration date of the facility is June 1, 2026.

A direct-draw, letter of credit issued by TD Bank N.A., secures the remarketing of the \$75,000,000 2022 E Series Bonds. The stated expiration date of the facility is July 14, 2027.

(4) The \$50,000,000 2020 B Series matures on November 1, 2024, and the \$30,000,000 2018 D Series has a mandatory purchase date of September 1, 2024.

Source: Calhoun Baker Inc.

EXTRAORDINARY MANDATORY REDEMPTION RISKS OF THE 1997 SERIES AND 1998 SERIES

The 1997 Series and 1998 Series are both insured by Ambac Assurance Corporation (“Ambac”). Ambac is currently in runoff operations. Under the terms of the 1997 Series and 1998 Series indentures and the respective bond insurance policies, Ambac, in its sole discretion, must consent to the use of any proceeds from the 1997 Series and the 1998 Series to originate or acquire Loans. Consents of a third party are not required to originate or acquire Loans from proceeds of any other DelVal Series.

DELVAL CAN GIVE NO ASSURANCE THAT AMBAC WILL CONSENT IN THE FUTURE TO DELVAL’S REQUESTS FOR THE ORIGINATION OR ACQUISITION OF LOANS FROM THE 1997 SERIES OR 1998 SERIES.

Loans originated or acquired must have maturity dates on or before July 1, 2027, for the 1997 Series and on or before August 1, 2028, for the 1998 Series. Most outstanding and prospective Loans have much longer maturity dates. The maturity constraints and the magnitude of the funds of the 1997 Series and the 1998 Series have made origination or acquisition difficult. The 1997 Series Indenture and the 1998 Series Indenture provide that if DelVal does not have a reasonable expectation to use funds that have been deposited in the Recycling Accounts of the 1997 Series or the 1998 Series for more than one year, those funds must be used for an Extraordinary Mandatory Redemption.

On June 12, 2023, the DelVal Board of Directors authorized the Extraordinary Mandatory Redemptions, of the 1997 Series and 1998 Series, from time to time, as required by their respective Trust Indentures. DelVal redeemed \$11,185,000 of the \$18,000,000 outstanding 1997 B Series on July 1, 2023, and DelVal redeemed \$30,465,000 of the \$250,000,000 outstanding 1998 Series on August 1, 2023. DelVal received \$40,927,000 of repayments of Loans from the 1997 Series and the 1998 Series in 2023. DelVal expects to receive approximately \$40 to \$45 million of Loan repayments annually under the 1997 Series and 1998 Series during the period from 2024 to 2025.

ADDITIONAL EXTRAORDINARY MANDATORY REDEMPTIONS OF THE 1997 SERIES AND THE 1998 SERIES THAT REMAIN OUTSTANDING MAY OCCUR IN THE FUTURE; HOWEVER, NO ASSURANCE CAN BE GIVEN AS TO THE AMOUNT, IF ANY, AND THE TIMING OF ANY FUTURE REDEMPTION. THE EXTRAORDINARY MANDATORY REDEMPTION PRICES OF THE 1997 SERIES AND THE 1998 SERIES MAY BE LOWER THAN THE FAIR MARKET VALUE OF THOSE BONDS.

The foregoing discussion is subject to change, and DelVal undertakes no obligation to update or supplement the foregoing information.

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INVESTMENTS

The funds held by DelVal are invested in Guaranteed Investment Contracts (“GIC’s”) and other investments that satisfy the requirements of the respective Trust Indentures. DelVal treats the GIC’s as cash equivalents because the interest rates on the GIC’s adjust weekly and DelVal can deposit or withdraw funds from the GIC’s with no more than seven days of written notice. Under the terms of the GIC’s, DelVal may require the providers to post collateral of cash, Treasury obligations, or certain agency obligations to secure the principal invested, plus accrued interest, if they are downgraded below certain thresholds. Citigroup Financial Products Inc. (“CFPI”) currently posts collateral to secure its GIC.

DelVal’s short-term investments are generally restricted to instruments with ratings of “P-1” from Moody’s or “A-1” or higher from S&P, and DelVal’s long-term investments are generally restricted to instruments with ratings of “Aa3” or higher from Moody’s or “AA-” or higher from S&P. Investments are recorded at fair value. The funds not invested in GIC’s have been invested in floating rate notes, indexed to SOFR, or VRDB’s. DelVal has executed interest rate swaps related to the SOFR floating rate notes to eliminate the SOFR basis risk; DelVal pays SOFR and receives the SIFMA Index. A summary of the cash equivalents and investments is shown on the following page.

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**Cash Equivalents, Restricted Cash Equivalents, Investments, and
Restricted Investments as of December 31, 2023**

<i>Description</i>	<i>Senior Debt Rating of Counterparty or Guarantor</i>			<i>CUSIP</i>	<i>Maturity</i>	<i>Rate (6)</i>	<i>Cash Equivalents</i>	<i>Restricted Cash Equivalents</i>	<i>Fair Value Restricted Investments</i>	<i>Total Fair Value</i>	<i>Fair Value Concentration</i>
	<i>Moody's</i>	<i>S&P</i>	<i>Fitch</i>								
<i>Floating rate notes (1)</i>											
National Australia Bank	Aa3	AA-	***	6325C0EC1	12-Jan-27	4.950%	\$ -	\$ -	\$ 4,684,960	\$ 4,684,960	2.007%
Pacific Life Global Funding	Aa3	AA-	AA-	6944PL2G3	4-Jun-26	4.920%	-	-	16,881,340	16,881,340	7.233%
<i>Variable Rate Demand Bonds</i>											
Harris County Cultural Education Facilities Finance Corporation	Aa1/VMIG1	AAA/A-1+	***	414009SA9	1-Oct-45	3.600%	12,838,000	9,937,000	-	22,775,000	9.758%
<i>GIC's (2)</i>											
BayernLB	Aa3	***	A-		1-Jul-26	4.040%	-	7,251,000	-	7,251,000	
BayernLB (3)	Aaa	***	AAA		27-Jul-28	5.290%	56,429,451	21,953,500	-	78,382,951	36.690%
CFPI (4)	A3	BBB+	A		28-May-42	4.831%	35,971,596	-	-	35,971,596	15.412%
Natixis (5)	Aa2	AA	AA-		28-Jun-27	5.240%	6,081,302	1,681,500	-	7,762,802	
Natixis (5)	Aa2	AA	AA-		28-Jun-32	4.830%	47,187,496	12,500,000	-	59,687,496	28.900%
Total							<u>\$ 158,507,845</u>	<u>\$ 53,323,000</u>	<u>\$ 21,566,300</u>	<u>\$ 233,397,145</u>	100.000%

(1) Notes pay a spread over SOFR, adjusted and paid quarterly.

(2) GIC's pay a spread over the SIFMA Index, adjusted weekly and paid monthly.

(3) Obligations guaranteed by the State of Bavaria.

(4) Obligations are collateralized and held by the Bank of New York Mellon.

(5) Obligations are guaranteed by Caisse des Dépôts et Consignations.

(6) Rate as of December 31, 2023.

Source: Calhoun Baker Inc.

INTEREST RATE SWAP AGREEMENTS

DelVal utilizes Bond Swaps to hedge its interest rate and basis risk. For each fixed rate Series, DelVal executed a Bond Swap under which it receives a fixed rate and pays the SIFMA Index to hedge the risk that future market fixed rates to the maturity date of that Series would be lower than the fixed rate of that Series, which would make that Series uncompetitive with other financing options. For each SOFR or Term SOFR indexed Series, DelVal executed a Bond Swap under which it receives the SOFR or Term SOFR rate and pays the SIFMA Index. This eliminates the basis risk of changes in the ratio of tax-exempt rates to the SOFR or Term SOFR rates. DelVal does not hedge the VRDB Series or Series with rates based on the SIFMA Index.

DelVal originally executed Bond Swap transactions related to the 2018 D and E Series and the 2007 C Series to hedge the LIBOR basis risk of those Series. The LIBOR rates were replaced with SOFR or Term SOFR rates for the affected Series and the related Bond Swaps after June 30, 2023, when representative LIBOR rates were no longer authorized.

DelVal utilizes Loan Swaps to hedge fixed rate Loans. When a Participant requests a fixed rate, DelVal executes a Loan Swap that offsets payments on the Bond Swaps under which DelVal receives a SIFMA Index payment and pays a fixed rate. This rate is the basis for the fixed rate on the Loan. The notional reduction of the Loan Swap matches the amortization of the related Loan. The Participant has flexibility to choose option provisions, set fixed rates for periods shorter than the maturity date, and split the Loan into tranches with multiple fixed rates or a combination of variable and fixed rates.

DelVal has also executed interest rate swaps (each an “Investment Swap”) to eliminate the basis risk of investments in SOFR indexed floating rate notes. Under these transactions, DelVal pays SOFR and receives the SIFMA Index. This locks the investment rate to a spread over the SIFMA Index.

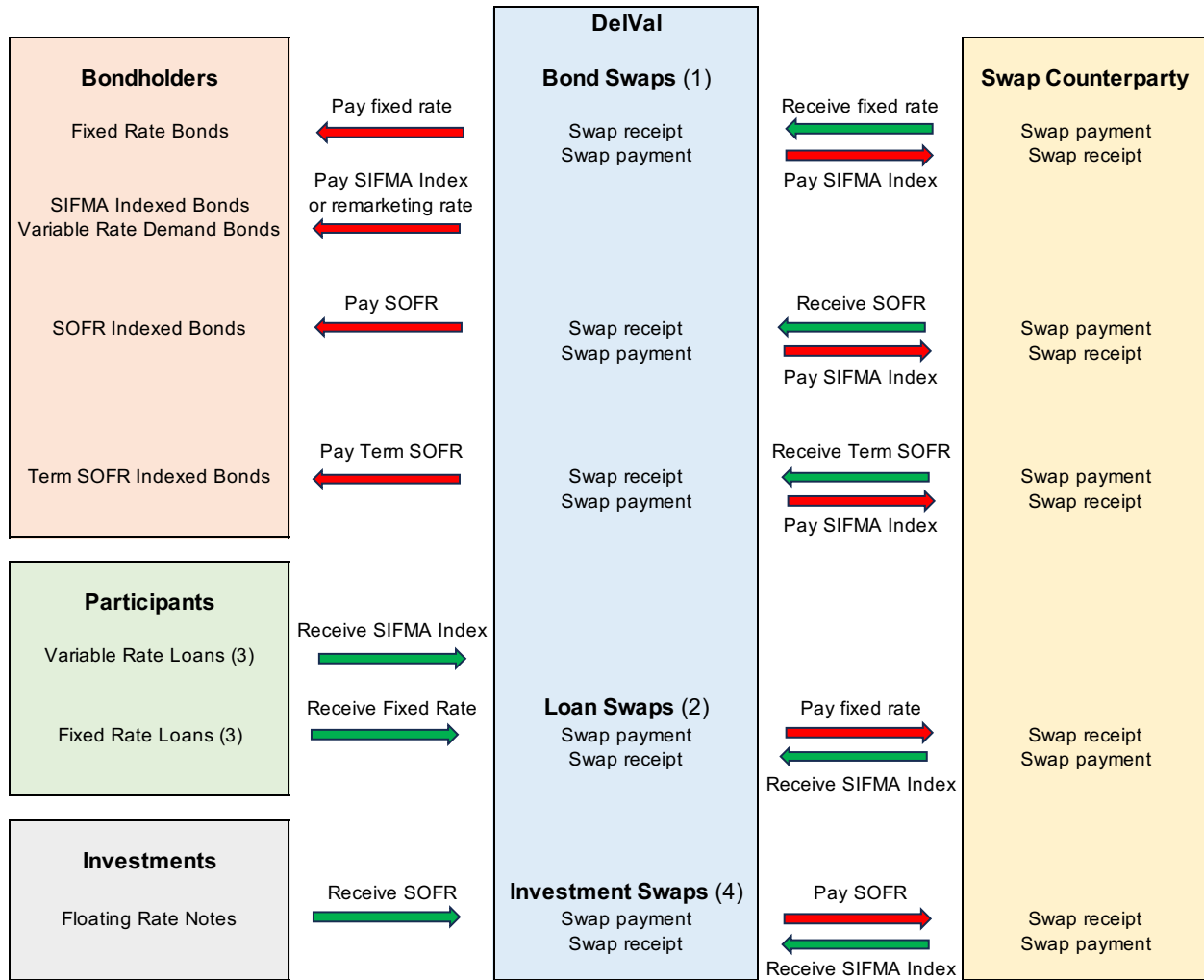
All the Bond Swaps, Loan Swaps, and Investment Swaps are effective hedges under the “consistent critical terms” and “quantitative methods” standards of the Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

The DelVal Board annually adopts an Interest Rate Swap Management Policy (the “Swap Policy”). Any exceptions to Swap Policy must be explicitly authorized by a Resolution of the Board. The Swap Policy restricts DelVal’s swaps to hedging transactions, prohibits speculative transactions, prohibits transactions that are constructively working capital loans, and prohibits any remuneration by a Counterparty to the advisors or law firms representing DelVal or the Participant.

Below is a chart that depicts the cash flows for the DelVal Loan program.

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Cash Flows of Debt Service, Loan Payments, Investments, and Swap Transactions



- (1) Transactions executed to create a pool of funds with a net cost comparable to a VRDB and hedge long-term interest rate risk and basis risk.
- (2) Transactions executed to hedge the interest rate risk of providing a fixed rate Loan.
- (3) Loan rates are set monthly by the Administrator at levels sufficient to pay (i) debt service on the DeVal Series, (ii) net payments on Bond Swaps, Loan Swaps, and Investment Swaps, and (iii) administrative costs.
- (4) Transactions executed to hedge the SOFR basis risk of floating rate investments.

Source: Calhoun Baker Inc.

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A summary of the outstanding transactions and their market values is shown below.

Interest Rate Swap Transactions as of December 31, 2023

	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 31-Dec-23</u>
	<u>Moody's</u>	<u>S&P</u>		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 16,815,000	\$ 1,497,260
1998 Series*	A1	***	219,535,000	24,179,662
2002 Series	A1	A+	125,000,000	17,635,954
Master Series	A1	A+	<u>563,080,000</u>	<u>(556,733)</u>
Total Bond Swaps			<u>924,430,000</u>	<u>42,756,143</u>
<i>Loan swaps</i>				
1997 Series	A1	***	9,277,000	115,564
1998 Series	A1	***	144,780,000	3,073,272
2002 Series	A1	A+	97,626,000	3,744,466
Master Series	A1	A+	<u>752,083,300</u>	<u>46,380,516</u>
Total Loan Swaps			<u>1,003,766,300</u>	<u>53,313,818</u>
<i>Investment swaps</i>			<u>21,700,000</u>	<u>(573,128)</u>
TOTAL			<u>\$ 1,949,896,300</u>	<u>\$ 95,496,833</u>
<i>Counterparty</i>				
Bank of America*	Aa1	A+	\$ 1,059,894,200	\$ 66,138,655
Barclays Bank PLC	A1	A+	22,862,000	883,176
Citibank	Aa3	A+	110,050,000	1,946,473
PNC Bank	A1	A	413,283,000	14,715,760
Royal Bank of Canada	Aa2	AA-	343,288,100	11,802,191
Toronto-Dominion Bank	Aa1	AA-	<u>519,000</u>	<u>10,578</u>
TOTAL			<u>\$ 1,949,896,300</u>	<u>\$ 95,496,833</u>

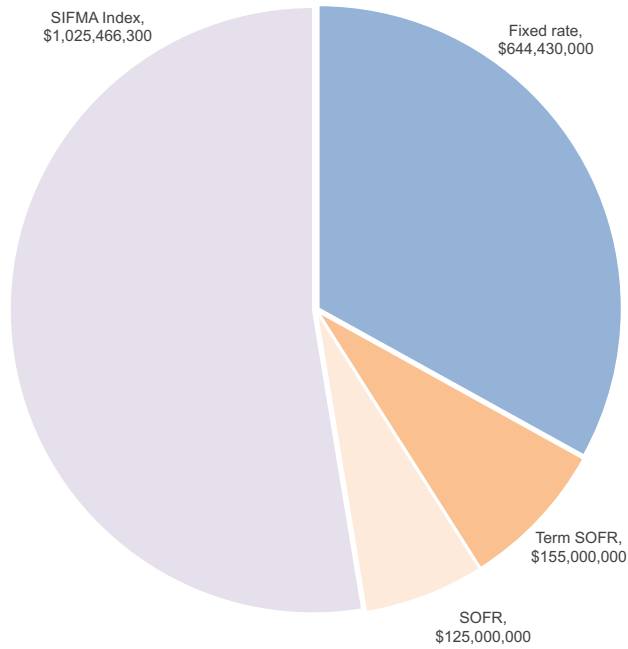
*Includes fair value of "Unamortized interest rate swap expense" shown as a Noncurrent Asset on the Balance Sheet.

Source: Calhoun Baker Inc.

Charts of the notional amounts of swap receiver and payor rates are shown on the following page.

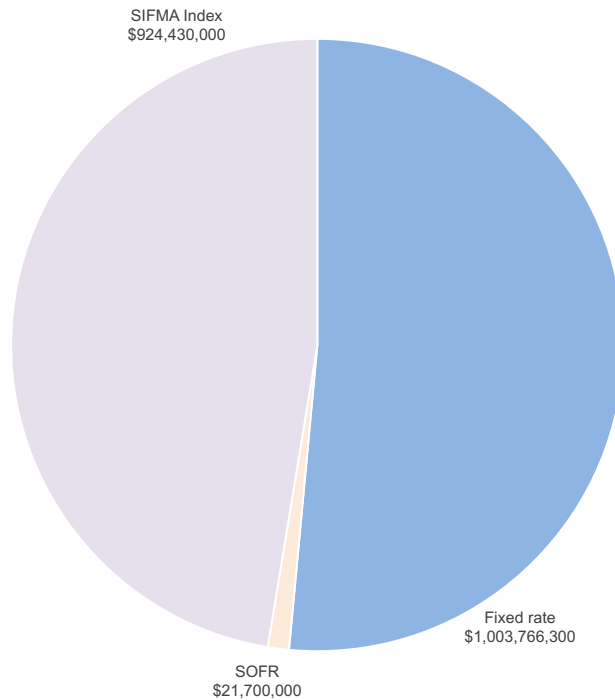
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**Notional Amount of Interest Rate Swap Receiver Rates
as of December 31, 2023**



Source: Calhoun Baker Inc.

**Notional Amount of Interest Rate Swap Payor Rates
as of December 31, 2023**



Source: Calhoun Baker Inc.

STRESS TESTS

DelVal periodically prepares projections of operating results for the rating agencies to test the ability of DelVal to withstand changes of future market conditions. The schedules project Loan principal and interest payments and operating revenues and expenses. The coverage of available funds over the bond principal and interest payments is calculated, including debt service reserve funds, but ignoring accumulated fund balances. The stress tests are based upon certain assumptions, including, but not limited to, changes of interest rates and Loan origination, which may or may not occur, and actual results will differ from those of the stress tests. The purpose of the analysis is not to predict the actual results of DelVal, but to identify potential weaknesses in the structure of the Loan Program, particularly vulnerabilities to interest rate shocks.

The projections analyze three scenarios based on the Loans, debt, investments, and swaps outstanding as of December 31, 2023:

- 1) DelVal Series are repaid on their respective maturity dates,
- 2) DelVal Series are runoff as quickly as permitted by Loan repayments, and
- 3) DelVal issues new Series of \$125 million annually from 2024 to 2027.

Each scenario is analyzed to test the effects of rising and falling interest rates. The SIFMA Index changes in a straight line from an assumed average rate of 3.50% in 2024 to the assumed average rates below:

- 1) 1.50% in 2034,
- 2) 3.50% in 2034,
- 3) 5.00% in 2034 and
- 4) 8.00% in 2034.

Coverage of debt service is tightest in the years with large bond principal payments. The projections show that coverage of debt service in these years is not sensitive to changes in the interest rate assumptions. The results are robust because (i) the Loan Program is over-collateralized by \$46,728,250, (ii) each DelVal Series has a Debt Service Reserve Fund funded from proceeds, and (iii) the amortization of Loans is structured to ensure that sufficient funds from Loan principal payments will be available to pay principal on the DelVal Series when the payments are due. The test of the adequacy of the cash flows of Loan principal repayments is required under the Trust Indentures and the Covenant Agreement. If sufficient funds would not be available for principal repayments of the DelVal Series, the Loan would not be originated.

The dollar amount of the coverage generally exceeds 2-3 years of net revenues under all permutations of the stress tests. The principal circumstances under which coverage would be inadequate would be: (i) a cataclysmic market failure that would cause DelVal's swap or investment counterparties to default on their obligations for a prolonged period or (ii) a cataclysmic economic disruption in Pennsylvania that would cause a large number of Participants to default on their debt obligations for a prolonged period.

Summaries of the three scenarios are shown in the schedules on the following pages. Detail for the three scenarios is shown assuming the SIFMA Index remains constant at 3.50%. The schedules also show comparisons of the coverage to the other interest rate assumptions. The coverage analyses are heuristic, not projections, but they do demonstrate the resilience of the structure of the Loan Program.

**Estimated Debt Service Coverage for the Scheduled Debt Service Repayment Scenario
with the Average SIFMA Index Equal to 3.50% in 2034**

Year	Funds Available for Debt Service				Debt Service			Annual Coverage of Debt Service		Coverage Percentage if SIFMA in 2034 equals (4):		
	Revenue Fund (1)	Recycling Fund (2)	Debt Service Reserve	Total	Interest (3)	Principal	Total	Amount in Excess of Debt Service	Coverage Percentage	1.500%	5.000%	8.000%
2024	\$49,173,398	\$242,185,650	\$75,023,000	\$366,382,048	\$ 49,411,860	\$ 50,000,000	\$ 99,411,860	\$266,970,188	369%	367%	371%	374%
2025	48,909,156	212,368,550	73,031,000	334,308,706	46,911,860	-	46,911,860	287,396,846	713%	724%	706%	695%
2026	49,006,884	223,306,650	73,031,000	345,344,534	46,911,860	-	46,911,860	298,432,674	736%	763%	720%	690%
2027	48,924,403	234,077,950	73,031,000	356,033,353	46,911,860	16,815,000	63,726,860	292,306,493	559%	581%	545%	521%
2028	45,770,043	249,175,050	71,349,500	366,294,593	45,748,405	219,535,000	265,283,405	101,011,188	138%	139%	138%	138%
2029	33,691,274	117,346,250	49,396,000	200,433,524	33,223,980	67,000,000	100,223,980	100,209,544	200%	205%	197%	191%
2030	33,216,619	120,333,250	46,516,000	200,065,869	31,748,980	5,000,000	36,748,980	163,316,889	544%	633%	496%	426%
2031	33,259,378	112,781,250	46,206,000	192,246,628	31,623,980	-	31,623,980	160,622,648	608%	755%	536%	440%
2032	32,868,266	173,220,250	46,206,000	252,294,516	31,623,980	125,000,000	156,623,980	95,670,536	161%	158%	159%	155%
2033	25,433,477	115,831,250	33,706,000	174,970,727	24,436,480	60,000,000	84,436,480	90,534,247	207%	209%	198%	185%
2034	24,524,162	111,194,495	30,498,755	166,217,412	22,936,480	41,030,000	63,966,480	102,250,932	260%	275%	242%	215%
2035	24,785,924	103,343,005	28,327,245	156,456,174	22,115,880	50,000,000	72,115,880	84,340,294	217%	235%	206%	190%
2036	23,555,600	106,184,250	25,681,000	155,420,850	21,115,880	-	21,115,880	134,304,970	736%	1334%	566%	405%
2037	22,118,917	107,809,250	25,681,000	155,609,167	19,752,230	60,000,000	79,752,230	75,856,937	195%	208%	188%	176%
2038	20,834,163	102,881,250	22,053,000	145,768,413	18,388,580	-	18,388,580	127,379,833	793%	1487%	604%	426%
2039	20,825,739	99,279,250	22,053,000	142,157,989	18,388,580	-	18,388,580	123,769,409	773%	1447%	589%	417%
2040	20,824,579	98,121,250	22,053,000	140,998,829	18,388,580	-	18,388,580	122,610,249	767%	1437%	584%	413%
2041	20,828,040	97,266,250	22,053,000	140,147,290	18,388,580	-	18,388,580	121,758,710	762%	1431%	580%	410%
2042	19,634,081	98,703,250	22,053,000	140,390,331	17,418,580	50,000,000	67,418,580	72,971,751	208%	224%	199%	185%
2043	18,648,665	97,187,250	18,913,000	134,748,915	16,448,580	-	16,448,580	118,300,335	819%	1547%	621%	435%
2044	18,645,048	96,333,250	18,913,000	133,891,298	16,448,580	-	16,448,580	117,442,718	814%	1533%	617%	433%
2045	18,643,686	93,644,250	18,913,000	131,200,936	16,448,580	-	16,448,580	114,752,356	798%	1503%	605%	425%
2046	18,666,757	92,699,250	18,913,000	130,279,007	16,448,580	-	16,448,580	113,830,427	792%	1464%	613%	445%
2047	18,779,908	128,098,250	18,913,000	165,791,158	16,448,580	-	16,448,580	149,342,578	1008%	1784%	764%	535%
2048	15,839,570	157,432,250	18,913,000	192,184,820	15,280,373	105,000,000	120,280,373	71,904,447	160%	158%	156%	150%
2049	14,631,507	88,845,250	13,231,000	116,707,757	11,775,750	-	11,775,750	104,932,007	991%	1840%	735%	499%
2050	14,619,904	86,354,250	13,231,000	114,205,154	11,775,750	-	11,775,750	102,429,404	970%	1894%	727%	502%
2051	14,652,882	92,142,250	13,231,000	120,026,132	11,775,750	-	11,775,750	108,250,382	1019%	1965%	771%	542%
2052	13,068,261	129,332,250	13,231,000	155,631,511	9,593,250	75,000,000	84,593,250	71,038,261	184%	189%	181%	175%
2053	11,658,186	96,392,250	9,852,000	117,902,436	8,865,750	-	8,865,750	109,036,686	1330%	2636%	981%	659%
2054	11,777,204	137,056,250	9,852,000	158,685,454	8,865,750	-	8,865,750	149,819,704	1790%	3574%	1312%	868%
2055	10,344,496	177,936,250	9,852,000	198,132,746	8,623,250	75,000,000	83,623,250	114,509,496	237%	247%	230%	218%
2056	8,805,490	149,335,250	6,424,000	164,564,740	5,955,750	-	5,955,750	158,608,990	2763%	5511%	2025%	1338%
2057	5,366,563	190,304,250	6,424,000	202,094,813	1,488,938	150,000,000	151,488,938	50,605,875	133%	132%	134%	136%
Total					<u>\$ 741,689,826</u>	<u>\$ 1,149,380,000</u>	<u>\$ 1,891,069,826</u>					

(1) Excess of annual revenues over administrative expenses and net swap payments.

(2) Recycling Fund deposits before origination of Loans. Includes proceeds of new bond issues and over-collateralization of \$46,728,250.

(3) Includes letter of credit and remarketing fees.

(4) Assumes the SIFMA Index changes in straight-line increments.

Source: Calhoun Baker Inc.

**Estimated Debt Service Coverage for Runoff of Debt Scenario
with the Average SIFMA Index Equal to 3.50% in 2034**

Year	Funds Available for Debt Service				Debt Service			Annual Coverage of Debt Service		Coverage Percentage if SIFMA in 2034 equals (4):		
	Revenue Fund (1)	Recycling Fund (2)	Debt Service Reserve	Total	Interest (3)	Principal	Total	Amount in Excess of Debt Service	Coverage Percentage	1.500%	5.000%	8.000%
2024	\$47,177,758	\$242,185,650	\$75,023,000	\$364,386,408	\$ 49,084,515	\$ 124,800,000	\$ 173,884,515	\$190,501,893	210%	209%	211%	213%
2025	41,236,321	196,848,550	66,952,000	305,036,871	42,287,308	125,660,000	167,947,308	137,089,563	182%	182%	182%	183%
2026	36,447,101	167,323,650	57,803,000	261,573,751	34,691,350	124,000,000	158,691,350	102,882,401	165%	165%	165%	165%
2027	28,319,218	135,707,950	49,726,000	213,753,168	28,902,038	117,000,000	145,902,038	67,851,130	147%	147%	146%	146%
2028	26,622,111	102,707,550	42,279,000	171,608,661	25,789,350	49,890,000	75,679,350	95,929,311	227%	229%	225%	222%
2029	23,439,743	114,710,250	37,290,000	175,439,993	22,595,400	67,000,000	89,595,400	85,844,593	196%	198%	195%	193%
2030	22,612,641	108,362,250	34,410,000	165,384,891	20,845,400	15,000,000	35,845,400	129,539,491	461%	492%	443%	411%
2031	22,450,623	145,379,250	33,444,000	201,273,873	20,445,400	10,000,000	30,445,400	170,828,473	661%	731%	620%	554%
2032	21,970,454	184,001,250	32,883,000	238,854,704	19,945,400	125,000,000	144,945,400	93,909,304	165%	166%	164%	163%
2033	14,695,771	113,553,250	20,383,000	148,632,021	12,757,900	50,000,000	62,757,900	85,874,121	237%	246%	231%	220%
2034	13,844,689	104,578,495	17,736,755	136,159,939	11,757,900	41,030,000	52,787,900	83,372,039	258%	273%	248%	233%
2035	14,106,589	103,888,005	15,565,245	133,559,839	10,937,300	50,000,000	60,937,300	72,622,539	219%	227%	214%	205%
2036	11,764,483	90,719,250	12,919,000	115,402,733	9,775,633	50,000,000	59,775,633	55,627,100	193%	200%	189%	181%
2037	9,513,541	76,423,583	10,633,667	96,570,791	6,908,650	50,000,000	56,908,650	39,662,141	170%	172%	168%	165%
2038	7,911,404	61,504,583	7,661,667	77,077,654	5,739,167	25,000,000	30,739,167	46,338,487	251%	263%	243%	230%
2039	6,884,711	64,879,250	6,519,000	78,282,961	4,122,500	25,000,000	29,122,500	49,160,461	269%	278%	263%	253%
2040	5,870,038	64,197,583	5,392,667	75,460,288	3,152,500	25,000,000	28,152,500	47,307,788	268%	274%	264%	257%
2041	5,437,457	59,505,917	4,266,333	69,209,707	2,910,000	-	2,910,000	66,299,707	2378%	4724%	1763%	1194%
2042	4,201,321	74,905,917	4,266,333	83,373,571	1,940,000	50,000,000	51,940,000	31,433,571	161%	160%	161%	163%
2043	2,602,819	40,186,917	1,126,333	43,916,069	242,500	25,000,000	25,242,500	18,673,569	174%	170%	177%	184%
2044	2,253,914	25,209,250	-	27,463,164	-	-	-	27,463,164	***	***	***	***
2045	2,276,456	31,341,250	-	33,617,706	-	-	-	33,617,706	***	***	***	***
2046	2,292,560	35,945,250	-	38,237,810	-	-	-	38,237,810	***	***	***	***
2047	2,306,589	40,694,250	-	43,000,839	-	-	-	43,000,839	***	***	***	***
2048	2,316,146	42,316,250	-	44,632,396	-	-	-	44,632,396	***	***	***	***
2049	2,320,884	43,853,250	-	46,174,134	-	-	-	46,174,134	***	***	***	***
2050	2,325,380	45,313,250	-	47,638,630	-	-	-	47,638,630	***	***	***	***
2051	2,329,100	46,333,250	-	48,662,350	-	-	-	48,662,350	***	***	***	***
2052	2,331,222	46,728,250	-	49,059,472	-	-	-	49,059,472	***	***	***	***
Total					<u>\$ 334,830,211</u>	<u>\$ 1,149,380,000</u>	<u>\$ 1,484,210,211</u>					

(1) Excess of annual revenues over administrative expenses and net swap payments.

(2) Recycling Fund deposits before origination of Loans. Includes proceeds of new bond issues and over-collateralization of \$46,728,250.

(3) Includes letter of credit and remarketing fees.

(4) Assumes the SIFMA Index changes in straight-line increments.

Source: Calhoun Baker Inc.

**Estimated Debt Service Coverage for Issuance of New Debt Scenario
with the Average SIFMA Index Equal to 3.50% in 2034**

Year	Funds Available for Debt Service				Debt Service			Annual Coverage of Debt Service		Coverage Percentage if SIFMA in 2034 equals (4):		
	Revenue Fund (1)	Recycling Fund (2)	Debt Service Reserve	Total	Interest (3)	Principal	Total	Amount in Excess of Debt Service	Coverage Percentage	1.500%	5.000%	8.000%
	2024	\$46,795,959	\$360,935,650	\$75,023,000	\$482,754,609	\$ 53,093,653	\$ 199,800,000	\$ 252,893,653	\$229,860,956	191%	191%	192%
2025	49,106,792	310,230,550	69,119,000	428,456,342	49,464,720	50,660,000	100,124,720	328,331,622	428%	432%	426%	424%
2026	50,068,666	374,898,650	70,303,000	495,270,316	49,241,350	120,000,000	169,241,350	326,028,966	293%	295%	291%	289%
2027	48,229,427	373,275,950	68,876,000	490,381,377	48,612,038	81,000,000	129,612,038	360,769,339	378%	388%	372%	361%
2028	49,733,493	283,605,550	71,279,000	404,618,043	47,389,350	89,890,000	137,279,350	267,338,693	295%	303%	289%	280%
2029	43,948,279	174,008,250	62,290,000	280,246,529	41,995,400	67,000,000	108,995,400	171,251,129	257%	269%	250%	237%
2030	43,246,609	124,680,250	59,410,000	227,336,859	40,520,400	5,000,000	45,520,400	181,816,459	499%	598%	449%	378%
2031	43,258,566	120,897,250	59,100,000	223,255,816	40,395,400	-	40,395,400	182,860,416	553%	712%	480%	387%
2032	42,806,728	163,287,250	59,100,000	265,193,978	40,395,400	125,000,000	165,395,400	99,798,578	160%	164%	158%	153%
2033	35,436,371	115,757,250	46,600,000	197,793,621	33,207,900	60,000,000	93,207,900	104,585,721	212%	232%	201%	184%
2034	34,570,701	121,521,495	43,392,755	199,484,951	31,707,900	41,030,000	72,737,900	126,747,051	274%	305%	250%	217%
2035	34,819,550	114,611,005	41,221,245	190,651,800	30,887,300	50,000,000	80,887,300	109,764,500	236%	266%	220%	197%
2036	33,564,097	112,580,250	38,575,000	184,719,347	29,887,300	-	29,887,300	154,832,047	618%	1141%	477%	344%
2037	32,159,735	115,170,250	38,575,000	185,904,985	28,523,650	60,000,000	88,523,650	97,381,335	210%	232%	198%	181%
2038	30,916,845	124,404,250	34,947,000	190,268,095	27,160,000	-	27,160,000	163,108,095	701%	1275%	530%	374%
2039	30,877,631	114,706,250	34,947,000	180,530,881	27,160,000	-	27,160,000	153,370,881	665%	1269%	507%	361%
2040	30,877,508	114,583,250	34,947,000	180,407,758	27,160,000	-	27,160,000	153,247,758	664%	1270%	506%	360%
2041	30,877,619	114,700,250	34,947,000	180,524,869	27,160,000	-	27,160,000	153,364,869	665%	1273%	506%	360%
2042	29,732,168	115,438,250	34,947,000	180,117,418	26,190,000	50,000,000	76,190,000	103,927,418	236%	268%	220%	196%
2043	28,700,739	115,561,250	31,807,000	176,068,989	25,220,000	-	25,220,000	150,848,989	698%	1343%	530%	375%
2044	28,702,865	117,682,250	31,807,000	178,192,115	25,220,000	-	25,220,000	152,972,115	707%	1361%	536%	379%
2045	28,701,500	116,318,250	31,807,000	176,826,750	25,220,000	-	25,220,000	151,606,750	701%	1351%	532%	376%
2046	28,697,979	112,801,250	31,807,000	173,306,229	25,220,000	-	25,220,000	148,086,229	687%	1324%	521%	369%
2047	28,696,155	110,972,250	31,807,000	171,475,405	25,220,000	-	25,220,000	146,255,405	680%	1311%	516%	365%
2048	28,691,162	105,979,250	31,807,000	166,477,412	25,220,000	-	25,220,000	141,257,412	660%	1273%	501%	354%
2049	28,689,156	103,978,250	31,807,000	164,474,406	25,220,000	-	25,220,000	139,254,406	652%	1260%	494%	348%
2050	28,690,679	105,501,250	31,807,000	165,998,929	25,220,000	-	25,220,000	140,778,929	658%	1274%	498%	350%
2051	28,699,295	106,604,250	31,807,000	167,110,545	25,220,000	-	25,220,000	141,890,545	663%	1286%	500%	351%
2052	27,076,471	125,469,250	31,807,000	184,352,721	23,037,500	75,000,000	98,037,500	86,315,221	188%	199%	181%	173%
2053	25,723,886	117,017,250	28,428,000	171,169,136	22,310,000	-	22,310,000	148,859,136	767%	1509%	574%	403%
2054	25,852,932	158,722,250	28,428,000	213,003,182	22,310,000	-	22,310,000	190,693,182	955%	1850%	720%	506%
2055	24,509,122	229,561,250	28,428,000	282,498,372	22,067,500	75,000,000	97,067,500	185,430,872	291%	318%	274%	250%
2056	20,522,031	231,028,250	25,000,000	276,550,281	19,400,000	125,000,000	144,400,000	132,150,281	192%	201%	185%	175%
2057	15,326,419	183,831,250	18,750,000	217,907,669	14,550,000	125,000,000	139,550,000	78,357,669	156%	163%	152%	145%
2058	12,762,187	140,290,250	12,500,000	165,552,437	9,700,000	-	9,700,000	155,852,437	1707%	3467%	1245%	821%
2059	10,335,802	213,116,250	12,500,000	235,952,052	8,487,500	125,000,000	133,487,500	102,464,552	177%	181%	174%	169%
2060	5,009,522	165,478,250	6,250,000	176,737,772	4,850,000	125,000,000	129,850,000	46,887,772	136%	137%	136%	135%
Total					<u>\$ 1,073,844,261</u>	<u>\$ 1,649,380,000</u>	<u>\$ 2,723,224,261</u>					

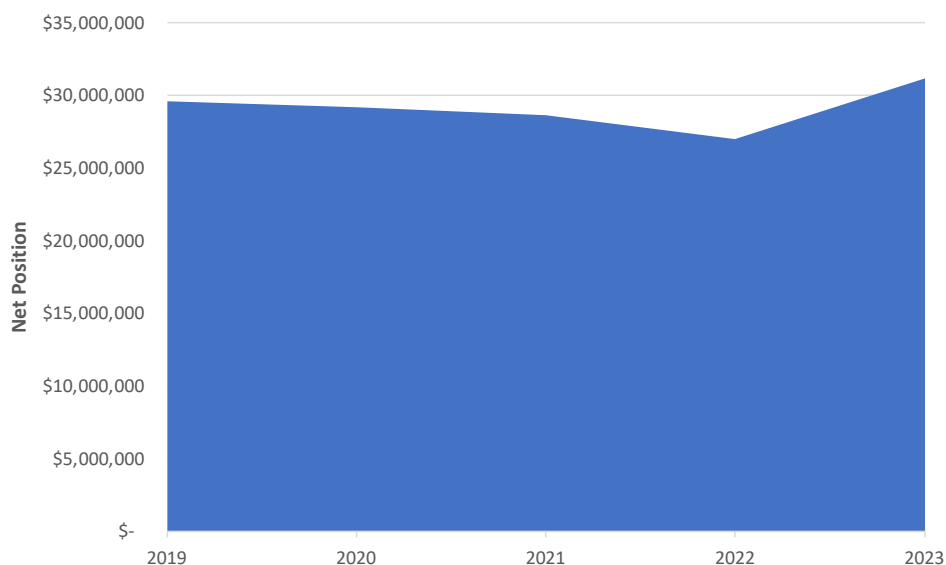
- (1) Excess of annual revenues over administrative expenses and net swap payments.
- (2) Recycling Fund deposits before origination of Loans. Includes proceeds of new bond issues and over-collateralization of \$46,728,250.
- (3) Includes letter of credit and remarketing fees.
- (4) Assumes the SIFMA Index changes in straight-line increments.

Source: Calhoun Baker Inc.

SUMMARIES OF THE 2023 FINANCIAL STATEMENTS

The net position of DeIVal increased by \$4.2 million to \$31.2 million in 2023. Revenues increased by 62.00% and expenses increased by 51.83% over 2022 levels, principally due to higher interest rates.

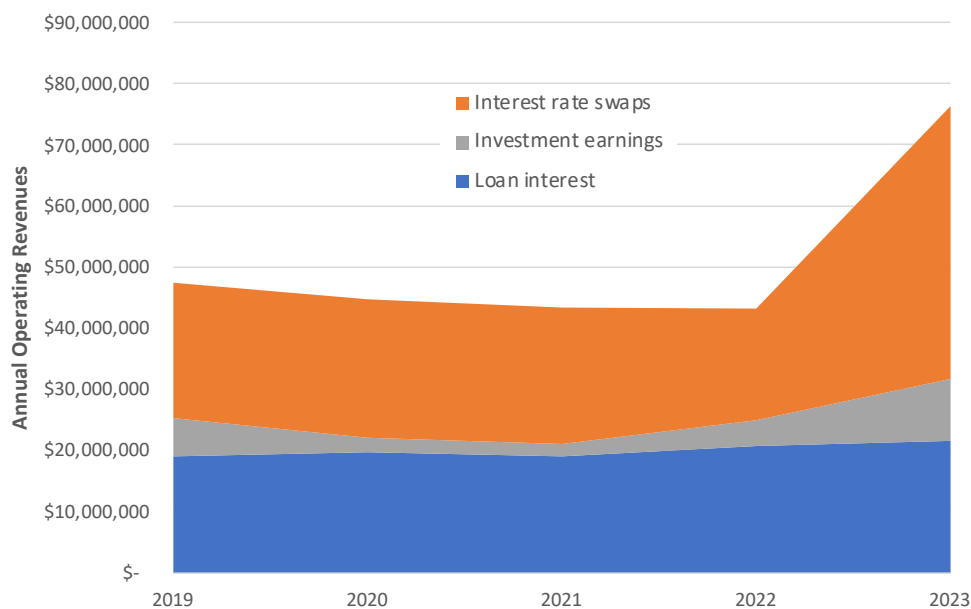
Trend of Net Position



Source: Calhoun Baker Inc.

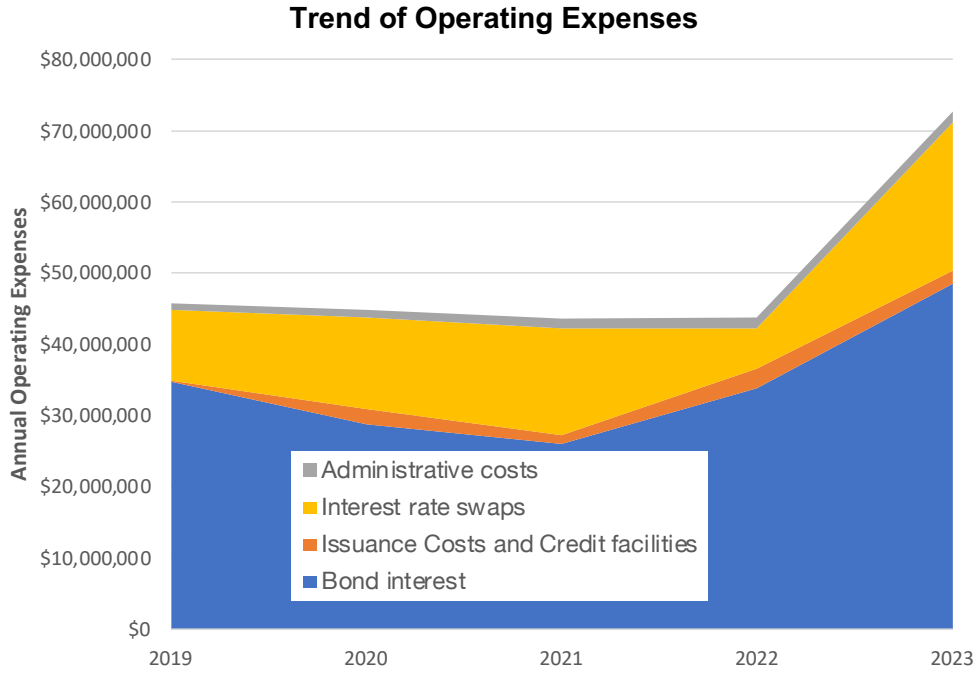
Loan interest revenues increased by only 4.02% because most Loans are fixed rate. Investment earnings increased by 143.55% due to higher interest rates and higher average investment balances. Interest rate swap revenues increased by 143.34% due to higher interest rates that increased the SIFMA Index receipts from Loan Swaps, an increase in the notional amount of Bond Swaps, and termination receipts of Bond Swaps related to the partial redemptions of the 1997 and 1998 Series in 2023.

Trend of Operating Revenues



Source: Calhoun Baker Inc.

Bond interest expenses increased by 43.31% due to higher interest rates on the variable rate DeIVal Series. Interest rate swap expenses grew by 285.51% principally due to higher interest rates that increased the SIFMA Index payments and an increase of the notional amount of Bond Swaps. Issuance costs and credit facility fees declined by 34.63% because DeIVal issued only one new Series and terminated a Letter-of-Credit when the 2020 A Series was redeemed. Administrative costs increased by 3.13%.



Source: Calhoun Baker Inc.

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The five-year Comparative Statements of Revenues, Expenses, and Changes in Net Position Information are set forth below. Costs of issuance are treated as an operating expense. DelVal received large payments in 2019 from settlements of class action lawsuits on bid rigging of investments and interest rate swap transactions.

**Comparative Statements of Revenues, Expenses, and
Changes in Net Position Information
Years Ended December 31**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Loan interest	\$ 19,021,507	\$ 19,699,151	\$ 19,083,168	\$ 20,742,238	\$ 21,576,207
Interest rate swaps	22,243,921	22,544,794	22,156,246	18,308,247	44,550,979
Interest on investments and cash equivalents	<u>6,207,132</u>	<u>2,417,252</u>	<u>2,046,366</u>	<u>4,148,042</u>	<u>10,102,445</u>
Total revenues	<u>47,472,560</u>	<u>44,661,197</u>	<u>43,285,780</u>	<u>43,198,527</u>	<u>76,229,631</u>
Expenses:					
Interest expense:					
Bonds	34,672,499	28,721,683	25,966,172	33,851,795	48,514,454
Interest rate swaps	9,875,528	12,878,576	15,016,371	5,727,235	20,933,399
Costs of issuance	-	1,710,190	442,750	1,806,840	1,153,525
Credit or liquidity facility fees	226,121	456,109	877,515	916,941	627,099
Rebate expense	-	29,331	-	-	29,018
Administrative expenses	<u>1,012,711</u>	<u>1,120,707</u>	<u>1,336,623</u>	<u>1,404,808</u>	<u>1,448,793</u>
Total expenses	<u>45,786,859</u>	<u>44,916,596</u>	<u>43,639,431</u>	<u>43,707,619</u>	<u>72,706,288</u>
Revenues over (under) expenses	<u>1,685,701</u>	<u>(255,399)</u>	<u>(353,651)</u>	<u>(509,092)</u>	<u>3,523,343</u>
Other changes:					
Increase of estimated rebate liability	(20,000)	-	(50,000)	(200,000)	-
Class action settlements	470,868	101	-	18,530	-
Unrealized gain (loss) on investments and restricted investments	<u>286,825</u>	<u>(136,355)</u>	<u>(193,291)</u>	<u>(938,918)</u>	<u>672,721</u>
Total other changes, net	<u>737,693</u>	<u>(136,254)</u>	<u>(243,291)</u>	<u>(1,120,388)</u>	<u>672,721</u>
Increase (decrease) in net position	2,423,394	(391,653)	(596,942)	(1,629,480)	4,196,064
Net position, beginning	<u>27,174,116</u>	<u>29,597,510</u>	<u>29,205,857</u>	<u>28,608,915</u>	<u>26,979,435</u>
Net position, ending	<u>\$ 29,597,510</u>	<u>\$ 29,205,857</u>	<u>\$ 28,608,915</u>	<u>\$ 26,979,435</u>	<u>\$ 31,175,499</u>

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Comparative Balance Sheet Information for the past five years is set forth below. The \$80 million Bond principal payable in 2023 is recognition of the maturity of the \$50 million 2020 B Series and mandatory purchase date of the \$30 million 2018 D Series.

**Comparative Balance Sheet Information
Years Ended December 31**

ASSETS	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022*</u>	<u>2023</u>
CURRENT ASSETS:					
Cash and cash equivalents	\$ 96,109,784	\$ 55,208,582	\$ 52,947,186	\$ 121,111,001	\$ 158,507,845
Restricted cash equivalents	40,300,000	40,513,000	55,706,000	57,622,000	53,323,000
Investments	-	-	1,247,212	-	-
Restricted investments	-	-	20,696,575	-	-
Accrued interest receivable:					
Loans	392,392	339,657	340,788	1,087,379	374,125
Interest rate swaps	5,817,283	5,748,766	5,735,730	6,545,766	6,484,925
Cash equivalents and investments	202,046	68,321	40,896	255,686	358,249
Prepaid expenses	96,259	77,964	92,733	180,952	141,828
Loans to local governments	75,234,093	79,351,300	100,003,200	105,098,500	96,238,700
Total current assets	<u>218,151,857</u>	<u>181,307,590</u>	<u>236,810,320</u>	<u>291,901,284</u>	<u>315,428,672</u>
NONCURRENT ASSETS:					
Investments	1,532,239	-	-	-	-
Restricted investments	32,741,194	34,137,078	-	20,893,580	21,566,300
Loans to local governments	769,773,500	893,652,200	916,164,800	943,472,300	878,899,600
Unamortized prepaid interest rate swap expense	4,413,139	3,831,415	3,249,690	2,667,965	2,084,647
Fair value of derivative transactions	113,464,244	101,189,440	91,562,935	124,640,844	90,911,515
Total noncurrent assets	<u>921,924,316</u>	<u>1,032,810,133</u>	<u>1,010,977,425</u>	<u>1,091,674,689</u>	<u>993,462,062</u>
TOTAL	<u>\$1,140,076,173</u>	<u>\$1,214,117,723</u>	<u>\$1,247,787,745</u>	<u>\$1,383,575,973</u>	<u>\$1,308,890,734</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES:					
Accrued expenses	\$ 9,398	\$ 43,473	\$ 11,472	\$ 37,555	\$ 25,856
Bond principal payable	20,000,000	-	100,000,000	50,000,000	80,000,000
Estimated rebate liability	-	-	-	300,000	-
Accrued interest payable:					
Interest rate swaps	403,540	183,778	43,844	1,364,417	1,049,334
Bonds	12,463,169	14,412,450	14,905,494	17,265,614	18,562,443
Total current liabilities	<u>32,876,107</u>	<u>14,639,701</u>	<u>114,960,810</u>	<u>68,967,586</u>	<u>99,637,633</u>
LONG TERM LIABILITIES:					
Bonds payable, net	963,988,312	1,068,932,725	1,012,455,085	1,162,888,108	1,086,766,087
Estimated rebate liability	150,000	150,000	200,000	100,000	400,000
Total long term liabilities	<u>964,138,312</u>	<u>1,069,082,725</u>	<u>1,012,655,085</u>	<u>1,162,988,108</u>	<u>1,087,166,087</u>
DEFERRED INFLOWS OF RESOURCES:					
Accumulated increase in fair value of hedging derivatives	113,464,244	101,189,440	91,562,935	124,640,844	90,911,515
Total liabilities and deferred inflows of resources	<u>1,110,478,663</u>	<u>1,184,911,866</u>	<u>1,219,178,830</u>	<u>1,356,596,538</u>	<u>1,277,715,235</u>
NET POSITION	<u>29,597,510</u>	<u>29,205,857</u>	<u>28,608,915</u>	<u>26,979,435</u>	<u>31,175,499</u>
TOTAL	<u>\$1,140,076,173</u>	<u>\$1,214,117,723</u>	<u>\$1,247,787,745</u>	<u>\$1,383,575,973</u>	<u>\$1,308,890,734</u>

*Interest rate swap receivable and Interest rate swaps payable were restated to show the net amounts to be received or paid on each payment date of the swap transactions.

The Comparative Statement of Cash Flows Information for the past five years is set forth on the following page. Cash flows from investing and financing activities are treated as operating activities.

Comparative Statement of Cash Flows Information Years Ended December 31

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cash flows from operating activities					
Interest received on loans to local governments and interest rate swap agreements	\$ 41,383,731	\$ 42,363,602	\$ 41,251,320	\$ 37,493,858	\$ 58,729,330
Payment of interest on bonds and interest rate swap agreements	(45,571,877)	(42,976,008)	(43,908,099)	(39,525,419)	(65,011,083)
Loans to local governments	(138,602,000)	(211,558,000)	(126,267,000)	(142,833,000)	(47,414,000)
Repayments of loan principal from local governments	92,480,407	83,562,031	83,102,500	110,430,200	120,846,500
Administrative expenses paid	(1,021,390)	(1,068,337)	(1,383,393)	(1,466,944)	(1,421,368)
Interest received on investments and cash equivalents	6,348,534	2,550,977	2,073,791	3,933,252	9,999,882
Credit or liquidity facility fees paid	(226,121)	(456,109)	(877,515)	(916,941)	(627,099)
Rebate payment	-	(29,331)	-	-	(29,018)
Proceeds of bond issues	-	283,633,000	47,382,750	254,641,830	150,828,225
Transfers from restricted accounts	-	-	-	-	-
Class action settlement	470,868	101	-	18,530	-
Bond issuance costs	-	(1,710,128)	(442,750)	(1,806,840)	(1,153,525)
Redemption (purchase) of investments and restricted investments	-	-	12,000,000	111,289	-
Payment of bond principal	-	(195,000,000)	-	(150,000,000)	(191,650,000)
Net cash provided by (used in) operating activities and Net cash provided by operating activities and increase (decrease) in cash and cash equivalents	(44,737,848)	(40,688,202)	12,931,604	70,079,815	33,097,844
Cash and cash equivalents and restricted cash and cash equivalents, beginning	181,147,632	136,409,784	95,721,582	108,653,186	178,733,001
Cash and cash equivalents and restricted cash and cash equivalents, ending	\$ 136,409,784	\$ 95,721,582	\$ 108,653,186	\$ 178,733,001	\$ 211,830,845
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET					
Cash and cash equivalents, ending	\$ 96,109,784	\$ 55,208,582	\$ 52,947,186	\$ 121,111,001	\$ 158,507,845
Restricted cash and cash equivalents, ending	40,300,000	40,513,000	55,706,000	57,622,000	53,323,000
Cash and cash equivalents and restricted cash and cash equivalents, ending	\$ 136,409,784	\$ 95,721,582	\$ 108,653,186	\$ 178,733,001	\$ 211,830,845
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Change in net position	\$ 2,423,394	\$ (391,653)	\$ (596,942)	\$ (1,629,480)	\$ 4,196,064
Adjustments for other revenues, expenses, and transfers					
Increase (decrease) of estimated rebate liability	20,000	-	50,000	200,000	-
Amortization of prepaid interest rate swap expense	583,319	581,724	581,725	581,725	583,318
Adjustments for changes in assets and liabilities					
Decrease (increase) in:					
Investments	(13,498)	1,532,239	(1,247,212)	1,247,212	-
Restricted investments	(273,327)	(1,395,884)	13,440,503	(197,005)	(672,720)
Accrued interest receivable:					
Loans	93,088	52,735	(1,131)	(746,591)	713,254
Interest rate swaps	23,621	68,517	13,036	145,617	(316,721)
Cash equivalents and investments	141,401	133,725	27,424	(214,790)	(102,563)
Prepaid expenses	(4,304)	18,294	(14,769)	(88,219)	39,124
Loans to local governments	(46,121,593)	(127,995,907)	(43,164,500)	(32,402,800)	73,432,500
Increase (decrease) in:					
Accrued expenses	(4,375)	34,075	(32,001)	26,083	(11,699)
Accrued interest payable:					
Interest rate swaps	(254,473)	(219,762)	(139,934)	364,920	62,479
Bonds	(173,890)	1,949,281	493,044	2,360,120	1,296,829
Bonds payable	(1,177,211)	84,944,414	43,522,361	100,433,023	(46,122,021)
Total adjustments	(47,161,242)	(40,296,549)	13,528,546	71,709,295	28,901,780
Net cash provided by (used in) operating activities	\$ (44,737,848)	\$ (40,688,202)	\$ 12,931,604	\$ 70,079,815	\$ 33,097,844

OUTLOOK

DelVal expects to originate \$60 to \$80 million of new Loans in 2024. DelVal expects the demand for Loans to increase in 2024, but DelVal expects demand to remain below historical levels due to: (i) higher construction costs, (ii) reduced refunding opportunities, (iii) higher interest rates, (iv), and (v) continued availability of grant proceeds from the \$2.2 trillion *CARES* and the \$1.9 trillion *ARPA* programs.

DelVal expects to redeem the \$30 million 2018 D Series on or prior to the mandatory purchase date of September 1, 2024. DelVal will continue to monitor the market for opportunities to provide funding for Loans and to restructure its debt obligations.

A handwritten signature in blue ink that reads "Calhoun Baker Inc." with a period at the end.

Calhoun Baker Inc.

Program Administrator

Delaware Valley Regional Finance Authority

April 30, 2024

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2023

(Continued on the next page)

No.	Borrower	County	Participant or Guarantor Ratings			Loans Outstanding				Total Outstanding 31-Dec-23	Insured (1) Loan Principal	Concentration	
			Kroll	Moody's	S&P	1997 Series	1998 Series	2002 Series	Master Series			Borrower	Cumulative
1	Aston Township	Delaware	--	--	AA-	\$ -	\$ -	\$ 1,141,000	\$ 21,079,000	\$ 22,220,000	\$ -	2.279%	2.279%
2	Bensalem Township	Bucks	--	Aa1	--	-	9,813,000	-	6,273,000	16,086,000	-	1.650%	3.928%
3	Benton Township	Lackawanna	--	--	--	-	-	-	169,000	169,000	-	0.017%	3.946%
4	Bethel Township Sewer Authority	Delaware	A+	--	--	-	-	-	936,000	936,000	-	0.096%	4.042%
5	Bridgeport Borough	Montgomery	--	--	--	194,000	-	1,890,000	1,902,000	3,986,000	3,277,000	0.409%	4.450%
6	Bristol Borough	Bucks	A+	--	--	-	207,000	-	-	207,000	-	0.021%	4.472%
7	Bristol Borough School District	Bucks	--	--	A-	-	-	-	9,035,000	9,035,000	9,035,000	0.927%	5.398%
8	Bristol Township	Bucks	--	Aa3	--	-	-	1,524,000	57,977,000	59,501,000	-	6.102%	11.500%
9	Brookhaven Borough	Delaware	--	--	--	-	-	1,063,000	250,000	1,313,000	-	0.135%	11.635%
10	Bucks County	Bucks	--	Aa1	AAA	-	43,824,000	10,651,000	29,100	54,504,100	-	5.589%	17.224%
11	Bucks County Airport Authority	Bucks	--	Aa1	AAA	-	-	-	853,000	853,000	-	0.087%	17.311%
12	Bucks County Community College	Bucks	--	Aa1	AAA	-	752,000	-	-	752,000	-	0.077%	17.389%
13	Bucks County Community College Authority	Bucks	--	Aa1	AAA	-	3,054,000	-	-	3,054,000	-	0.313%	17.702%
14	Bucks County Water and Sewer Authority	Bucks	--	--	A+	-	-	-	51,017,000	51,017,000	51,017,000	5.232%	22.933%
15	Caln Township	Chester	--	--	AA	-	-	-	11,665,000	11,665,000	-	1.196%	24.130%
16	Caln Township Municipal Authority	Chester	--	--	AA	-	-	-	2,350,000	2,350,000	-	0.241%	24.371%
17	Chadds Ford Township Sewer Authority	Delaware	--	--	--	54,000	-	-	1,597,000	1,651,000	1,597,000	0.169%	24.540%
18	Chalfont Borough	Bucks	--	A1	--	-	-	-	2,297,000	2,297,000	-	0.236%	24.776%
19	Chichester School District	Delaware	--	--	A+	-	-	-	11,116,000	11,116,000	-	1.140%	25.916%
20	Clifton Heights Borough	Delaware	--	--	--	-	-	-	2,830,000	2,830,000	2,830,000	0.290%	26.206%
21	Collegeville Borough	Montgomery	--	--	--	-	-	-	142,000	142,000	-	0.015%	26.220%
22	Concord Township	Delaware	--	Aa1	--	-	-	-	9,059,000	9,059,000	-	0.929%	27.149%
23	Delaware County	Delaware	--	Aa1	AA+	-	62,371,000	55,011,000	182,851,000	300,233,000	-	30.789%	57.938%
24	Delaware County Solid Waste Authority	Delaware	--	Aa1	AA+	-	-	5,104,000	-	5,104,000	899,000	0.523%	58.461%
25	Dover Area School District	York	--	A1	--	5,863,000	-	-	-	5,863,000	-	0.601%	59.063%
26	Doylestown Borough	Bucks	AA	--	--	-	-	-	6,014,000	6,014,000	-	0.617%	59.679%
27	East Bradford Township	Chester	--	--	AA	-	-	-	6,097,000	6,097,000	-	0.625%	60.305%
28	East Goshen Municipal Authority	Chester	AAA	Aaa	--	-	-	4,632,000	1,446,000	6,078,000	4,632,000	0.623%	60.928%
29	Eddystone Borough	Delaware	--	--	--	-	-	1,466,000	3,524,000	4,990,000	3,300,000	0.512%	61.440%
30	Folcroft Borough	Delaware	--	--	--	-	-	-	9,697,000	9,697,000	9,697,000	0.994%	62.434%
31	Forbes Road School District	Fulton	--	--	--	-	-	-	4,990,000	4,990,000	4,590,000	0.512%	62.946%
32	Franconia Sewer Authority	Montgomery	--	--	AA-	-	-	-	10,396,000	10,396,000	-	1.066%	64.012%
33	Franconia Township	Montgomery	--	--	AA-	1,185,000	-	217,000	2,008,000	3,410,000	1,634,000	0.350%	64.362%
34	Franklin Township	Chester	--	A2	--	-	-	-	2,345,000	2,345,000	-	0.240%	64.602%
35	Gamet Valley School District	Delaware	--	--	AA	-	3,436,000	-	3,547,000	6,983,000	3,436,000	0.716%	65.318%
36	Glen Rock Sewer Authority	York	--	--	--	-	-	-	1,882,000	1,882,000	1,882,000	0.193%	65.511%
37	Great Valley School District	Chester	--	Aaa	--	-	-	-	2,422,000	2,422,000	-	0.248%	65.760%
38	Hatfield Borough	Montgomery	--	--	--	-	-	-	5,114,000	5,114,000	3,271,000	0.524%	66.284%
39	Hatfield Township	Montgomery	--	--	--	174,000	328,000	733,000	1,683,000	2,918,000	-	0.299%	66.583%
40	Highland Township	Chester	--	--	--	-	325,000	-	-	325,000	-	0.033%	66.617%
41	Kennett Square Borough	Chester	--	A2	AA-	-	-	-	6,876,000	6,876,000	6,876,000	0.705%	67.322%
42	Lansdowne Borough	Delaware	A+	--	--	-	149,000	-	1,537,000	1,686,000	-	0.173%	67.495%
43	London Britain Township	Chester	--	--	--	38,000	-	-	283,000	321,000	-	0.033%	67.528%
44	London Grove Township	Chester	--	--	AA	95,000	-	-	4,721,000	4,816,000	-	0.494%	68.021%
45	London Grove Township Municipal Authority	Chester	--	--	AA	-	-	1,360,000	3,481,000	4,841,000	-	0.496%	68.518%

(1) Certain loans are insured by Assured Guaranty Municipal Corp. ("AGM") and Build America Mutual Assurance Company ("BAM") with the Delaware Valley Regional Finance Authority as the beneficiary. AGM is rated "A1" by Moody's, "AA" by S&P, and "AA+" by Kroll. BAM is currently rated "AA" with a stable outlook by S&P.

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2023

(Continued on the next page)

No.	Borrower	County	Participant or Guarantor Ratings			Loans Outstanding				Total Outstanding 31-Dec-23	Insured (1) Loan Principal	Concentration	
			Kroll	Moody's	S&P	1997 Series	1998 Series	2002 Series	Master Series			Borrower	Cumulative
46	Lower Oxford Township	Chester	--	--	--	252,000	-	-	558,000	810,000	-	0.083%	68.601%
47	Lower Perkiomen Valley Regional Sewer Authority	Montgomery	--	--	AA-	-	6,961,000	-	34,104,000	41,065,000	-	4.211%	72.812%
48	Lower Pottsgrove Township Authority	Montgomery	--	--	AA	-	-	4,622,000	-	4,622,000	-	0.474%	73.286%
49	Lower Providence Township	Montgomery	--	Aa2	--	-	-	111,000	338,000	449,000	308,000	0.046%	73.332%
50	Lower Providence Township Sewer Authority	Montgomery	--	Aa2	--	-	-	-	9,701,000	9,701,000	-	0.995%	74.327%
51	Lower Salford Township	Montgomery	--	--	--	-	1,068,000	-	-	1,068,000	-	0.110%	74.437%
52	Marcus Hook Borough	Delaware	--	--	--	-	450,000	-	992,000	1,442,000	-	0.148%	74.584%
53	Marple Township	Delaware	--	--	AA	-	-	-	23,652,000	23,652,000	-	2.426%	77.010%
54	Montgomery County	Montgomery	--	Aaa	--	-	-	-	197,200	197,200	-	0.020%	77.030%
55	Montgomery Township	Montgomery	--	--	AAA	-	-	-	21,453,000	21,453,000	-	2.200%	79.230%
56	Morton Borough	Delaware	--	--	--	68,000	-	-	-	68,000	-	0.007%	79.237%
57	Nether Providence Township	Delaware	--	--	--	-	-	453,000	1,260,000	1,713,000	750,000	0.176%	79.413%
58	New Britain Township	Bucks	--	--	--	80,000	-	-	-	80,000	-	0.008%	79.421%
59	Newtown Township	Delaware	--	Aaa	--	-	-	-	11,067,000	11,067,000	-	1.135%	80.556%
60	Norristown Municipality	Montgomery	--	--	A+	-	-	-	625,000	625,000	-	0.064%	80.620%
61	North Coventry Township	Chester	--	--	AA	-	-	-	860,000	860,000	-	0.088%	80.708%
62	North Coventry Water Authority	Chester	--	--	AA	-	-	-	131,000	131,000	131,000	0.013%	80.722%
63	North Wales Borough	Montgomery	--	--	--	-	-	-	1,727,000	1,727,000	-	0.177%	80.899%
64	Northeastern York County Sewer Authority	York	--	--	--	-	-	324,000	6,894,000	7,218,000	3,046,000	0.740%	81.639%
65	Northeastern York School District	York	--	--	A+	-	-	-	705,000	705,000	-	0.072%	81.711%
66	Norwood Borough	Delaware	--	--	--	-	-	-	110,000	110,000	-	0.011%	81.722%
67	Ontelaunee Township	Berks	--	--	AA-	-	-	-	849,000	849,000	849,000	0.087%	81.810%
68	Parkesburg Borough	Chester	--	--	--	-	-	-	2,733,000	2,733,000	2,733,000	0.280%	82.090%
69	Penndel Borough	Bucks	--	--	--	-	-	-	759,000	759,000	-	0.078%	82.168%
70	Pennsbury Township	Chester	AA	--	--	-	-	-	2,460,000	2,460,000	-	0.252%	82.420%
71	Perkasie Borough	Bucks	--	--	--	403,000	124,000	-	1,177,000	1,704,000	-	0.175%	82.595%
72	Pocopson Township	Chester	--	Aa2	--	-	-	801,000	355,000	1,156,000	355,000	0.119%	82.713%
73	Prospect Park Borough	Delaware	--	--	--	-	-	-	1,198,000	1,198,000	-	0.123%	82.836%
74	Red Lion Area School District	York	--	Aa3	AA-	-	-	-	6,568,000	6,568,000	-	0.674%	83.510%
75	Ridley School District	Delaware	--	--	A-	-	-	-	3,956,000	3,956,000	-	0.406%	83.915%
76	Ridley Township	Delaware	--	--	AA-	408,000	-	-	10,071,000	10,479,000	-	1.075%	84.990%
77	Rockledge Borough	Montgomery	--	--	--	88,000	-	-	-	88,000	-	0.009%	84.999%
78	Rutledge Borough	Delaware	--	--	--	-	-	-	134,000	134,000	-	0.014%	85.013%
79	Solebury Township	Bucks	--	Aa1	--	-	1,362,000	-	-	1,362,000	-	0.140%	85.152%
80	South Coventry Township	Chester	--	--	--	147,000	-	-	-	147,000	-	0.015%	85.167%
81	Southern Delaware County Authority	Delaware	--	--	--	176,000	-	-	-	176,000	-	0.018%	85.185%
82	Springfield Township, York County, Sewer Authority	York	--	--	--	-	-	2,176,000	-	2,176,000	2,176,000	0.223%	85.409%
83	Stroudsburg Area School District	Monroe	--	A1	A+	-	5,083,000	-	10,419,000	15,502,000	5,083,000	1.590%	86.998%
84	Swarthmore Borough	Delaware	--	--	--	-	166,000	-	1,705,000	1,871,000	166,000	0.192%	87.190%
85	Tinicum Township (Bucks)	Bucks	AA-	--	--	-	-	-	5,355,000	5,355,000	-	0.549%	87.739%
86	Tinicum Township (Delaware)	Delaware	--	Aa3	--	-	340,000	-	8,132,000	8,472,000	620,000	0.869%	88.608%
87	Towamencin Municipal Authority	Montgomery	--	--	AA	-	-	-	6,263,000	6,263,000	-	0.642%	89.250%
88	Towamencin Township	Montgomery	--	--	AA	-	-	-	10,679,000	10,679,000	2,119,000	1.095%	90.346%
89	Upland Borough	Delaware	BBB+	--	--	-	-	-	505,000	505,000	-	0.052%	90.397%
90	Upper Dublin Township	Montgomery	--	Aa1	--	-	3,059,000	-	23,558,000	26,617,000	-	2.730%	93.127%

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EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2023

No.	Borrower	County	Participant or Guarantor Ratings			Loans Outstanding				Total Outstanding 31-Dec-23	Insured (1) Loan Principal	Concentration	
			Kroll	Moody's	S&P	1997 Series	1998 Series	2002 Series	Master Series			Borrower	Cumulative
91	Upper Dublin Township Municipal Authority	Montgomery	--	Aa1	--	-	-	-	5,100,000	5,100,000	-	0.523%	93.650%
92	Upper Providence Township (Delaware)	Delaware	--	--	AA-	-	-	-	552,000	552,000	-	0.057%	93.707%
93	Upper Providence Township Sewer Authority	Delaware	--	--	AA-	-	1,070,000	-	7,703,000	8,773,000	-	0.900%	94.606%
94	Upper Salford Township	Montgomery	--	--	--	-	-	-	339,000	339,000	-	0.035%	94.641%
95	Upper Southampton Municipal Authority	Bucks	AA	--	--	224,000	79,000	4,079,000	6,640,000	11,022,000	-	1.130%	95.771%
96	Upper Southampton Township	Bucks	AA	--	--	-	470,000	-	763,000	1,233,000	-	0.126%	95.898%
97	Uwchlan Township	Chester	--	--	--	267,000	-	-	-	267,000	-	0.027%	95.925%
98	Wallingford-Swarthmore School District	Delaware	--	--	AA-	-	-	-	16,048,000	16,048,000	-	1.646%	97.571%
99	Warminster Township	Bucks	--	--	A	-	-	-	13,134,000	13,134,000	-	1.347%	98.918%
100	West Fallowfield Township	Chester	--	--	--	-	234,000	-	-	234,000	-	0.024%	98.942%
101	West Goshen Township	Chester	AA+	--	AA+	-	-	-	2,622,000	2,622,000	-	0.269%	99.211%
102	West Pottsgrove Township	Montgomery	--	--	--	-	-	-	1,297,000	1,297,000	1,297,000	0.133%	99.344%
103	West Vincent Township	Chester	--	Aa3	--	-	-	-	3,368,000	3,368,000	-	0.345%	99.689%
104	Whitpain Township	Montgomery	--	Aaa	--	-	1,480,000	-	-	1,480,000	-	0.152%	99.841%
105	Yeadon Borough	Delaware	--	--	--	-	-	268,000	1,285,000	1,553,000	-	0.159%	100.000%
Total Loans Outstanding							<u>\$ 9,716,000</u>	<u>\$ 146,205,000</u>	<u>\$ 97,626,000</u>	<u>\$ 721,591,300</u>	<u>\$ 975,138,300</u>	<u>\$ 127,606,000</u>	100.000%

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Independent Auditors' Report

To the Board of Directors of
Delaware Valley Regional Finance Authority

Opinion

We have audited the accompanying financial statements of Delaware Valley Regional Finance Authority (DeVal) which comprise the balance sheet as of December 31, 2023, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Delaware Valley Regional Finance Authority as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DeVal 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 opinion.

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 DeVal'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.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 DeVal'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 DeVal'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, as 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.

Baker Tilly US, LLP

Allentown, Pennsylvania
April 30, 2024

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
BALANCE SHEET
DECEMBER 31, 2023

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 158,507,845
Restricted cash equivalents	53,323,000
Accrued interest receivable:	
Loans	374,125
Interest rate swaps	6,484,925
Cash equivalents and investments	358,249
Prepaid expenses	141,828
Loans to local governments	<u>96,238,700</u>
Total current assets	<u>315,428,672</u>
NONCURRENT ASSETS:	
Restricted investments	21,566,300
Loans to local governments	878,899,600
Unamortized prepaid interest	
rate swap expense	2,084,647
Fair value of derivative transactions	<u>90,911,515</u>
Total noncurrent assets	<u>993,462,062</u>
TOTAL	<u>\$ 1,308,890,734</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES:	
Accrued expenses	\$ 25,856
Bond principal payable	80,000,000
Accrued interest payable:	
Interest rate swaps	1,049,334
Bonds	<u>18,562,443</u>
Total current liabilities	<u>99,637,633</u>
LONG TERM LIABILITIES:	
Bonds payable, net	1,086,766,087
Estimated rebate liability	<u>400,000</u>
Total long term liabilities	<u>1,087,166,087</u>
DEFERRED INFLOWS OF RESOURCES:	
Accumulated increase in fair	
value of hedging derivatives	<u>90,911,515</u>
Total liabilities and deferred	
inflows of resources	1,277,715,235
NET POSITION	<u>31,175,499</u>
TOTAL	<u>\$ 1,308,890,734</u>

See Notes to Financial Statements

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

Revenues:	
Loan interest	\$ 21,576,207
Interest rate swap	44,550,979
Interest on investments and cash equivalents	<u>10,102,445</u>
Total revenues	<u>76,229,631</u>
Expenses:	
Interest expense:	
Bonds	48,514,454
Interest rate swaps	20,933,399
Costs of issuance	1,153,525
Credit or liquidity facility fees	627,099
Rebate expense	29,018
Administrative expenses	<u>1,448,793</u>
Total expenses	<u>72,706,288</u>
Revenues over expenses	<u>3,523,343</u>
Other changes:	
Unrealized gain on restricted investments	<u>672,721</u>
Total other changes, net	<u>672,721</u>
Increase in net position	4,196,064
Net position, beginning	<u>26,979,435</u>
Net position, ending	<u><u>\$ 31,175,499</u></u>

See Notes to Financial Statements

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities	
Interest received on loans to local governments and interest rate swap agreements	\$ 58,729,330
Payment of interest on bonds and interest rate swap agreements	(65,011,083)
Loans to local governments	(47,414,000)
Repayments of loan principal from local governments	120,846,500
Administrative expenses paid	(1,421,368)
Interest received on investments and cash equivalents	9,999,882
Credit or liquidity facility fees paid	(627,099)
Rebate payment	(29,018)
Proceeds of bond issues	150,828,225
Bond issuance costs	(1,153,525)
Payment of bond principal	<u>(191,650,000)</u>
Net cash provided by operating activities and increase in cash and cash equivalents	33,097,844
Cash and cash equivalents and restricted cash and cash equivalents, beginning	<u>178,733,001</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 211,830,845</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS
AND RESTRICTED CASH AND CASH EQUIVALENTS
TO THE BALANCE SHEET

Cash and cash equivalents, ending	\$ 158,507,845
Restricted cash and cash equivalents, ending	<u>53,323,000</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 211,830,845</u>

RECONCILIATION OF CHANGE IN NET POSITION
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Change in net position	\$ <u>4,196,064</u>
Adjustments for other revenues, expenses, and transfers	
Amortization of prepaid interest rate swap expense	583,318
Adjustments for changes in assets and liabilities	
Decrease (increase) in:	
Restricted investments	(672,720)
Accrued interest receivable:	
Loans	713,254
Interest rate swaps	(316,721)
Cash equivalents and investments	(102,563)
Prepaid expenses	39,124
Loans to local governments	73,432,500
Increase (decrease) in:	
Accrued expenses	(11,699)
Accrued interest payable:	
Interest rate swaps	62,479
Bonds	1,296,829
Bonds payable	<u>(46,122,021)</u>
Total adjustments	<u>28,901,780</u>
Net cash provided by operating activities	<u>\$ 33,097,844</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS, AS OF DECEMBER 31, 2023

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Delaware Valley Regional Finance Authority (“DelVal”) was formed in 1985 by Bucks, Chester, Delaware, and Montgomery Counties in Pennsylvania (the “Counties”). The purpose of DelVal is to provide funds for capital projects to local governments within the Commonwealth of Pennsylvania (the “Loan Program”). Eligible borrowers (each a “Participant”) include school districts, townships, boroughs, cities, and counties (each a “Local Government Unit”) and authorities (each an “Authority”). Since its inception, DelVal has originated 621 loans (each a “Loan”) in the aggregate principal amount of approximately \$3.96 billion to 212 different Participants located in 16 counties of Pennsylvania.

Each Loan to a Local Government Unit is secured by the pledge of its full faith, credit, and taxing power. DelVal may also require a Loan to a Local Government Unit to be additionally secured by a financial guaranty policy (each a “Participant Credit Enhancement”) issued by an insurer (each a “Participant Credit Enhancer”) with a rating of “Aa3” or higher from Moody’s Investors Service (“Moody’s”) or “AA-” or higher from S&P Global Ratings (“S&P”). DelVal is the beneficiary of the Participant Credit Enhancements; the Participant Credit Enhancements do not secure the repayment of debt service on any bonds issued by DelVal.

Each Loan to an Authority must meet at least one of the following conditions: (i) rated “Aa3” or higher by Moody’s or “AA-” or higher by S&P, (ii) secured by a guaranty (each a “Guaranty”) with the pledge of the full faith, credit, and taxing power of a Local Government Unit (each a “Guarantor”), or (iii) secured by a Participant Credit Enhancement. Any Loan to an Authority not secured by a Guaranty or Participant Credit Enhancement must include a covenant by the Authority to secure a Guaranty or Participant Credit Enhancement if its rating is reduced below “Aa3” by Moody’s or “AA-” by S&P. All Loans to Authorities outstanding as of December 31, 2023, were either secured by a Guaranty or a Participant Credit Enhancement.

The Board of Directors of DelVal is comprised of five members appointed by the Counties. Each year, on a rotating basis, one of the Counties appoints one Director to a term of five years. The Board appoints the administrator (the “Administrator”), solicitor, bond counsel, remarketing agents, credit facility providers, and trustees who manage the daily operations of DelVal and its Loan Program.

Ten series of bonds (each a “DelVal Series”) in the aggregate par amount of \$1,149,380,000 were outstanding to fund the Loan Program as of December 31, 2023:

- 1) \$16,815,000 Local Government Revenue Bonds, 1997 Series B and C (the “1997 Series”),
- 2) \$219,535,000 Local Government Revenue Bonds, 1998 Series A (the “1998 Series”),
- 3) \$125,000,000 Local Government Revenue Bonds, 2002 Series C (the “2002 Series”),
- 4) \$110,000,000 Local Government Revenue Bonds, 2007 Series A, B and C (the “2007 Series”),
- 5) \$115,000,000 Local Government Revenue Bonds, 2018 Series A, D, and E (the “2018 Series”),
- 6) \$125,000,000 Local Government Revenue Bonds, 2020 Series B and D (the “2020 Series”),
- 7) \$45,000,000 Local Government Revenue Bonds, 2021 Series A (the “2021 Series”),
- 8) \$155,000,000 Local Government Revenue Bonds, 2022 Series A, B and C (the “2022 ABC Series”),
- 9) \$97,000,000 Local Government Revenue Bonds, 2022 Series D and E (the “2022 DE Series”), and
- 10) \$141,030,000 Local Government Revenue Bonds, 2023 Series A (the “2023 Series”).

DelVal issued the 2023 Series on February 22, 2023, and optionally redeemed the \$50,000,000 Local Government Revenue Bonds, 2018 Series C (the “2018 C Series”) and the \$100,000,000 Local Government Revenue Bonds, 2020 Series A (the “2020 A Series”). The 2018 C Series and the 2020 A Series were redeemed from the proceeds of acquisitions of Loans by the 2023 Series and other DelVal Series and other available funds. DelVal also redeemed \$11,185,000 of the Local Government Revenue Bonds, 1997 Series B (the “1997 B Series”) on July 1, 2023, and \$30,465,000 of the 1998 Series on August 1, 2023, from available funds held under each Series.

The 1997, 1998, and 2002 Series are secured by the Loan agreements (each a “Loan Agreement”) and other assets related to each respective series. All DelVal Series issued since 2007 (collectively, the “Master Series”) were issued under a master indenture (the “Master Indenture”), and they are equally and ratably secured by all Loan Agreements and other assets under the Master Indenture. Bondholders of the DelVal Series are also secured by the Covenant Agreement. Under the Covenant Agreement, DelVal is obligated to transfer any available unrestricted funds (the “Excess Funds”) from any DelVal Series to cover any deficiency of any other DelVal Series. The Covenant Agreement also restricts the ability of DelVal to lend to any Participant that is unrated, uninsured, or rated below “A3” by Moody’s Investors Service (“Moody’s”) or “A-” by S&P Global Ratings (“S&P”).

Basis of Accounting

Operations of DelVal are intended to be self-supporting, primarily from Loan repayments, investment earnings, and interest rate swap revenues. Accordingly, DelVal is accounted for as a special-purpose government, business-type activity and utilizes the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when incurred. DelVal maintains its accounting in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as applied to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (“GASB”).

Subscription Based Information Technology Arrangements

DelVal adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2023. This Statement defines a subscription-based information technology arrangement (“SBITA”) as a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The Statement requires the recognition of a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. The amortization of the subscription asset is then recognized as an outflow of resources over the subscription term. The adoption of this statement did not have a significant impact on DelVal’s financial statements for 2023, as DelVal was not involved in any material SBITAs during fiscal 2023.

Cash, Cash Equivalents, Restricted Cash Equivalents, Investments, and Restricted Investments

DelVal considers all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents or restricted cash equivalents. DelVal also considers guaranteed investment contracts (each a “GIC”) and debt instruments that can be redeemed or tendered at par within 90 days or less of the balance sheet date to be highly liquid debt instruments and cash equivalents or restricted cash equivalents. Investments and restricted investments purchased that mature in more than 90 days and cannot be redeemed or tendered at par within 90 days of the balance sheet date are recorded at fair value.

Loans to Local Governments

Loans, which DelVal has the intent and ability to hold for the foreseeable future or until maturity or early redemption, are stated at their outstanding unpaid principal balances. DelVal assesses an origination fee, currently 0.10% of the principal amount, at the closing of the Loans. The origination fees are recognized as Loan interest income when the fees have been received. Given the credit quality of the Loan portfolio and the historical rarity of any payment defaults, DelVal has not provided an allowance for non-performing Loans.

Bonds Payable

The DelVal Series are stated at their unpaid principal balances less the unamortized bond insurance premiums plus the unamortized original issue premium. Bond issuance costs (consisting of underwriting fees, professional fees, and all other costs except bond insurance premiums incurred in connection with issuance of the various DelVal Series) are recognized as an expense when the costs are paid. Bond insurance premiums and original issue premiums are amortized to bond interest expense using the straight-line method over the terms of the related DelVal Series, which approximates the effective interest method.

Estimated Rebate Liability

The *Internal Revenue Code* obligates DelVal to yield restrict or to rebate to the United States Treasury investment earnings in excess of the bond yield of each respective DelVal Series. The estimated excess investment earnings are recorded as a liability, and the annual change in the estimated excess investment earnings is recorded as an expense or revenue. The Administrator is responsible for the calculations. DelVal made a rebate payment of \$29,018 to the US Treasury on April 5, 2023, related to the 2020 A Series. No rebate or yield reduction payments were required for the 2018 Series, with a calculation period ending on June 27, 2023, or for the 1998 Series, with a calculation period ending on August 1, 2023. The estimated rebate liability of the outstanding DelVal Series as of December 31, 2023, was \$400,000.

Derivative Financial Instruments

Effective January 1, 2010, DelVal adopted the GASB Statement No. 53 (“GASB 53”), *Accounting and Financial Reporting for Derivative Instruments*, which requires the fair value of interest rate swap agreements to be reported on the balance sheet. DelVal utilizes the accrual method to record interest rate swap expenses and revenues. Prepaid swap expenses are amortized using the straight-line method over the terms of the related swap transactions. Swap revenues and expenses and the amortization of prepaid swap expenses for the year ended December 31, 2023, are reflected in the statement of revenues, expenses, and changes in net position. Changes in the fair value of the swap transactions are shown in “NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS”, but they are not reflected as income or expense in the financial statements because the transactions meet the definition of hedging derivative transactions under GASB 53.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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2. CASH, CASH EQUIVALENTS, INVESTMENTS, RESTRICTED CASH EQUIVALENTS, AND RESTRICTED INVESTMENTS

DelVal’s cash, cash equivalents, and investments are used to originate Loans and to pay the costs of operations of DelVal’s Loan Program. Restricted cash equivalents and restricted investments are held as security for debt service payments on the DelVal Series. All cash, cash equivalents, investments, restricted cash equivalents, and restricted investments are held by the Trustee under the Trust Estates of the DelVal Series for the benefit of the bondholders. Under the terms of the Covenant Agreement, as long as any DelVal Series is outstanding, the deposits are restricted to use in DelVal’s Loan Program.

DelVal’s cash equivalents and restricted cash equivalents are comprised of securities with original maturities of 90 days or less, securities that may be tendered at par with notice of 90 days or less, and GIC’s. The GIC’s are treated as cash equivalents and restricted cash equivalents because the interest rates are adjusted weekly and because DelVal can withdraw funds at par with no more than 7 days of notice. The restricted investments consist of floating rate notes (each an “FRN”) with interest rates indexed to the Secured Overnight Financing Rate (“SOFR”) published by the New York Federal Reserve Bank, adjusted daily. Cash receipts held by the Trustee prior to deposit in the GIC’s or acquisition of investments are invested in U.S. Treasury and money market funds. DelVal’s cash, cash equivalents, restricted cash equivalents, and restricted investments on December 31, 2023, are set forth below.

Cash Equivalents, Restricted Cash Equivalents, and Restricted Investments as of December 31, 2023

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Cash equivalents	<u>\$ 6,081,302</u>	<u>\$ 56,429,451</u>	<u>\$ 47,187,496</u>	<u>\$ 48,809,596</u>	<u>\$ 158,507,845</u>
Restricted accounts					
Cash equivalents	\$ 1,681,500	\$ 21,953,500	\$ 12,500,000	\$ 17,188,000	\$ 53,323,000
Investments (1)	-	-	-	21,566,300	21,566,300
Total	<u>\$ 1,681,500</u>	<u>\$ 21,953,500</u>	<u>\$ 12,500,000</u>	<u>\$ 38,754,300</u>	<u>\$ 74,889,300</u>

(1) Recorded at fair value.

The DelVal Board of Directors has not adopted a formal investment policy; however, the Indentures of the DelVal Series serve the same purpose. Eligible investments under the Master Indenture must, at the time of the purchase or execution, meet the following rating thresholds: (i) for investments with a maturity or option to tender of 360 days or less, a rating of “A-1” or “A-1+” by S&P, “P-1” or “VMIG 1” by Moody’s, “F1” or “F1+” by Fitch Ratings (“Fitch”), or an equivalent rating by any other Nationally Recognized Statistical Rating Organization (each an “NRSRO”) and (ii) for investments with a maturity or option to tender greater than 360 days, counterparty or equivalent ratings of “Aa3” or higher by Moody’s, “AA-” or higher by S&P or Fitch, or an equivalent rating by any other NRSRO. Eligible investments include the following:

- 1) Cash,
- 2) Direct obligations of the U.S. Treasury,
- 3) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks,
- 4) Commercial paper,
- 5) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, “Aaa-mf” by Moody’s, “AAAmmf” by Fitch, or an equivalent rating by any other NRSRO with a

- published rating on the Bonds (without regard to whether the Trustee controls such money market fund),
- 6) Bonds or notes issued by federal agencies, state or local governments, or financial institutions or other corporations,
 - 7) Investment agreements with providers approved in writing by the Administrator, and
 - 8) Other forms of investments, including repurchase agreements, approved in writing by the Administrator.

The Indentures require the Administrator to approve any investment and require the Trustee to hold the investment. The cash, cash equivalents, investments, restricted cash equivalents, and restricted investments are not collateralized by the Trustee and are not insured by the Federal Deposit Insurance Corporation.

Ambac Assurance Corporation (“Ambac”) issued bond insurance policies that secure the 1997 Series and 1998 Series, and Ambac requires DelVal to invest all funds under the trust estates of the 1997 Series and 1998 Series in GIC’s approved by Ambac. Natixis Funding Corp. (“Natixis”), owned by Groupe Caisse d’Epargne and Groupe Banque Populaire, provides the GIC’s for the 1997 Series. The Natixis GIC’s are guaranteed by Caisse des Dépôts et Consignations (“CDC”). Bayerische Landesbank (“BayernLB”) provides the GIC’s for the 1998 Series. The obligations of BayernLB under the GIC’s for the 1998 Series are guaranteed by the Free State of Bavaria and the Association of Bavarian Savings Banks. Natixis and BayernLB pay DelVal an investment rate equal to a spread over the Securities Industry and Financial Markets Association Municipal Swap Index (the “SIFMA Index”). If the ratings applicable to the Natixis GIC’s or the BayernLB GIC’s drop below “Aa3” or “AA-”, Ambac may direct Natixis or BayernLB to: (i) collateralize its obligations under the respective GIC with cash, U.S. Treasury obligations, or certain Agency securities or (ii) terminate the respective GIC and pay DelVal the principal and accrued interest due. If Ambac directs collateralization, the collateral must be held by a third party, segregated, and marked to market at least weekly. On December 31, 2023, the Natixis obligations guaranteed by CDC were rated “Aa2” by Moody’s, “AA” by S&P, and “AA-” by Fitch. The BayernLB obligations with the guaranty of the Free State of Bavaria were rated “Aaa” by Moody’s and “AAA” by Fitch. S&P rates the Free State of Bavaria as “AAA”, but S&P does not rate any BayernLB obligations. The Natixis GIC terminates on June 28, 2027, three business days prior to the scheduled maturity date of the 1997 Series. The BayernLB GIC terminates on July 27, 2028, three business days prior to the scheduled maturity date of the 1998 Series.

The funds of the Loan Program of the 2002 Series are invested in two GIC’s provided by Natixis and guaranteed by CDC. Natixis pays DelVal an investment rate equal to a spread over the SIFMA Index. If the ratings of CDC drop below “Aa3” by Moody’s or “AA-” by S&P, DelVal may direct Natixis to provide collateral to secure its obligations under the GIC’s with cash, U.S. Treasury obligations, or certain Agency securities. If the ratings of CDC drop below “A3” or “A-” by Moody’s and S&P, respectively, DelVal may terminate the GIC’s and require the provider to pay DelVal the principal and accrued interest due. The collateral must be held by a third party, segregated, and marked to market at least weekly. On December 31, 2023, the Natixis obligations guaranteed by CDC were rated “Aa2” by Moody’s, “AA” by S&P, and “AA-” by Fitch. The Natixis GIC terminates on June 28, 2032, three business days prior to the scheduled maturity date of the 2002 Series.

The Debt Service Reserve Funds under the Master Series are held in restricted investments, FRN’s, and restricted cash equivalents, variable rate demand bonds and a GIC provided by BayernLB. The BayernLB GIC will terminate on July 1, 2026. BayernLB is rated “Aa3” by Moody’s and “A” by Fitch. The BayernLB GIC pays DelVal a spread over the SIFMA Index. If BayernLB is downgraded below “A1” by Moody’s, BayernLB may assign the GIC to another provider rated “A1” or higher, secure a guaranty

rated “A1” or higher, enter into a repurchase agreement acceptable to DelVal, or take any other action mutually acceptable to DelVal and BayernLB. If BayernLB is downgraded below “A3” by Moody’s, DelVal may terminate the GIC or take any other action mutually acceptable to DelVal and BayernLB.

The remaining funds of the Master Series are invested principally in a GIC provided by Citigroup Financial Products Inc. (“CFPI”) or in variable rate demand bonds. The obligations of CFPI are secured by a guaranty of Citigroup Inc. (“Citigroup”). CFPI pays DelVal an investment rate equal to a spread over the SIFMA Index. If the ratings of Citigroup are reduced below “Aa3” by Moody’s or “AA-” by S&P, DelVal may require CFPI to post collateral with a third party, and if the ratings of Citigroup are reduced below “A3” by Moody’s or “A-” by S&P, DelVal may terminate the CFPI GIC. Citigroup was downgraded below the “AA” threshold in 2009, and DelVal has required CFPI to post collateral of cash, U.S. Treasury obligations, or certain Agency securities, with the Bank of New York Mellon to secure its obligations under the GIC. As of December 31, 2023, Citigroup was rated “A3” by Moody’s, “BBB+” by S&P, and “A” by Fitch. The CFPI GIC terminates on May 28, 2042, three business days prior to the scheduled maturity date of the 2007 Series.

Funds held to originate new Loans were provided originally from the proceeds of the DelVal Series. Other funds were provided from DelVal’s operations. DelVal’s cash, cash equivalents, and investments as of December 31, 2023, allocated by use are set forth below.

Cash, Cash Equivalents, and Investments by Use of Funds as of December 31, 2023

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Deposits to originate loans and repay bonds (1)	\$ 5,417,500	\$ 51,376,500	\$ 43,033,000	\$ 46,119,950	\$ 145,946,950
Available for any purpose	<u>663,802</u>	<u>5,052,951</u>	<u>4,154,496</u>	<u>2,689,646</u>	<u>12,560,895</u>
Total	<u>\$ 6,081,302</u>	<u>\$ 56,429,451</u>	<u>\$ 47,187,496</u>	<u>\$ 48,809,596</u>	<u>\$ 158,507,845</u>

(1) The funds to originate loans are over-collateralized by \$46,728,250.

The fair value of the instruments that constitute the cash equivalents, investments, restricted cash equivalents, and restricted investments held by DelVal on December 31, 2023, are summarized in the following table. DelVal records the fair value of the cash equivalents and restricted cash equivalents at par because the instruments either mature or can be redeemed at par within 90 days. DelVal records investments and restricted investments at fair value. As of December 31, 2023, the concentration of cash equivalents, restricted cash equivalents, investments, and restricted investments in the obligations of the Pacific Life Global Funding, the Harris County Cultural Education Facilities Finance Corporation, BayernLB, CFPI, and Natixis exceeded 5%.

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**Cash Equivalents, Investments, Restricted Cash Equivalents,
and Restricted Investments as of December 31, 2023**

<i>Description</i>	<i>Senior Debt Rating of Counterparty or Guarantor</i>			<i>CUSIP</i>	<i>Maturity</i>	<i>Rate (6)</i>	<i>Cash Equivalents</i>	<i>Restricted Cash Equivalents</i>	<i>Fair Value Restricted Investments</i>	<i>Total Fair Value</i>	<i>Fair Value Concentration</i>
	<i>Moody's</i>	<i>S&P</i>	<i>Fitch</i>								
<i>Floating rate notes (1)</i>											
National Australia Bank	Aa3	AA-	***	6325C0EC1	12-Jan-27	4.950%	\$ -	\$ -	\$ 4,684,960	\$ 4,684,960	2.007%
Pacific Life Global Funding	Aa3	AA-	AA-	6944PL2G3	4-Jun-26	4.920%	-	-	16,881,340	16,881,340	7.233%
<i>Variable Rate Demand Bonds</i>											
Harris County Cultural Education Facilities Finance Corporation	Aa1/VMIG1	AAA/A-1+	***	414009SA9	1-Oct-45	3.600%	12,838,000	9,937,000	-	22,775,000	9.758%
<i>GIC's (2)</i>											
BayemLB	Aa3	***	A-		1-Jul-26	4.040%	-	7,251,000	-	7,251,000	
BayemLB (3)	Aaa	***	AAA		27-Jul-28	5.290%	56,429,451	21,953,500	-	78,382,951	36.690%
CFPI (4)	A3	BBB+	A		28-May-42	4.831%	35,971,596	-	-	35,971,596	15.412%
Natixis (5)	Aa2	AA	AA-		28-Jun-27	5.240%	6,081,302	1,681,500	-	7,762,802	
Natixis (5)	Aa2	AA	AA-		28-Jun-32	4.830%	47,187,496	12,500,000	-	59,687,496	<u>28.900%</u>
Total							<u>\$ 158,507,845</u>	<u>\$ 53,323,000</u>	<u>\$ 21,566,300</u>	<u>\$ 233,397,145</u>	100.000%

- (1) Notes pay a spread over SOFR, adjusted and paid quarterly.
- (2) GIC's pay a spread over the SIFMA Index, adjusted weekly and paid monthly.
- (3) Obligations guaranteed by the State of Bavaria.
- (4) Obligations are collateralized and held by the Bank of New York Mellon.
- (5) Obligations are guaranteed by Caisse des Dépôts et Consignations.
- (6) Rate as of December 31, 2023.

3. LOANS TO LOCAL GOVERNMENTS

DelVal originates Loans to Participants to fund various capital projects pursuant to the terms, conditions, covenants and restrictions contained in the respective Trust Indentures, Promissory Notes, and Loan Agreements. Loans to Participants with taxing power are secured by pledges of the full faith, credit, and taxing power of the Participants. Loans to Participants that do not enjoy taxing power must be secured by a Participant Credit Enhancement or a Guaranty if the Participants are not rated “Aa3” or higher by Moody’s or “AA-” or higher by S&P. Principal repayments of the Loans are paid in accordance with amortization schedules established at closing. The interest rates on variable rate Loans vary with market conditions, linked to the SIFMA Index. The average interest rate on variable rate Loans during 2023 was 4.031%, and interest rates on fixed rate Loans ranged from 0.632% to 5.827% for periods of one to thirty years.

Participants may prepay their Loans in whole or part with 30 days of notice to DelVal. Participants with fixed rate Loans may incur a prepayment penalty if they prepay prior to the option date or scheduled termination date of the interest rate swap transaction executed by DelVal to hedge the fixed rate. If DelVal incurs a cost to terminate the transaction, that cost would be passed onto the Participant as a prepayment penalty. Variable rate Loans can be prepaid with no penalty.

As of December 31, 2023, 235 Loans in the aggregate principal amount of \$975 million were outstanding to 105 different Participants located in nine counties. Loans to Delaware County accounted for 30.789% of the total principal outstanding.

A Participant pays an origination fee at the closing of the Loan, currently 0.50% of the principal amount, to pay the professional fees for preparation of advertisements, ordinances, resolutions, and closing documents. From this origination fee, DelVal retains an amount equal to 0.10% of the principal amount, less a \$500 fee for the Trustee, that is recognized as Loan interest income at the closing of the Loan.

The City of Chester (the “City”) filed for relief under Chapter 9 of the *Bankruptcy Code* on November 10, 2022. The City issued its \$932,000 General Obligation Notes, 2010 B Series (the “City Loan”) to DelVal, and the City defaulted of its monthly interest payments of \$2,023 due to DelVal from November 25, 2022, to February 25, 2023. Under a stipulation of the Bankruptcy Court, DelVal received a payment of \$91,194 on March 3, 2023, for the delinquent interest payments, interest to be accrued in 2023, and a portion of the principal payment due on June 25, 2023. Under a stipulation approved by the Bankruptcy Court on May 17, 2023, DelVal and the City settled on the repayment of the City Loan. The City recognized and consented to the priority of the pledge of the Harrah’s Table Games Revenues to repay the City Loan, and DelVal waived any claims on any other revenues. The City prepaid the City Loan on December 21, 2023. The City has no further obligations under the City Loan.

A schedule of the Loan principal outstanding as of December 31, 2023, is shown below.

	Loans Outstanding on December 31, 2023				
	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Principal outstanding	\$ 9,716,000	\$ 146,205,000	\$ 97,626,000	\$ 721,591,300	\$ 975,138,300
Less current amount	<u>(4,115,000)</u>	<u>(37,664,000)</u>	<u>(5,013,000)</u>	<u>(49,446,700)</u>	<u>(96,238,700)</u>
Net amount	<u>\$ 5,601,000</u>	<u>\$ 108,541,000</u>	<u>\$ 92,613,000</u>	<u>\$ 672,144,600</u>	<u>\$ 878,899,600</u>

Interest on the Loans is payable monthly. Principal of the Loans is paid according to an amortization schedule established at the closing of each Loan, typically annual payments to provide level annual debt service. Interest rates of fixed and variable rate Loans are calculated monthly by the Administrator to provide funds sufficient to pay (i) debt service due on the DelVal Series, (ii) amounts due under interest rate swap agreements, and (iii) administrative expenses, including liquidity requirements, incurred to operate the Loan Program.

The minimum payments of the principal outstanding due from Loans to Participants are set forth below.

Loan Principal Amortization Schedule

<i>Year</i>	<i>1997 Series</i>	<i>1998 Series</i>	<i>2002 Series</i>	<i>Master Series</i>	<i>Total</i>
2024	\$ 4,115,000	\$ 37,664,000	\$ 5,013,000	\$ 49,446,700	\$ 96,238,700
2025	4,058,000	37,610,000	5,033,000	49,195,900	95,896,900
2026	880,000	24,923,000	11,271,000	49,149,100	86,223,100
2027	663,000	24,670,000	10,320,000	47,849,300	83,502,300
2028	-	21,338,000	10,424,000	43,940,600	75,702,600
2029 to 2033	-	-	55,565,000	195,271,700	250,836,700
2034 to 2038	-	-	-	169,722,000	169,722,000
2039 to 2043	-	-	-	88,602,000	88,602,000
2044 to 2048	-	-	-	24,002,000	24,002,000
2049 to 2053	-	-	-	4,412,000	4,412,000
Total	<u>\$ 9,716,000</u>	<u>\$ 146,205,000</u>	<u>\$ 97,626,000</u>	<u>\$ 721,591,300</u>	<u>\$ 975,138,300</u>

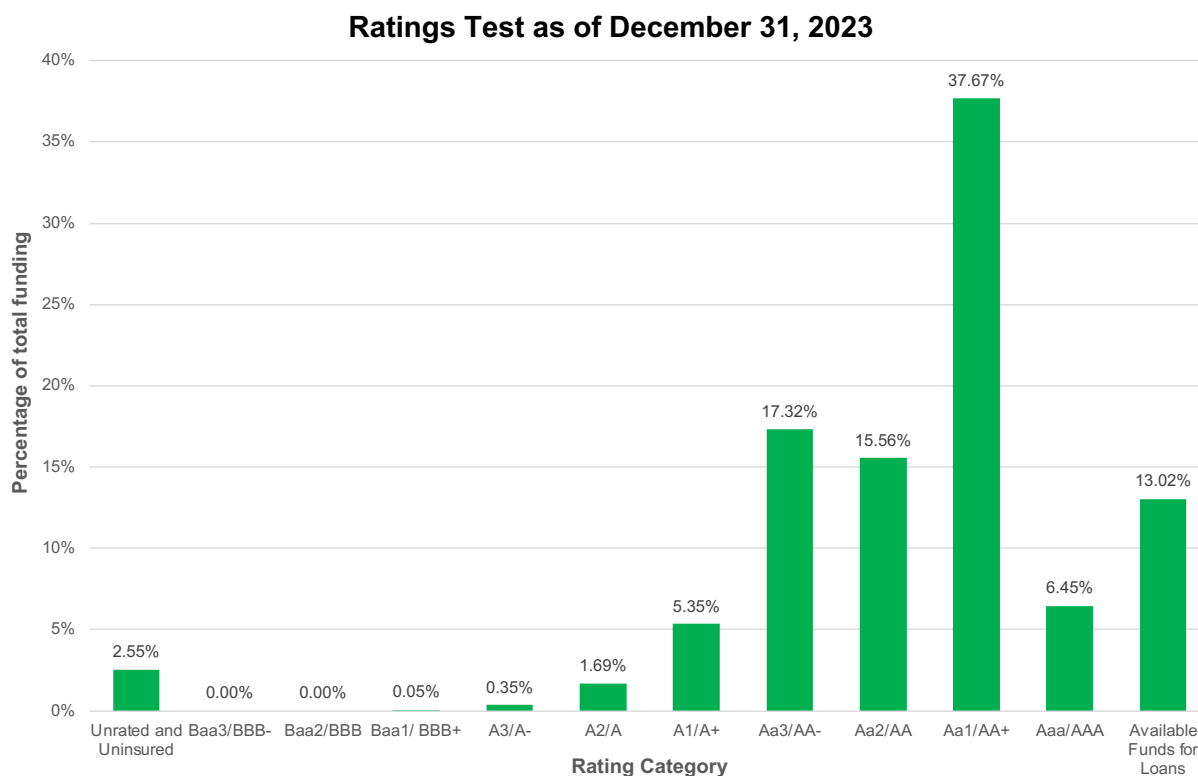
Covenant Agreement

DelVal adopted the Covenant Agreement in 2001 to improve the security of the bondholders of the DelVal Series. Under the terms of the Covenant Agreement, DelVal pledged to use any Excess Funds to cure any deficiency in any trust estate. Excess Funds can only be used for the Loan Program as long as any DelVal Series remains outstanding.

The Covenant Agreement was amended and restated in 2009 to further improve the security of the bondholders. The amendment requires the Participant (or its Guarantor) of a new Loan to have a published rating of “A3” or “A-” or higher (the “Rating Threshold”) unless the proportion of the principal amounts of uninsured Loans outstanding to Participants that are rated below the Rating Threshold to the total DelVal funds available to originate Loans (the “Loan Funds”) will not exceed 10% (the “Ratings Test”). Generally, DelVal requires a published rating at or above the Rating Threshold or a Participant Credit Enhancement for any new Loan of \$1 million or more, even if the Ratings Test is satisfied. DelVal does not normally require ratings or insurance for Loans less than \$1 million if the Ratings Test is satisfied and the credit is approved by the Administrator.

Assured Guaranty Municipal Corp. (“AGM”), currently rated “A1” by Moody’s, “AA” by S&P, and “AA+” by Kroll Bond Rating Agency (“Kroll”) and Build America Mutual Corp. (“BAM”), rated “AA” by S&P, have issued financial guaranty policies, with DelVal as the beneficiary, for the repayment of certain Loans. As of December 31, 2023, the repayment of 13.09% of the Loan principal outstanding has been insured.

The Ratings Test shown in the chart below gives equal weight to the ratings of the Rating Agencies. The Administrator monitors the published rating of each Participant and Guarantor. If the Participant or Guarantor has only one published rating, the analysis gives full weight to the published rating. If a Loan is insured, the analysis gives full weight to the higher of the rating of (i) the insurer or (ii) the Participant or Guarantor. As of December 31, 2023, 2.60% of the Loan Funds had been originated without insurance to Participants who were unrated or rated below the Rating Threshold. The chart below shows the Loan principal outstanding in each rating category as a percentage of the Loan Funds. The “Available Funds” are deposits in the Recycling Funds that are available to originate new Loans.



4. BONDS PAYABLE

DelVal has issued bonds periodically to provide funds (a) to lend to Participants to finance and refinance the costs of projects; (b) to create debt service reserve funds; and (c) to pay all or a portion of the costs of issuance of the bonds. Currently, no direct placements or borrowings are outstanding; all outstanding bond series have been issued through public sales. DelVal has no taxing power. The 1997, 1998, and 2002 Series are limited obligations of DelVal, payable from and secured solely by the assets and revenues of each respective trust estate. The trust estate consists of the assets and revenues derived from proceeds of the bonds, debt service reserve funds, Loan Agreements, interest rate swap agreements, and investments. The Covenant Agreement provides additional security to all of the bonds issued, and to be issued, by DelVal as long as any of the 1997, 1998, and 2002 Series remain outstanding.

On June 28, 2007, DelVal executed the Master Indenture under which all future parity bonds would be issued. Any series issued under the Master Indenture is secured equally and ratably by all assets and revenues held under the trust estate of the Master Indenture. Seven series outstanding as of December 31,

2023, were issued under the Master Indenture and a supplemental indenture. The 2007 Series was issued under the First Supplemental Indenture on June 28, 2007; the 2018 Series was issued under the Fifth Supplemental Indenture on June 27, 2018; the 2020 Series was issued under the Seventh Supplemental Indenture on November 2, 2020; the 2021 Series was issued under the Eighth Supplemental Indenture on February 3, 2021; the 2022 ABC Series was issued under the Ninth Supplemental Indenture on February 10, 2022; the 2022 DE Series was issued under the Tenth Supplemental Indenture on July 14, 2022; and the 2023 Series was issued under the Eleventh Supplemental Indenture on February 22, 2023.

The DelVal Series fund a revolving loan pool program. When Loans are repaid, the principal repayments are deposited in the Recycling Fund and used to fund new Loans to Participants. DelVal operates its Loan Program as one program. Loans may be assigned from one trust estate to another, or the funding may be split among two or more trust estates to facilitate the origination of new Loans and to match Loan repayments with maturities of the DelVal Series.

Below is a schedule that reconciles the par amounts of the DelVal Series outstanding to the net amounts on the Balance Sheet.

Net Amounts of DelVal Series Outstanding on December 31, 2023

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Final maturity	1-Jul-2027	1-Aug-2028	1-Jul-2032	1-Nov-2055	
Par amount outstanding	\$ 16,815,000	\$ 219,535,000	\$ 125,000,000	\$ 788,030,000	\$ 1,149,380,000
Bond principal, current	-	-	-	(80,000,000)	(80,000,000)
Unamortized amounts					
Insurance premium	(102,327)	(215,845)	-	-	(318,172)
Original issue premium	<u>236,456</u>	<u>2,615,162</u>	<u>2,139,882</u>	<u>12,712,759</u>	<u>17,704,259</u>
Net amount	<u>\$ 16,949,129</u>	<u>\$ 221,934,317</u>	<u>\$ 127,139,882</u>	<u>\$ 720,742,759</u>	<u>\$ 1,086,766,087</u>

DelVal optionally redeemed the \$50,000,000 2018 C Series and the \$100,000,000 2020 S Series on February 22, 2023, with proceeds from the acquisition of Loans by the 2023 Series and other DelVal Series and other available funds. DelVal exercised Extraordinary Mandatory Redemptions of \$11,185,000 of the 1997 B Series on July 1, 2023, and \$30,465,000 of the 1998 Series on August 1, 2023, with deposits in the Recycling Funds of the 1997 and 1998 Series and other available funds.

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Below is a reconciliation of the beginning and ending net amounts of the outstanding DeIVal Series.

Beginning and Ending Net Amounts of DeIVal Series Outstanding

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Beginning Bonds net amount	\$ 28,188,015	\$ 253,070,686	\$ 127,425,930	\$ 754,203,477	\$ 1,162,888,108
Beginning current amounts					
Bonds payable	-	-	-	50,000,000	50,000,000
Bond insurance premium	(40,998)	(60,232)	-	-	(101,230)
Original issue premium	94,738	729,766	285,265	2,969,376	4,079,145
Amounts amortized					
Bond insurance premium	40,998	60,232	-	-	101,230
Original issue premium	(94,738)	(729,766)	(285,266)	(3,745,119)	(4,854,889)
New debt issued					
Par amount	-	-	-	141,030,000	141,030,000
Original issue premium	-	-	-	9,798,224	9,798,224
Bonds redeemed	(11,185,000)	(30,465,000)	-	(150,000,000)	(191,650,000)
Ending current amounts					
Bonds payable*	-	-	-	(80,000,000)	(80,000,000)
Bond insurance premium	41,111	60,397	-	-	101,508
Original issue premium	(94,997)	(731,766)	(286,047)	(3,513,199)	(4,626,009)
Ending Bonds net amount	<u>\$ 16,949,129</u>	<u>\$ 221,934,317</u>	<u>\$ 127,139,882</u>	<u>\$ 720,742,759</u>	<u>\$ 1,086,766,087</u>

*Maturity of the \$50,000,000 2020 B Series on November 1, 2024, and Mandatory Purchase Date of the \$30,000,000 2018 D Series on September 1, 2024.

The DeIVal Board has adopted a Post Issuance Compliance Policy, and under the policy, the Administrator monitors and reports any compliance issues with Treasury regulations or rules of the Municipal Securities Rulemaking Board. The Administrator has not reported any compliance issues.

The principal amortization schedules and the estimated interest payments of the DeIVal Series outstanding as of December 31, 2023, are shown in the following schedule. Estimates of the interest payments on the variable rate bonds are based on the final rate resets in 2023. Letter of credit and remarketing expenses are not included in the estimates.

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**Bond Principal Amortization Schedules and Estimated Interest Payments
Debt Outstanding as of December 31, 2023**

Year	1997 Series (1)		1998 Series (1)		2002 Series		Master Series (2)		Total Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	\$ -	\$1,163,455	\$ -	\$ 12,074,425	\$ -	\$ 7,187,500	\$ 80,000,000 (3)	\$ 31,201,323	\$ 80,000,000	\$ 51,626,703	\$ 131,626,703
2025	-	1,163,455	-	12,074,425	-	7,187,500	-	27,707,638	-	48,133,018	48,133,018
2026	-	1,163,455	-	12,074,425	-	7,187,500	-	27,707,638	-	48,133,018	48,133,018
2027	16,815,000	1,163,455	-	12,074,425	-	7,187,500	-	27,707,638	16,815,000	48,133,018	64,948,018
2028	-	-	219,535,000	12,074,425	-	7,187,500	-	27,707,638	219,535,000	46,969,563	266,504,563
2029 to 2033	-	-	-	-	125,000,000	28,750,000	132,000,000	128,263,188	257,000,000	157,013,188	414,013,188
2034 to 2038	-	-	-	-	-	-	191,030,000	94,224,040	191,030,000	94,224,040	285,254,040
2039 to 2043	-	-	-	-	-	-	10,000,000	75,862,363	10,000,000	75,862,363	85,862,363
2044 to 2048	-	-	-	-	-	-	75,000,000	73,086,791	75,000,000	73,086,791	148,086,791
2049 to 2053	-	-	-	-	-	-	75,000,000	52,250,471	75,000,000	52,250,471	127,250,471
2054 to 2057	-	-	-	-	-	-	225,000,000	24,756,591	225,000,000	24,756,591	249,756,591
Total	\$ 16,815,000	\$ 4,653,820	\$ 219,535,000	\$ 60,372,125	\$ 125,000,000	\$ 64,687,500	\$ 788,030,000	\$ 590,475,319	\$ 1,149,380,000	\$ 720,188,764	\$ 1,869,568,764

(1) Municipal bond insurance policy issued by Ambac Assurance Corporation secures the bonds to maturity.

(2) A direct-draw, letter of credit issued by PNC Bank, National Association, secures the remarketing of the \$50,000,000 2007 Series B Bonds. The stated expiration date of the facility is May 19, 2026.

A direct-draw, letter of credit issued by TD Bank N.A., secures the remarketing of the \$75,000,000 2020 D Series Bonds. The stated expiration date of the facility is June 1, 2026.

A direct-draw, letter of credit issued by TD Bank N.A., secures the remarketing of the \$75,000,000 2022 E Series Bonds. The stated expiration date of the facility is July 14, 2027.

(3) The \$50,000,000 2020 B Series matures on November 1, 2024, and the \$30,000,000 2018 D Series has a mandatory purchase date of September 1, 2024.

1997 Series

The 1997 Series was issued in the original par amount of \$140,000,000. The 1997 Series is secured by a municipal bond insurance policy issued by Ambac. The \$70,000,000 Local Government Revenue Bonds, 1997 Series A were redeemed on June 28, 2007, with a portion of the proceeds of the 2007 Series. The Local Government Revenue Bonds, 1997 Series B (the “1997 B Series”) was issued with a \$42,000,000 maturity on July 1, 2017, and an \$18,000,000 maturity, with a 5.70% coupon, maturing on July 1, 2027. The \$10,000,000 Local Government Revenue Bonds, 1997 Series C (the “1997 C Series”) was issued with a 7.75% coupon, maturing on June 1, 2027. Interest on the 1997 Series is payable semiannually. The 1997 C Series was issued at an original issue premium of \$2,842,400.

Moody’s and S&P originally rated the 1997 Series based solely upon the municipal bond insurance policy of Ambac. Following the filing by Ambac Financial Group, Inc. (Ambac’s parent) for relief under Chapter 11 of the *United States Bankruptcy Code*, S&P withdrew its rating of the 1997 Series, and Moody’s assigned a rating based solely upon the long-term rating of DelVal. As of December 31, 2023, Moody’s had assigned a rating of “A1” with a stable outlook to the 1997 Series.

The 1997 B Series and the 1997 C Series are not subject to optional or mandatory redemption. Under certain circumstances defined in the Trust Indenture, principally the inability to originate Loans for a protracted period of time, the 1997 Series may be subject to an Extraordinary Mandatory Redemption. In the event of such an extraordinary redemption, the Trust Indenture requires the 1997 B Series to be redeemed before the 1997 C Series. The 1997 B Series would be redeemed at par; the 1997 C Series would be redeemed at the premiums set forth in the Trust Indenture of the 1997 Series.

The consent of Ambac for the funding of Loans from the 1997 Series is an indenture requirement. To date, Ambac has cooperated in providing consents when necessary to fund loans from the 1997 Series; however, Ambac has been in runoff operations since 2009, and the future staffing and policies of Ambac are uncertain. If Ambac is unable or unwilling to approve the funding of Loans from the 1997 Series, DelVal may be obligated under the indenture to apply the idle repayments to fund an Extraordinary Mandatory Redemption of the 1997 Series.

Loans originated or acquired by the 1997 Series must mature on or before July 1, 2027. The maturity constraint of the 1997 Series and weak demand for Loans in 2023 restricted the ability of DelVal to utilize deposits in the Recycling Fund of the 1997 Series accumulated from Loan repayments. On June 12, 2023, the DelVal Board authorized the Extraordinary Mandatory Redemption of the 1997 Series as necessary to comply with the 1997 Series Indenture. On July 1, 2023, \$11,185,000 of the 1997 B Series was redeemed.

DelVal entered into a master interest rate swap agreement related to the 1997 Series and executed interest rate swap transactions for each maturity of the 1997 Series. Under the terms of the interest rate swap transactions, DelVal pays a rate indexed to the SIFMA Index and receives fixed rate payments for the 1997 B Series and 1997 C Series. The interest rate swap transactions related to the 1997 B Series and 1997 C Series terminate on their respective maturity dates. The interest rate swap transactions allow DelVal to hedge its exposure to changes of long-term interest rates.

1998 Series

The 1998 Series was issued in the par amount of \$300,000,000. The 1998 Series is secured by a municipal bond insurance policy issued by Ambac. The \$25,000,000 Local Government Revenue Bonds, 1998 Series B and the \$25,000,000 Local Government Revenue Bonds, 1998 Series C matured on August

1, 2018. The coupon on the \$250,000,000 Local Government Revenue Bonds, 1998 Series A (the “1998 A Series”) is set at 5.50%, and interest is paid semiannually. The 1998 A Series mature on August 1, 2028. The 1998 A Series was issued at an original issue premium of \$18,060,000.

Moody’s and S&P originally rated the 1998 Series solely upon the municipal bond insurance policy of Ambac. Following the filing by Ambac Financial Group, Inc. (Ambac’s parent) for relief under Chapter 11 of the *United States Bankruptcy Code*, S&P withdrew its rating of the 1998 Series. Moody’s assigned a rating to the 1998 Series based solely upon the long-term rating of DelVal. As of December 31, 2023, Moody’s had assigned a rating of “A1” with a stable outlook to the 1998 Series.

The 1998 Series is not subject to optional or mandatory redemption. Under certain circumstances defined in the Trust Indenture, principally the inability to originate Loans for a protracted period of time, the 1998 Series may be subject to an Extraordinary Mandatory Redemption at the premiums set forth in the Trust Indenture of the 1998 Series.

The consent of Ambac for the funding of Loans from the 1998 Series is an indenture requirement. To date, Ambac has cooperated in providing consents when necessary to fund loans from the 1998 Series; however, Ambac has been in runoff operations since 2009, and the future staffing and policies of Ambac are uncertain. If Ambac is unable or unwilling to approve the funding of Loans from the 1998 Series, DelVal may be obligated under the indenture to apply the idle repayments to fund an Extraordinary Mandatory Redemption of the 1998 Series.

Loans originated or acquired by the 1998 Series must mature on or before August 1, 2028. The maturity constraint of the 1998 Series and weak demand for Loans in 2023 restricted the ability of DelVal to utilize deposits in the Recycling Fund of the 1998 Series accumulated from Loan repayments. On June 12, 2023, the DelVal Board authorized the Extraordinary Mandatory Redemption of the 1998 Series as necessary to comply with the 1998 Series Indenture. On August 1, 2023, \$30,465,000 of the 1998 Series was redeemed.

DelVal entered into interest rate swap transactions for each maturity of the 1998 Series; the transactions terminate on the maturity dates of the related 1998 Series. Under the terms of the interest rate swap transactions, DelVal pays amounts indexed to the SIFMA Index and receives fixed payments. The interest rate swap transactions allow DelVal to hedge its exposure to changes of long-term interest rates.

2002 Series

The 2002 Series was issued in the par amount of \$375,000,000. The \$125,000,000 Local Government Revenue Bonds, 2002 Series A matured on July 1, 2012, and the \$125,000,000 Local Government Revenue Bonds, 2002 Series B matured on July 1, 2017. The \$125,000,000 Local Government Revenue Bonds, 2002 Series C (the “2002 C Series”) mature on July 1, 2032, with a coupon of 5.75%. Interest is paid semiannually. The 2002 C Series was issued at an original issue premium of \$9,391,250. The 2002 Series was rated “A1” with a stable outlook by Moody’s and “A+” with a stable outlook by S&P as of December 31, 2023.

The 2002 Series is not subject to optional or mandatory redemption. Under certain circumstances defined in the Trust Indenture, principally the inability to originate Loans for a protracted period of time, the 2002 Series may be subject to an Extraordinary Mandatory Redemption at the premiums set forth in the Trust Indenture of the 2002 Series.

DelVal entered into a master interest rate swap agreement related to the 2002 Series and executed an interest rate swap transaction related to each maturity of the 2002 Series. The transactions terminate on the respective maturity dates of the related Series. The interest rate swap transactions allow DelVal to hedge its exposure to changes of long-term interest rates.

2007 Series

The 2007 Series were issued under the Master Indenture and the First Supplemental Indenture on June 28, 2007, in the par amount of \$160,000,000. The coupon on the \$10,000,000 2007 Series A (the “2007 A Series”) maturing on June 1, 2037, was set at 5.50%. Interest is paid semiannually. The 2007 A Series was issued at an original issue premium of \$1,365,600. The 2007 A Series is not subject to optional or mandatory redemption. Under certain circumstances defined in the Trust Indenture, principally the inability to originate loans for a protracted period of time, the 2007 A Series may be subject to extraordinary redemption at the premiums set forth in the First Supplemental Indenture.

The \$50,000,000 2007 Series B Bonds (the “2007 B Series”) maturing on June 1, 2042, is currently remarketed as a variable rate demand bond (“VRDB”) in a weekly rate mode, secured by a letter of credit issued by PNC Bank, National Association (“PNC”). The remarketing agent, currently PNC Capital Markets LLC, resets the interest rates on the 2007 B Series effective every Wednesday. The interest rates are set at the minimum rate of interest, in the opinion of the remarketing agent, necessary to remarket the bonds in a secondary market transaction at par. The maximum interest rate, as defined in the First Supplemental Indenture, is 15%. Interest on weekly rate bonds is paid monthly. Holders of the 2007 B Series may, with seven days of notice, tender the bonds at par. The 2007 B Series is subject to optional redemption, in whole or part, and purchase by DelVal at par. The 2007 B Series is also subject to mandatory redemption and purchase at par if the rating of the bonds is reduced as a consequence of the substitution of the letter of credit or if DelVal elects to convert to another interest rate mode as permitted in the First Supplemental Indenture. See “Note 5. Credit Facilities” for additional information.

The interest rates of the \$100,000,000 2007 Series C Bonds (the “2007 C Series”) were originally set at an interest rate indexed to 3-Month LIBOR. On February 10, 2022, proceeds from the acquisition of Loans by the 2022 ABC Series, together with proceeds from the acquisition of Loans by other DelVal Series and other available funds, were used to redeem the \$50,000,000 2007 C Series maturing on June 1, 2027. A principal amount of \$50,000,000 of the 2007 C Series remains outstanding and matures on June 1, 2037.

The publication of representative 3-Month LIBOR ended on June 30, 2023. The DelVal Board amended the First Supplemental Indenture to provide that the 3-Month Term SOFR published by the CME Group Benchmark Administration (“CME”) would replace 3-Month LIBOR when that rate was no longer published. The interest rates are reset quarterly, and interest is paid to the holders of the 2007 C Series quarterly. The 2007 C Series is subject to optional redemption, in whole or part, and purchase by DelVal at par on or after June 1, 2017. DelVal may convert the 2007 C Series to a different interest rate mode as permitted in the First Supplemental Indenture.

The 2007 A Series and the 2007 C Series were assigned ratings of “A1” with a stable outlook by Moody’s and “A+” with a stable outlook by S&P as of December 31, 2023. The 2007 B Series was assigned ratings of “A1/VMIG 1” by Moody’s, “AA+/A-1” by S&P, and “A+/F1” by Fitch as of December 31, 2023.

The 2007 Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the First Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the First Supplemental Indenture.

DelVal entered into a master interest rate swap agreement related to the 2007 Series and executed interest rate swap transactions related to the 2007 A Series and the 2007 C Series that terminate on their respective maturity dates. DelVal pays amounts indexed to the SIFMA Index and receives fixed payments for the 2007 A Series. DelVal received payments indexed to 3-Month LIBOR for the 2007 C Series until June 30, 2023. The transaction related to the 2007 C Series was amended to replace 3-Month LIBOR with 3-Month Term SOFR after June 30, 2023. The interest rate swap transactions allow DelVal to hedge its exposure to basis risk and to changes of long-term interest rates.

2018 Series

On June 27, 2018, DelVal issued the 2018 Series under the Master Indenture and the Fifth Supplemental Indenture in the principal amount of \$215,000,000. A portion of the proceeds of the 2018 Series was used to acquire Loans from the Local Government Revenue Bonds, 2014 Series (the “2014 Series”), which together with proceeds from the acquisition of Loans by other DelVal Series and other available funds, were used to redeem a portion of the Local Government Revenue Bonds, 2014 Series (the “2014 Series”). Proceeds of the 2018 Series were also used to fund a Debt Service Reserve Fund, provide additional funds to originate Loans, and pay the costs of issuance. The 2018 Series was assigned ratings of “A1” by Moody’s and “A+” by S&P as of December 31, 2023.

The \$10,000,000 2018 A Series was issued with a coupon of 5.00% at a yield of 3.44% to the maturity date of September 1, 2033. The original issue premium was \$1,832,000. Interest is payable semiannually, and the bonds are not subject to optional redemption. In order to hedge the risks of changes in long-term interest rates, DelVal executed a swap transaction related to the 2018 A Series under which DelVal receives a fixed rate and pays the SIFMA Index.

The \$50,000,000 2018 B Series and the \$50,000,000 2018 C Series were issued at variable interest rates set at a spread over the SIFMA Index with a maturity date of September 1, 2048. Interest was payable monthly. On February 10, 2022, proceeds from the acquisition of Loans by the 2022 ABC Series, together with proceeds from the acquisition of Loans by other DelVal Series and other available funds, were used to optionally redeem the 2018 B Series. On February 22, 2023, proceeds from the acquisition of Loans by the 2023 Series, together with proceeds from the acquisition of Loans by other DelVal Series and other available funds, were used to optionally redeem the 2018 C Series.

The \$30,000,000 2018 D Series and the \$75,000,000 2018 E Series were issued at variable interest rates indexed to 1-Month LIBOR with a maturity date of September 1, 2048. The publication of representative 1-Month LIBOR ended on June 30, 2023. Under the terms of an amendment to the Fifth Supplemental Indenture, the 1-Month LIBOR interest rate on the 2018 D Series and 2018 E Series was replaced by 1-Month Term SOFR published by CME after June 30, 2023. Interest is payable monthly. The 2018 D Series is subject to mandatory purchase on September 1, 2024, and the 2018 E Series is subject to mandatory purchase on September 1, 2025. The 2018 D Series may be optionally redeemed on or after September 1, 2023, and the 2018 E Series may be optionally redeemed on or after September 1, 2024.

In order to hedge the LIBOR basis risk, DelVal assigned swap transactions from the 2014 Series to the 2018 D Series and 2018 E Series under which DelVal receives a rate indexed to 1-Month LIBOR and

pays the SIFMA Index. The transactions related to the 2018 D and E Series were amended to replace 1-Month LIBOR with 1-Month Term SOFR after June 30, 2023.

The 2018 Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Fifth Supplemental Indenture, principally the inability to originate loans for a protracted period of time, at the purchase prices and premiums set forth in the Fifth Supplemental Indenture.

2020 A Series

The 2020 A Series was issued under the Master Indenture and the Sixth Supplemental Indenture on May 1, 2020, in the par amount of \$100,000,000, maturing on May 1, 2055, as a VRDB in a weekly rate mode, secured by a letter of credit issued by TD Bank, N.A. and remarketed by TD Securities LLC. The proceeds of the 2020 A Series were used to: (i) fund the origination of new Loans, (ii) acquire Loans from the Local Government Revenue Bonds, 2017 Series, and (iii) fund a deposit to the Debt Service Reserve Fund. The costs of issuance were paid from available, unrestricted funds of DelVal. On February 10, 2020, \$25,000,000 of the 2017 Series, evidencing the direct placement of a loan from TD Bank, N.A., was redeemed with the proceeds from the acquisition of Loans by the 2020 A Series and other available funds. The 2020 A Series was assigned ratings of “Aa3/VMIG 1” by Moody’s and “AA+/A-1” by S&P.

On February 22, 2023, DelVal optionally redeemed the 2020 A Series with the proceeds from the acquisition of Loans by the 2023 Series and other DelVal Series and other available funds. DelVal made a rebate payment of \$29,018 related to the 2020 A Series to the US Treasury on April 5, 2023.

2020 Series

The 2020 Series were issued under the Master Indenture and the Seventh Supplemental Indenture in the par amount of \$175,000,000 on November 2, 2020. The proceeds of the 2020 Series were used to: (i) fund the origination of new Loans, (ii) acquire Loans from the 2014 Series and the 2017 Series, (iii) fund a deposit to the Debt Service Reserve Fund, and (iv) pay the costs of issuance. On November 2, 2020, the remaining outstanding principal amounts of the 2014 Series and the 2017 Series, evidencing the direct placement of loans from Bank of America, N.A. and TD Bank, N.A., were redeemed from the proceeds of the acquisition of Loans by the 2020 Series and other DelVal Series and other available funds.

The \$50,000,000 2020 B Series was issued with a coupon of 5.00% to yield 0.62% with an original issue premium of \$8,633,000 maturing on November 1, 2024. Interest on the 2020 B Series is paid semiannually. In order to hedge the risk of changes in long-term interest rates, DelVal executed a swap transaction on April 19, 2021, related to the 2020 B Series under which DelVal receives a fixed rate and pays the SIFMA Index.

The \$50,000,000 2020 C Series was issued as a weekly R-FLOATs security maturing on November 1, 2055. BofA Securities, the remarketing agent of the 2020 C Series, reset the interest rates effective every Thursday. The 2020 C Series were subject to optional redemption, in whole or part, at par. On July 14, 2022, DelVal optionally redeemed the 2020 C Series with proceeds from the acquisition of Loans by the 2022 DE Series and other DelVal Series and other available funds.

The \$75,000,000 2020 D Series was issued as a weekly VRDB maturing on November 1, 2055, with the remarketing secured by a direct-draw letter of credit issued by TD Bank, N.A. TD Securities LLP, the remarketing agent of the 2020 D Series, resets the interest rates effective every Wednesday. The 2020 D Series are subject to optional redemption, in whole or part, and purchase by DelVal at par. The 2020 D Series are also subject to mandatory redemption and purchase at par if the rating of the bonds is reduced as

a consequence of the substitution of the letter of credit. See “Note 5. Credit Facilities” for additional information.

Interest on the on the 2020 D Series is paid monthly on the first business day. The interest rates of the 2020 D Series are set at the minimum rate of interest, in the opinion of the remarketing agent, necessary to remarket the bonds in a secondary market transaction at par. The maximum interest rate, as defined in the Seventh Supplemental Indenture, is 15%. Holders of the 2020 D Series may, with seven days of notice, tender the bonds at par.

The 2020 B Series and 2020 D Series are subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Seventh Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Seventh Supplemental Indenture. As of December 31, 2023, the 2020 B Series was assigned ratings of “A1” by Moody’s and “A+” by S&P, and the 2020 D Series was assigned ratings of “Aa3/VMIG 1” by Moody’s and “AA+/A-1” by S&P.

2021 Series

On February 3, 2021, DelVal issued the 2021 Series under the Master Indenture and the Eighth Supplemental Indenture in the principal amount of \$45,000,000. The 2021 Series was issued with a coupon of 2.00% at a yield of 1.35% to the maturity date of October 1, 2029. The original issue premium was \$2,382,750. Interest is payable semiannually, and the bonds are not subject to optional redemption. The proceeds of the 2021 Series were deposited into accounts to: (i) originate new Loans and to acquire Loans from other DelVal Series, (ii) increase the deposit in the Debt Service Reserve Fund, and (iii) pay the costs of issuance. In order to hedge the risk of changes in long-term interest rates, DelVal amended a swap transaction with PNC related to the Master Series to provide a fixed rate receipt and a SIFMA Index payment.

The 2021 Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Eighth Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Eighth Supplemental Indenture. The 2021 Series was assigned ratings of “A1” by Moody’s and “A+” by S&P as of December 31, 2023.

2022 ABC Series

The 2022 ABC Series were issued under the Master Indenture and the Ninth Supplemental Indenture in the par amount of \$155,000,000 on February 10, 2022. The proceeds of the 2022 ABC Series were used to: (i) fund the origination of new Loans, (ii) acquire Loans from the 2007 Series, 2018 Series, and other series, (iii) fund a deposit to the Debt Service Reserve Fund, and (iv) pay the costs of issuance. On February 10, 2022, \$50,000,000 2007 C Series and \$50,000,000 2018 B Series were optionally redeemed from the proceeds of the acquisition of Loans by the 2022 ABC Series and other DelVal Series and other available funds. The 2022 ABC Series was assigned ratings of “A1” by Moody’s and “A+” by S&P as of December 31, 2023.

The \$5,000,000 2022 A Series was issued with a coupon of 5.00% to yield 1.95%, with an original issue premium of \$1,132,050, maturing on March 1, 2030. In order to hedge the risk of changes in long-term interest rates, DelVal executed a swap transaction under which DelVal receives a fixed rate and pays the SIFMA Index.

The \$75,000,000 2022 B Series was issued at variable interest rates set at a spread over the SIFMA Index with a maturity date of March 1, 2057. Interest is payable monthly. The 2022 B Series is subject to mandatory purchase on March 1, 2026, and may be optionally redeemed on or after March 1, 2025. On the mandatory purchase or optional redemption date, the 2022 B Series can be remarketed as variable rate securities based on an index.

The \$75,000,000 2022 C Series was issued at variable interest rates set at a spread over SOFR with a maturity date of March 1, 2057. Interest is payable monthly. The 2022 B Series is scheduled to be remarketed on March 1, 2027, and may be optionally redeemed on or after March 1, 2026. On the mandatory purchase or optional redemption date, the 2022 C Series can be remarketed as variable rate securities based on an index. In order to hedge the risk of basis risk of SOFR, DelVal executed a swap transaction under which DelVal receives SOFR and pays the SIFMA Index.

Interest on the 2022 A Series is paid semiannually, and interest on the 2022 B Series and 2022 C Series is paid monthly on the first business day. The 2022 ABC Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Ninth Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Ninth Supplemental Indenture.

2022 DE Series

The 2022 DE Series were issued under the Master Indenture and the Tenth Supplemental Indenture in the par amount of \$97,000,000 on July 14, 2022. The proceeds of the 2022 DE Series were used to: (i) originate new Loans (ii) acquire Loans from the 2020 C Series, (iii) fund a deposit to the Debt Service Reserve Fund, (iv) fund a deposit to the Capitalized Interest Account, and (v) pay the costs of issuance. On July 14, 2022, the \$50,000,000 2020 C Series was optionally redeemed from the proceeds of the acquisition of Loans by the 2022 DE Series and other DelVal Series and other available funds. As of December 31, 2023, the 2022 D Series was assigned ratings of “A1” by Moody’s and “A+” by S&P, and the 2022 E Series was assigned ratings of “Aa3/VMIG 1” by Moody’s and “AA+/A-1” by S&P.

The 2022 D Series was issued in two tranches, \$20,000,000 with a coupon of 4.00% to yield 2.95% and \$2,000,000 with a coupon of 5.00% to yield 2.88%, with an original issue premium of \$1,509,780, maturing on March 1, 2029. Interest on the 2022 D Series is paid semiannually. In order to hedge the risk of changes in long-term interest rates, DelVal executed a swap transaction under which DelVal receives a fixed rate and pays the SIFMA Index.

The \$75,000,000 2022 E Series was issued as a weekly VRDB maturing on March 1, 2052, with the remarketing secured by a direct-draw letter of credit issued by TD Bank, N.A. TD Securities LLP, the remarketing agent of the 2022 E Series, resets the interest rates effective every Wednesday. The 2022 E Series are subject to optional redemption, in whole or part, and purchase by DelVal at par. The 2022 E Series are also subject to mandatory redemption and purchase at par if the rating of the bonds is reduced as a consequence of the substitution of the letter of credit. See “Note 5. Credit Facilities” for additional information.

Interest on the 2022 E Series is paid monthly on the first business day. The interest rates of the 2022 E Series are set at the minimum rate of interest, in the opinion of the remarketing agent, necessary to remarket the bonds in a secondary market transaction at par. The maximum interest rate, as defined in the Tenth Supplemental Indenture, is 15%. Holders of the 2022 E Series may, with seven days of notice, tender the bonds at par.

The 2022 DE Series is subject to an Extraordinary Mandatory Redemption under certain circumstances defined in the Tenth Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Tenth Supplemental Indenture.

2023 Series

On February 22, 2023, DelVal issued the 2023 Series under the Master Indenture and the Eleventh Supplemental Indenture in the principal amount of \$141,030,000. A portion of the proceeds of the 2023 Series was used to acquire Loans from the 2018 Series and 2020 A Series, which together with proceeds from the acquisition of Loans by other DelVal Series and other available funds, were used to optionally redeem the \$50,000,000 2018 C Series and the \$100,000,000 2020 A Series on February 22, 2023. Proceeds of the 2023 Series were also used to fund a deposit to the Debt Service Reserve Fund and pay the costs of issuance. The 2023 Series was assigned ratings of “A1” by Moody’s and “A+” by S&P.

The 2023 Series was issued with three maturities: \$50,000,000 with a coupon of 4.00% at a yield of 3.01% to the maturity date of September 1, 2032, \$41,030,000 with a coupon of 4.00% at a yield of 3.22% to the maturity date of September 1, 2033, and \$50,000,000 with a coupon of 4.00% at a yield of 3.39% to the maturity date of September 1, 2034. The original issue premium was \$9,798,225. Interest is payable semiannually, and the bonds are subject to optional redemption six months prior to their respective maturity dates. In order to hedge the risks of changes in long-term interest rates, DelVal executed a swap transaction under which DelVal receives a fixed rate and pays the SIFMA Index.

The 2023 Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Eleventh Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Eleventh Supplemental Indenture.

5. CREDIT FACILITIES

1997 Series and 1998 Series

The payments of interest on and principal of the 1997 Series and the 1998 Series are secured by municipal bond insurance policies issued by Ambac Assurance Corporation. The bond insurance is in effect to the maturity dates of the 1997 Series and 1998 Series. The bond insurance premiums paid to Ambac at closing are amortized on a straight-line basis over the 30-year terms. As of December 31, 2023, Moody’s, S&P, and Fitch had all withdrawn their ratings of Ambac.

2007 B Series

DelVal, as required by the Trust Indenture, maintains a direct draw letter of credit in the amount of \$50,924,658 as security for the payment of principal of and accrued interest on the 2007 B Series. DelVal entered into an agreement with PNC Bank, National Association, on May 1, 2017, to provide the requisite letter of credit. On May 19, 2022, the agreement was amended to extend the termination date to May 19, 2026. During 2023, DelVal paid \$155,733.96 to PNC for facility fees and draw fees. As of December 31, 2023, PNC was assigned letter-of-credit ratings of “A1/P-1” by Moody’s, “A/A-1” by S&P, and “A+/F1+” by Fitch.

2020 A Series

DelVal, as required by the Trust Indenture, maintained a direct draw letter of credit in the amount of \$101,849,315 as security for the payment of principal of and accrued interest on the 2020 A Series. DelVal entered into an agreement with TD Bank, N.A. on May 1, 2020, to provide the requisite letter of credit. The letter of credit was terminated on February 22, 2023, when the 2020 A Series was optionally redeemed. During 2023, DelVal paid facility fees, draw fees, and legal fees totaling \$52,835.14 to TD.

2020 D Series

Pursuant to the Trust Indenture, a direct draw letter of credit in the amount of \$76,386,987 secures the payment of principal of and accrued interest on the 2020 D Series. DelVal entered into an agreement with TD Bank, N.A. as of November 1, 2020, to provide the requisite letter of credit. The agreement was amended on July 14, 2022, and the scheduled termination date was extended to June 1, 2026. During 2023, DelVal paid facility fees and draw fees totaling \$201,606.17 to TD. As of December 31, 2023, TD was assigned letter-of-credit ratings of “Aa3/P-1” by Moody’s and “AA-/A-1+” by S&P.

2022 E Series

Pursuant to the Trust Indenture, a direct draw letter of credit in the amount of \$76,386,987 secures the payment of principal of and accrued interest on the 2022 E Series. DelVal entered into an agreement with TD Bank, N.A. as of July 14, 2022, to provide the requisite letter of credit. The scheduled termination date of the TD letter of credit is July 14, 2027. During 2023, DelVal paid facility fees and draw fees totaling \$216,883.57 to TD. As of December 31, 2023, TD was assigned letter-of-credit ratings of “Aa3/P-1” by Moody’s and “AA-/A-1+” by S&P.

Participant Credit Enhancers

Certain Loans are secured by Participant Credit Enhancements, financial guaranty policies, with DelVal as the beneficiary. Premiums for the policies were paid from DelVal’s origination fees or Loan proceeds at the closing of each Loan. As of December 31, 2023, approximately 13.09% of the Loan principal outstanding, approximately \$127.6 million, was insured by AGM or BAM. As of December 31, 2023, AGM was rated “A1” by Moody’s, “AA” by S&P, and “AA+” by Kroll, and BAM was rated “AA” by S&P. Participant Credit Enhancers have never been required to make any payments to DelVal under the financial guaranty policies.

6. DERIVATIVE FINANCIAL INSTRUMENTS

DelVal began entering into interest rate swap transactions related to its bond issues (each, a “Bond Swap”) in 1997 in order to (i) diversify the types of debt instruments it could issue to fund the Loan Program, (ii) hedge its exposure to future changes in long-term interest rates, (iii) hedge its exposure to basis risk, (iv) reduce its exposure to the credit facility market, and (v) reduce its all-in cost of funds. Under the interest rate swap transactions related to the bond issues, DelVal receives a payment with the same basis as the related bonds, and DelVal pays the SIFMA Index. The use of interest rate transactions also permitted DelVal to begin providing a competitive fixed rate Loan option. If a Participant requests a fixed rate Loan, DelVal enters into an offsetting swap transaction under which DelVal pays a fixed rate and receives the SIFMA Index (each a “Loan Swap”) to hedge its fixed interest rate risk. None of the swap transactions executed by DelVal are payable or receivable in foreign currencies.

DelVal executed two swap transactions in 2022 to eliminate the basis risk of restricted investments (each an “Investment Swap”) in FRN’s that are based on SOFR. Under these transactions, DelVal pays a rate based on SOFR and receives a rate based on the SIFMA Index.

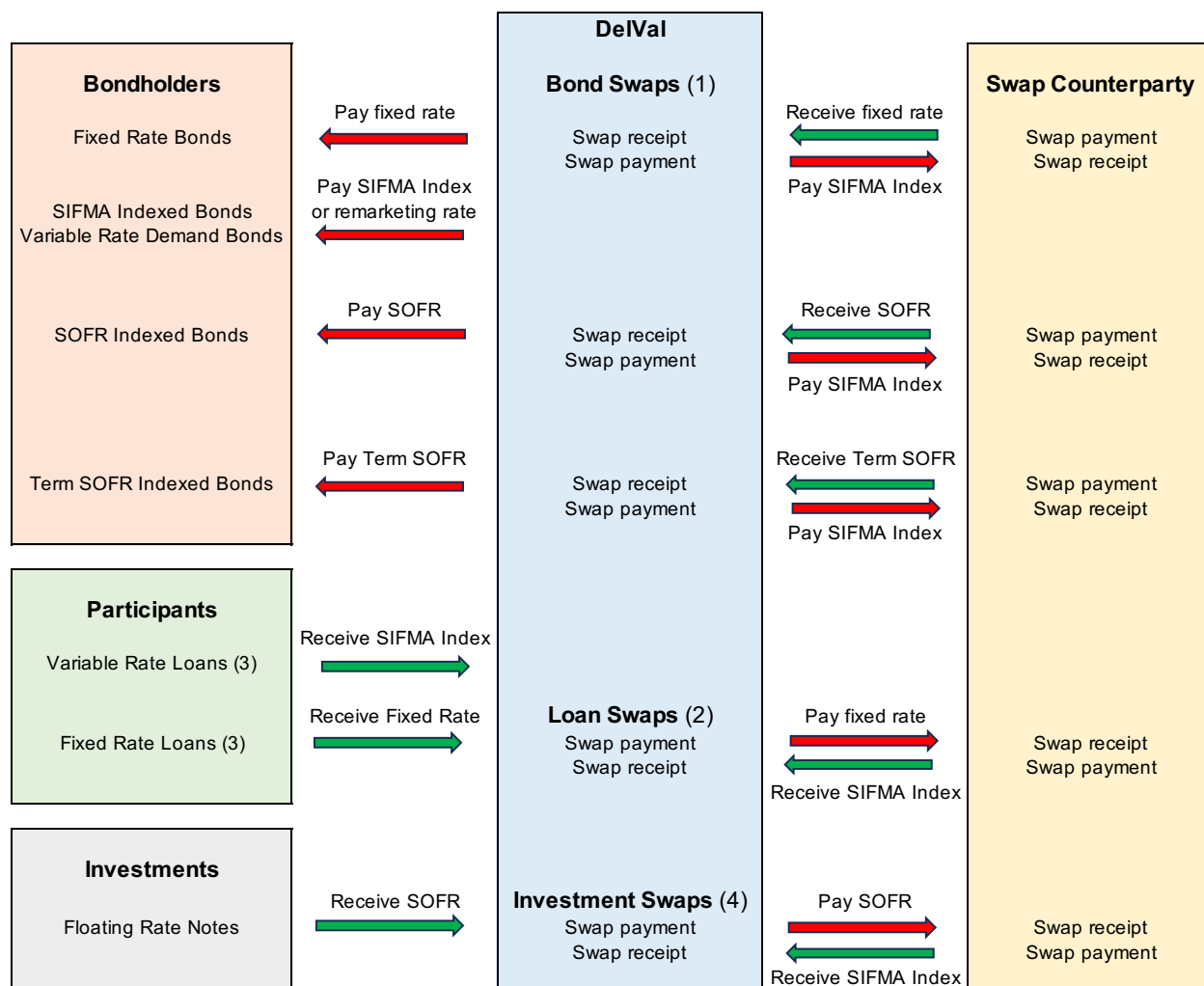
DelVal has executed Master Agreements (collectively, the “DelVal Swap Agreement”) with six counterparties (each a “Counterparty”). All of the Master Agreements are secured on a parity basis with bondholders. A listing of the Counterparties is shown below.

- 1) Bank of America, N.A. (“BANA”), dated as of November 12, 2009, and amended and restated as of January 27, 2015, and February 13, 2015,
- 2) Citibank, N.A. (“Citibank”), dated as of June 28, 2007,
- 3) Barclays Bank PLC (“Barclays”) dated as of April 17, 2012, and amended and restated as of July 2, 2012,
- 4) PNC Bank, National Association (“PNC”) dated as of January 28, 2015, and amended as of June 20, 2020,
- 5) The Toronto-Dominion Bank (“T-D”) dated as of January 11, 2016, and
- 6) Royal Bank of Canada (“RBC”) dated as of July 16, 2019, and amended as of August 10, 2020.

The Administrator sets Loan rates at levels sufficient to pay (i) debt service on the DelVal Series, (ii) any related Bond Swap or Loan Swap payments, and (iii) DelVal’s administrative costs. Below is a chart that depicts the cash flows.

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Cash Flows of Debt Service, Loan Payments, Investments, and Swap Transactions



- (1) Transactions executed to create a pool of funds with a net cost comparable to a VRDB and hedge long-term interest rate risk and basis risk.
- (2) Transactions executed to hedge the interest rate risk of providing a fixed rate Loan.
- (3) Loan rates are set monthly by the Administrator at levels sufficient to pay (i) debt service on the DeIVal Series, (ii) net payments on Bond Swaps, Loan Swaps, and Investment Swaps, and (iii) administrative costs.
- (4) Transactions executed to hedge the SOFR basis risk of floating rate investments.

As of December 31, 2023, Bond Swap transactions in the notional amount of \$924,430,000, Loan Swap transactions in the notional amount of \$1,003,766,300, and Investment Swaps in the notional amount of \$21,700,000 were outstanding. A summary of the interest rate swap transactions and the reconciliation of the carrying values on the Balance Sheet and the fair market value of all interest rate swap transactions as of December 31, 2023, is set forth below.

**Carrying Value and Fair Value of Interest Rate
Swap Transactions Outstanding**

	<i>Notional Amount</i>	<i>Carrying Value</i>	<i>Fair Value 31-Dec-23</i>
1997 Series			
Bond Swaps	\$ 16,815,000	\$ 1,497,260	\$ 1,497,260
Loan Swaps	9,277,000	115,564	115,564
1998 Series			
Bond Swaps	219,535,000	19,594,344	19,594,344
Unamortized prepaid swap expense	-	2,667,965	4,585,318
Loan Swaps	144,780,000	3,073,272	3,073,272
2002 Series			
Bond Swaps	125,000,000	17,635,954	17,635,954
Loan Swaps	97,626,000	3,744,466	3,744,466
Master Series			
Bond Swaps	563,080,000	(556,733)	(556,733)
Loan Swaps	752,083,300	46,380,516	46,380,516
Investment swaps	<u>21,700,000</u>	<u>(573,128)</u>	<u>(573,128)</u>
Total	<u>\$ 1,949,896,300</u>	<u>\$ 93,579,480</u>	<u>\$ 95,496,833</u>

Effectiveness of the Swap Agreements

All Bond Swaps, Loan Swaps, and Investment Swaps are effective hedges under the “consistent critical terms” and “quantitative methods” standards of the Governmental Accounting Standards Board Statement No. 53 (“GASB 53”).

The Bond Swaps are effective under both the consistent critical terms and the quantitative methods standards of GASB 53:

- 1) The transactions hedge exposure to changes of long-term interest rates,
- 2) The transactions hedge exposure to basis risk,
- 3) The transactions allow DelVal to reduce the dependence on credit facilities to secure variable rate DelVal Series,
- 4) The transactions enable DelVal to diversify the types of debt instruments it issues to fund the Loan Program, and
- 5) The transactions enable DelVal to realize all-in costs comparable to a 7-day VRDB.

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Below is a summary of the debt service payments and the related Bond Swap receipts and payments in 2023.

**Bond Swap Receipts and Payments Related to
DelVal Series in 2023**

<u>Bond Interest</u>	<u>Amortization of Original Issue Premium</u>	<u>Net Bond Swap Receipts</u>	<u>Net Payments</u>	<u>Net Cost of Funds*</u>	<u>Spread over SIFMA Index*</u>
\$ 41,667,006	\$ (4,854,890)	\$ (4,618,894)	\$ 32,193,222	3.488%	0.157%

*The weighted average SIFMA Index in 2023 was 3.33090%, and the weighted average funding provided by the related DelVal Series was \$923,026,817.

The comparable spread over the SIFMA Index (including letter of credit fees) of the DelVal VRDB's outstanding as of December 31, 2023, ranged from approximately 0.26% to 0.30%.

Below is a summary of the estimated net debt service of the DelVal Series and Bond Swap payments and the calculation of the estimated spread over the SIFMA Index that DelVal will pay.

Estimated Net Bond and Swap Interest Payments

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029 and Thereafter</u>
Bond interest payments	\$ 41,787,198	\$ 39,287,198	\$ 39,287,198	\$ 39,287,198	\$ 38,123,743	\$ 26,049,318
Less amortization of over-collateralization	(4,626,008)	(2,826,216)	(2,826,216)	(2,826,216)	(2,731,219)	(1,885,603)
Swap payments	35,027,060	33,092,060	33,092,060	33,092,060	30,342,319	22,931,696
Less swap receipts	<u>(34,926,373)</u>	<u>(34,616,373)</u>	<u>(34,616,373)</u>	<u>(34,616,373)</u>	<u>(31,604,069)</u>	<u>(21,176,157)</u>
Net payments	<u>\$ 37,261,877</u>	<u>\$ 34,936,669</u>	<u>\$ 34,936,669</u>	<u>\$ 34,936,669</u>	<u>\$ 34,130,774</u>	<u>\$ 25,919,254</u>
Total funding	\$ 921,108,250	\$ 871,108,250	\$ 871,108,250	\$ 871,108,250	\$ 854,293,250	\$ 634,758,250
Net cost of funds	4.045%	4.011%	4.011%	4.011%	3.995%	4.083%
Assumed SIFMA Index	3.870%	3.870%	3.870%	3.870%	3.870%	3.870%
Spread over the SIFMA Index	0.175%	0.141%	0.141%	0.141%	0.125%	0.213%

* Assumes variable rates are set at the last rate in 2023.

As of December 31, 2023, 259 Loan Swap transactions in the notional amount of \$975,138,300 were executed with BANA, Barclays, PNC, RBC, and T-D to provide fixed rate loans to 105 Participants. These Loan Swaps were effective hedges under both the consistent critical terms and the quantitative standards of GASB 53:

- 1) The offsetting transactions allow DelVal to provide fixed rate Loans without incurring the costs of issuance to remarket a series of fixed rate bonds.
- 2) The offsetting transactions allow DelVal to hedge the interest rate risk of providing fixed rate Loans and allow DelVal to provide fixed rate Loans that are competitive with bank loans and bond issues.

Below is a summary of the fixed rate Loan repayments and the related Loan Swap receipts and payments in 2023.

**Loan Swap Receipts and Payments Related to
Fixed Rate Loans in 2023**

<i>Fixed Rate Loan Interest Repayments</i>	<i>Loan Swap Transactions for Fixed Rate Loans</i>		<i>Related Bond Swap</i>	<i>Net Receipt</i>
	<i>Fixed Rate Payments</i>	<i>SIFMA Index Receipts</i>	<i>SIFMA Index Payments</i>	
\$ 20,959,126	\$ (16,916,143)	\$ 33,002,078	\$ (33,002,078)	\$ 4,042,983

The Investment Swaps are effective in eliminating basis risk of the SOFR indexed restricted investments and locking an investment spread over the SIFMA Index. Below is a summary of the receipts and payments.

Investment Swap Receipts and Payments in 2023

<i>Receipts from SOFR Investments</i>	<i>Investment Swap</i>		<i>Net Receipt</i>	<i>Net Investment Rate</i>	<i>Spread over SIFMA Index*</i>
	<i>SOFR Payments</i>	<i>SIFMA Index Receipts</i>			
\$ 1,243,605	\$ (1,108,186)	\$ 759,661	\$ 895,080	4.125%	0.794%

*The weighted average SIFMA Index in 2023 was 3.33090%.

Below is a summary of the provisions and risks of the interest rate swap agreements.

LIBOR Indices

Bond Swap transactions with floating rate payments based on LIBOR were converted to SOFR based rates as of June 30, 2023, when publication of representative LIBOR was terminated.

Interest Rate Risk

The principal interest rate risk of a revolving loan program is the risk that the pool of funds available for loans will not be competitive with financing options in the future. If DelVal issued fixed rate bonds to fund the Loan Program, the risk would be that fixed rates could decline making DelVal's cost of funds uncompetitive with other financing options. DelVal has executed swap transactions for all DelVal Series that are fixed rate to receive a fixed rate and to pay the SIFMA Index. DelVal's cost of funds moves with the SIFMA Index. This allows DelVal to offer variable rate loans at market levels. By entering into offsetting Loan Swap transactions, under which DelVal pays a fixed rate and receives the SIFMA Index, DelVal can always be on the market for fixed rate Loans.

Basis Risk

A basis risk occurs when payments received under a swap transaction are based on a different index or type of interest rate than the related debt obligation. If DelVal issued bonds indexed to SOFR or some other taxable index rate, the risk would be that the ratio of tax-exempt rates to the taxable rate could decrease making DelVal's cost of funds uncompetitive. DelVal has executed swap transactions for all DelVal Series based on SOFR or Term SOFR to receive a payment of SOFR or Term SOFR and to pay the SIFMA Index. This eliminates the basis risk and allows DelVal to execute offsetting Loan Swaps to provide fixed rate Loans.

None of the swap transactions executed by DelVal entails a basis risk. Transactions with basis risk are not permitted under DelVal's Interest Rate Swap Management Policy. The basis of Bond Swaps and Loans Swaps matches the basis of the DelVal Series and Loans.

Termination Risk

Termination risk is the risk that certain events occur that allow the Counterparty to a swap transaction to terminate that transaction. All or a portion of the transactions under the DelVal Swap Agreement may be terminated with the mutual consent of DelVal and the respective Counterparty. A termination of transactions could also be triggered in the event of: (i) large payment defaults by one or more Participants, (ii) a payment default by DelVal or the Counterparty under the DelVal Swap Agreement, (iii) the occurrence of events that may precipitate a payment default by DelVal or the Counterparty, or (iv) the downgrading of the long-term, unsecured, senior debt ratings of the Counterparty or DelVal (See "CREDIT RISK" below.). None of the DelVal Swap Agreements have ever been terminated.

In all instances of termination, except a Loan Swap termination due to a payment default by a Participant, DelVal would seek to replace the terminated transaction with new transactions on similar terms and conditions or novate the affected transactions to a different Counterparty. The payment or receipt of the terminated or novated transactions should largely offset the receipts or payments to replace or novate the transactions. Under the terms of the Loan Agreements, each Participant is obligated to pay the termination fee of the portion of the Bond Swap and Loan Swap transactions allocable to the Participant's Loan.

The most likely causes for termination of Loan Swap transactions are under the control of the Participants: (i) a Participant elects to prepay a its Loan before the termination or option date of the Loan Swap transaction executed to provide a fixed rate or (ii) a Participant defaults on its payments due under a fixed rate Loan. All or a portion of a Bond Swap may be terminated with the mutual consent of DelVal and the Counterparty. This would normally occur if DelVal were redeeming a portion of the DelVal Series, restructuring the Bond Swaps, or replacing the Counterparty, and in these instances DelVal would be unlikely to consent if it would incur a Termination Payment. A global termination of the DelVal Swap Agreement without replacement or novation of the transactions would only occur if: (i) a cataclysm in the interest rate swap market precipitated a default by the Counterparty and a replacement Counterparty could not be secured or (ii) an economic cataclysm triggered defaults by a large number of Participants.

Credit Risk

Rating downgrades by Moody's and S&P can precipitate a requirement to post collateral or to terminate under the DelVal Swap Agreement. The failure to post collateral when it is required constitutes an event of default under the DelVal Swap Agreement and may result in termination.

The BANA Agreements require BANA to post collateral equal to the market value of each of the swap agreements executed with DelVal if the long term, unsecured, senior debt ratings of BANA are reduced below "A2" by Moody's or "A" by S&P. DelVal is not obligated to post collateral to BANA. If the long-term, unsecured, senior debt ratings of BANA or DelVal are downgraded below "Baa2" by Moody's or "BBB" by S&P, the respective counterparty may terminate the BANA Agreements.

The Citibank Agreement requires Citibank to post collateral equal to the market value if the ratings of Citibank are reduced below "A2" by Moody's and "A" by S&P. If the ratings of DelVal are downgraded below "A3" by Moody's or "A-" by S&P, DelVal would be obligated to post collateral equal to the market

value. If the long-term, unsecured, senior debt ratings of Citibank, or DelVal are downgraded below “Baa3” by Moody’s or “BBB-” by S&P, the respective counterparty may terminate the Citi Agreement.

The Barclays Agreement, PNC Agreement, T-D Agreement, and RBC Agreement allow DelVal or the Counterparty to terminate the agreement if the other counterparty is downgraded below “Baa1” by Moody’s or “BBB+” by S&P. Neither these Counterparties nor DelVal are obligated to post collateral.

A summary of the Counterparty ratings and the market values of the DelVal Swap Agreement are shown below.

Counterparty Ratings and Market Values

<i>Counterparty</i>	<i>Rating</i>		<i>Notional Amount</i>	<i>Market Value 31-Dec-23</i>
	<i>Moody's</i>	<i>S&P</i>		
Bank of America*	Aa1	A+	\$ 1,059,894,200	\$ 66,138,655
Barclays Bank PLC	A1	A+	22,862,000	883,176
Citibank	Aa3	A+	110,050,000	1,946,473
PNC Bank	A1	A	413,283,000	14,715,760
Royal Bank of Canada	Aa2	AA-	343,288,100	11,802,191
Toronto-Dominion Bank	Aa1	AA-	519,000	10,578
TOTAL			<u>\$ 1,949,896,300</u>	<u>\$ 95,496,833</u>

*Includes fair value of “Unamortized interest rate swap expense” shown as a Noncurrent Asset on the Balance Sheet.

Market Access

Market access risk is the risk that bonds or Loans that are related to swap transactions cannot be issued or remarketed. DelVal does not execute Bond Swaps until the related DelVal Series has been issued or remarketed, and DelVal does not execute Loan Swaps until the Loan has been authorized.

Rollover Risk

Rollover risk is the risk that the termination dates of Bond Swaps do not match the scheduled maturity or remarketing dates of the related DelVal Series or Loans and that, due to market disruptions or deterioration of credit quality, execution of new swap transactions or remarketing of the DelVal Series is not possible. The scheduled termination dates of the Bond Swaps match the maturity dates or are structured to terminate on or after the mandatory purchase date of the related DelVal Series. The DelVal Series that are subject to mandatory purchase have staggered remarketing dates. If a new Bond Swap were necessary to hedge DelVal’s interest rate risks for a remarketing and if such a hedge could not be secured, DelVal would not remarket that series. The cash flow from Loan repayments and deposits in the Debt Reserve Funds would be sufficient to redeem any tranche that could not be remarketed. If the Bond Swap bridged the mandatory purchase date, depending on the economics of the transaction, DelVal would terminate, amend, or transfer the transaction to a different DelVal Series.

7. FAIR VALUE OF INVESTMENTS AND RESTRICTED INVESTMENTS

The carrying value of investments and restricted investments is the fair value of those investments. Investments and restricted investments are valued using pricing models that maximize the use of observable inputs of transactions of those investments and restricted investments and observable inputs of similar securities.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The schedule below shows the level of the fair value hierarchy of investments and restricted investments at fair value as of December 31, 2023. The floating rate notes are valued at Level 2 because the notes and similar notes are traded and quoted in the market, but trading is sporadic and often in small lots. The valuation is based on valuation models that incorporate the observed trades and other market parameters.

Investments and Restricted Investments at Fair Value as of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Floating rate notes	\$ -	\$ 21,566,300	\$ -	\$ 21,566,300

8. PENDING ACCOUNTING PRINCIPLES

The GASB has approved the following standards that may affect future financial statements:

- 1) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*,
- 2) Statement No. 101, *Compensated Absences*,
- 3) Statement No. 102, *Certain Risk Disclosures*, and
- 4) Statement No. 103, *Financial Reporting Model*.

Management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the financial statements. When they become effective, the application of these standards may result in the restatement of portions of these financial statements and financial statements of prior years.

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Independent Auditors' Report on Additional Information

To the Board of Directors of
Delaware Valley Regional Finance Authority

Our report on our audit of the basic financial statements of the Delaware Valley Regional Finance Authority for 2023 appears on pages 41 and 42. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information on pages 78 through 80 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

Allentown, Pennsylvania
April 30, 2024

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING BALANCE SHEET INFORMATION
DECEMBER 31, 2023

ASSETS	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series*</u>	<u>Total</u>
CURRENT ASSETS:					
Cash and cash equivalents	\$ 6,081,302	\$ 56,429,451	\$ 47,187,496	\$ 48,809,596	\$ 158,507,845
Restricted cash equivalents	1,681,500	21,953,500	12,500,000	17,188,000	53,323,000
Accrued interest receivable:					
Loans	4,803	54,788	36,978	277,556	374,125
Interest rate swaps	4,509	5,009,003	47,214	1,424,199	6,484,925
Cash equivalents and investments	5,739	61,605	41,111	249,794	358,249
Prepaid expenses	6,250	72,654	6,250	56,674	141,828
Loans to local governments	<u>4,115,000</u>	<u>37,664,000</u>	<u>5,013,000</u>	<u>49,446,700</u>	<u>96,238,700</u>
Total current assets	<u>11,899,103</u>	<u>121,245,001</u>	<u>64,832,049</u>	<u>117,452,519</u>	<u>315,428,672</u>
NONCURRENT ASSETS:					
Restricted investments	-	-	-	21,566,300	21,566,300
Loans to local governments	5,601,000	108,541,000	92,613,000	672,144,600	878,899,600
Unamortized prepaid interest rate swap expense	-	2,084,647	-	-	2,084,647
Fair value of derivative transactions	<u>1,612,824</u>	<u>22,667,616</u>	<u>21,380,420</u>	<u>45,250,655</u>	<u>90,911,515</u>
Total noncurrent assets	<u>7,213,824</u>	<u>133,293,263</u>	<u>113,993,420</u>	<u>738,961,555</u>	<u>993,462,062</u>
TOTAL	<u>\$ 19,112,927</u>	<u>\$ 254,538,264</u>	<u>\$ 178,825,469</u>	<u>\$ 856,414,074</u>	<u>\$ 1,308,890,734</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES:					
Accrued expenses	\$ -	\$ -	\$ -	\$ 25,856	\$ 25,856
Bond principal payable	-	-	-	80,000,000	80,000,000
Accrued interest payable:					
Interest rate swaps	51,339	578,091	381,644	38,260	1,049,334
Bonds	<u>635,614</u>	<u>5,702,380</u>	<u>3,879,797</u>	<u>8,344,652</u>	<u>18,562,443</u>
Total current liabilities	<u>686,953</u>	<u>6,280,471</u>	<u>4,261,441</u>	<u>88,408,768</u>	<u>99,637,633</u>
LONG TERM LIABILITIES:					
Bonds payable, net	16,949,129	221,934,317	127,139,882	720,742,759	1,086,766,087
Estimated rebate liability	-	-	-	400,000	400,000
Total long term liabilities	<u>16,949,129</u>	<u>221,934,317</u>	<u>127,139,882</u>	<u>721,142,759</u>	<u>1,087,166,087</u>
DEFERRED INFLOWS OF RESOURCES:					
Accumulated increase (decrease) in fair value of hedging derivatives	<u>1,612,824</u>	<u>22,667,616</u>	<u>21,380,420</u>	<u>45,250,655</u>	<u>90,911,515</u>
Total liabilities and deferred inflows of resources	19,248,906	250,882,404	152,781,743	854,802,182	1,277,715,235
NET POSITION	<u>(135,979)</u>	<u>3,655,860</u>	<u>26,043,726</u>	<u>1,611,892</u>	<u>31,175,499</u>
TOTAL	<u>\$ 19,112,927</u>	<u>\$ 254,538,264</u>	<u>\$ 178,825,469</u>	<u>\$ 856,414,074</u>	<u>\$ 1,308,890,734</u>

* The 2007 Series, 2018 Series, the 2020 Series, 2021 Series, 2022 A, B, and C Series, 2022 D and E Series, and 2023 Series were all issued under the Master Indenture. These Series are equally and ratably secured by all the assets held under the Master Indenture.

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION INFORMATION
YEAR ENDED DECEMBER 31, 2023

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series*</u>	<u>Total</u>
Revenues:					
Loan interest	\$ 276,200	\$ 3,506,730	\$ 2,333,678	\$ 15,459,599	\$ 21,576,207
Interest rate swap	2,275,183	17,314,939	7,337,676	17,623,181	44,550,979
Interest on investments and cash equivalents	<u>530,404</u>	<u>3,890,115</u>	<u>2,300,735</u>	<u>3,381,191</u>	<u>10,102,445</u>
Total revenues	<u>3,081,787</u>	<u>24,711,784</u>	<u>11,972,089</u>	<u>36,463,971</u>	<u>76,229,631</u>
Expenses:					
Interest expense:					
Bonds	1,428,488	13,922,315	6,902,234	26,261,417	48,514,454
Interest rate swaps	731,412	7,795,982	4,163,631	8,242,374	20,933,399
Costs of issuance	-	-	-	1,153,525	1,153,525
Credit or liquidity facility fees	-	-	-	627,099	627,099
Rebate expense	-	-	-	29,018	29,018
Administrative expenses	<u>12,500</u>	<u>1,134,786</u>	<u>12,500</u>	<u>289,007</u>	<u>1,448,793</u>
Total expenses	<u>2,172,400</u>	<u>22,853,083</u>	<u>11,078,365</u>	<u>36,602,440</u>	<u>72,706,288</u>
Revenues over (under) expenses	<u>909,387</u>	<u>1,858,701</u>	<u>893,724</u>	<u>(138,469)</u>	<u>3,523,343</u>
Other changes:					
Transfers in (out)	(833,572)	(839,229)	(425,839)	2,098,640	-
Unrealized gain on restricted investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>672,721</u>	<u>672,721</u>
Total other changes, net	<u>(833,572)</u>	<u>(839,229)</u>	<u>(425,839)</u>	<u>2,771,361</u>	<u>672,721</u>
Increase in net position	75,815	1,019,472	467,885	2,632,892	4,196,064
Net position, beginning	<u>(211,794)</u>	<u>2,636,388</u>	<u>25,575,841</u>	<u>(1,021,000)</u>	<u>26,979,435</u>
Net position, ending	<u>\$ (135,979)</u>	<u>\$ 3,655,860</u>	<u>\$ 26,043,726</u>	<u>\$ 1,611,892</u>	<u>\$ 31,175,499</u>

* The 2007 Series, 2018 Series, the 2020 Series, 2021 Series, 2022 A, B, and C Series, 2022 D and E Series, and 2023 Series were all issued under the Master Indenture. These Series are equally and ratably secured by all the assets held under the Master Indenture.

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING STATEMENT OF CASH FLOWS INFORMATION
YEAR ENDED DECEMBER 31, 2023

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series*</u>	<u>Total</u>
Cash flows from operating activities					
Interest received on loans to local governments and interest rate swap agreements	\$ 2,556,605	\$ 13,697,274	\$ 9,726,600	\$ 32,748,851	\$ 58,729,330
Payment of interest on bonds and interest rate swap agreements	(2,551,732)	(14,708,280)	(11,284,932)	(36,466,139)	(65,011,083)
Loans to local governments	-	-	(11,969,000)	(35,445,000)	(47,414,000)
Repayments of loan principal from local governments	4,566,000	36,361,000	22,874,000	57,045,500	120,846,500
Administrative expenses paid	(12,500)	(1,103,897)	(12,500)	(292,471)	(1,421,368)
Interest received on investments and cash equivalents	532,940	3,870,276	2,281,260	3,315,406	9,999,882
Credit or liquidity facility fees paid	-	-	-	(627,099)	(627,099)
Transfers among Series	(833,572)	(839,229)	(425,839)	2,098,640	-
Acquisition of Loans	-	-	6,446,000	(6,446,000)	-
Rebate payment	-	-	-	(29,018)	(29,018)
Proceeds of bond issues	-	-	-	150,828,225	150,828,225
Bond issuance costs	-	-	-	(1,153,525)	(1,153,525)
Payment of bond principal	<u>(11,185,000)</u>	<u>(30,465,000)</u>	<u>-</u>	<u>(150,000,000)</u>	<u>(191,650,000)</u>
Net cash provided by operating activities and increase (decrease) in cash and cash equivalents	(6,927,259)	6,812,144	17,635,589	15,577,370	33,097,844
Cash and cash equivalents and restricted cash and cash equivalents, beginning	<u>14,690,061</u>	<u>71,570,807</u>	<u>42,051,907</u>	<u>50,420,226</u>	<u>178,733,001</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 7,762,802</u>	<u>\$ 78,382,951</u>	<u>\$ 59,687,496</u>	<u>\$ 65,997,596</u>	<u>\$ 211,830,845</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET					
Cash and cash equivalents, ending	\$ 6,081,302	\$ 56,429,451	\$ 47,187,496	\$ 48,809,596	\$ 158,507,845
Restricted cash and cash equivalents, ending	<u>1,681,500</u>	<u>21,953,500</u>	<u>12,500,000</u>	<u>17,188,000</u>	<u>53,323,000</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 7,762,802</u>	<u>\$ 78,382,951</u>	<u>\$ 59,687,496</u>	<u>\$ 65,997,596</u>	<u>\$ 211,830,845</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Change in net position	<u>\$ 75,815</u>	<u>\$ 1,019,472</u>	<u>\$ 467,885</u>	<u>\$ 2,632,892</u>	<u>\$ 4,196,064</u>
Adjustments for other revenues, expenses, and transfers					
Amortization of prepaid interest rate swap expense	-	583,318	-	-	583,318
Adjustments for changes in assets and liabilities					
Decrease (increase) in:					
Restricted investments	-	-	-	(672,720)	(672,720)
Accrued interest receivable:					
Loans	4,383	11,370	60,785	636,716	713,254
Interest rate swaps	839	658,624	(5,539)	(970,645)	(316,721)
Cash equivalents and investments	2,536	(19,839)	(19,475)	(65,785)	(102,563)
Prepaid expenses	-	30,889	-	8,235	39,124
Loans to local governments	4,566,000	36,361,000	17,351,000	15,154,500	73,432,500
Increase (decrease) in:					
Accrued expenses	-	-	-	(11,699)	(11,699)
Accrued interest payable:					
Interest rate swaps	(19,320)	-	66,199	15,600	62,479
Bonds	(318,626)	(696,321)	782	2,310,994	1,296,829
Bonds payable	<u>(11,238,886)</u>	<u>(31,136,369)</u>	<u>(286,048)</u>	<u>(3,460,718)</u>	<u>(46,122,021)</u>
Total adjustments	<u>(7,003,074)</u>	<u>5,792,672</u>	<u>17,167,704</u>	<u>12,944,478</u>	<u>28,901,780</u>
Net cash provided by (used in) operating activities	<u>\$ (6,927,259)</u>	<u>\$ 6,812,144</u>	<u>\$ 17,635,589</u>	<u>\$ 15,577,370</u>	<u>\$ 33,097,844</u>

* The 2007 Series, 2018 Series, the 2020 Series, 2021 Series, 2022 A, B, and C Series, 2022 D and E Series, and 2023 Series were all issued under the Master Indenture. These Series are equally and ratably secured by all the assets held under the Master Indenture.