



**DELAWARE VALLEY REGIONAL
FINANCE AUTHORITY**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

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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CALHOUN BAKER INC.
Flourtown, Pennsylvania
Administrator



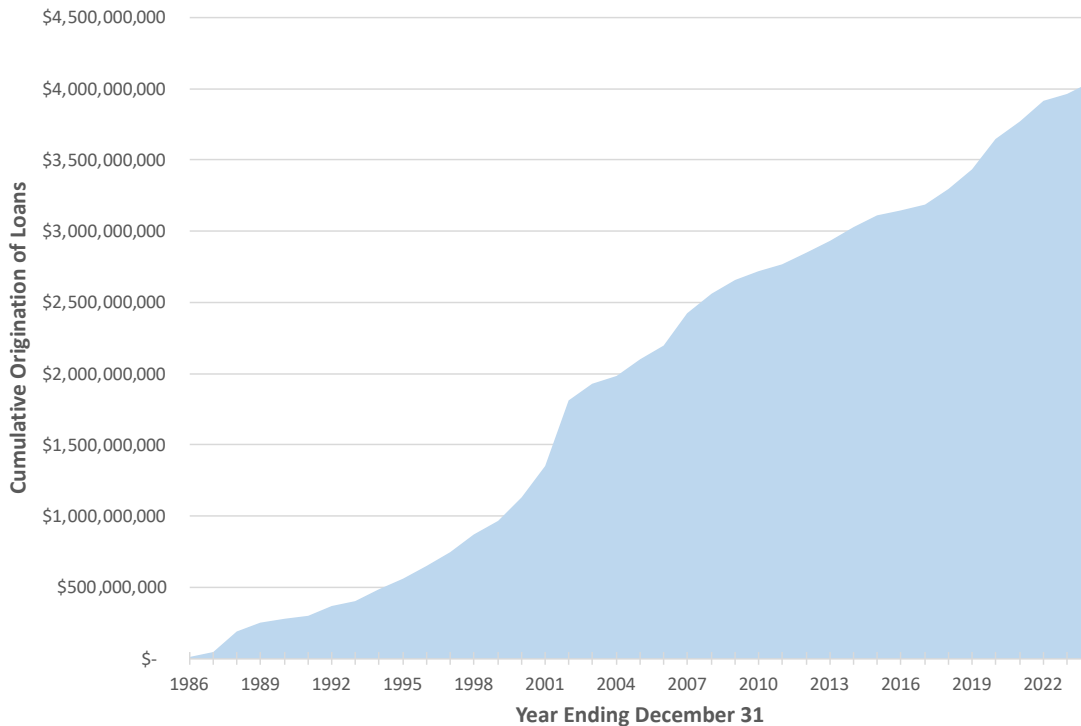
DELAWARE VALLEY REGIONAL FINANCE AUTHORITY

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 political subdivisions (each a "Political Subdivision") in Pennsylvania, created and organized under Pennsylvania statutes (collectively, "Commonwealth Law"), including: (i) townships, boroughs, cities, school districts, and counties (each a "Local Government Unit"), (ii) authorities (each an "Authority") created under the *Authorities Act* or other Commonwealth Law by or on behalf of one or more Local Government Units or the Commonwealth of Pennsylvania (the "Commonwealth"), and (iii) other Political Subdivisions created under Commonwealth Law by or on behalf of one or more Local Government Units or the Commonwealth. DelVal has originated 631 loans (each a "Loan") with an aggregate principal amount of \$4.05 billion to 213 different Political Subdivisions (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 must be secured by the pledge of its full faith, credit, and taxing power as provided in the Pennsylvania *Local Government Unit Debt Act* (the “*Debt Act*”). 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”) with DeVal as the beneficiary issued by an insurer (each a “Participant Credit Enhancer”) rated “Aa3” or higher by Moody’s Investors Service (“Moody’s”) or “AA-” or higher by S&P Global Ratings (“S&P”).

Each Loan to an Authority or other Political Subdivision 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 the Commonwealth or one or more Local Government Units, (iii) secured by a Participant Credit Enhancement, or (iv) secured by a written agreement (a “Security Agreement”) with the Commonwealth or one or more Local Government Units that agree to pay all amounts necessary to enable the Participant to repay the Loan. In addition, any Loan to an Authority or other Political Subdivision not secured by a Guaranty, Security Agreement, or Participant Credit Enhancement must include a covenant by the Participant to secure a Guaranty, Security Agreement, or Participant Credit Enhancement if its rating is reduced below “Aa3” by Moody’s or “AA-” by S&P. DeVal has covenanted to restrict Loans to Authorities or other Political Subdivisions that are not secured by a Guaranty, Security Agreement, or Participant Credit Enhancement, to an aggregate principal amount not in excess of 20% of the total funding for Loan origination at the time the Loan is originated. Currently, all Loans to Authorities and other Political Subdivisions are secured by a Guaranty, Security Agreement, or Participant Credit Enhancement.

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.

Board of Directors

<u>Director</u>	<u>Office</u>	<u>Appointed by</u>	<u>Term Expires*</u>
Robert J. Harvie	Chairman	Bucks County	2030
David E. Landau	Vice Chairman	Delaware County	2027
Anand Solanki	Secretary	Chester County	2028
David A. Nasatir, Esq.	Treasurer	Montgomery County	2029
Gregory C. McCarthy, Esq.	Secretary/Treasurer	Bucks County	2026

*Terms expire on the second Monday of January.

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 collects the Loan repayments, principally through Automated Clearing House (“ACH”) debits of the Participants’ demand deposit accounts. TD Bank, N.A. (“TD”), 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 DelVal are limited to funding capital projects permitted under the *Debt Act*, the *Authorities Act*, or other Commonwealth Law. DelVal’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 DelVal and the Administrator must approve any new Loan. Generally, DelVal requires any Participant 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 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 necessity to issue new series of bonds and the incurrence of new costs of issuance to fund the new Loans. Eleven series issued by DelVal, in the aggregate par amount of \$1,126,645,000, were outstanding as of December 31, 2024:

- 1) \$11,660,000 Local Government Revenue Bonds, 1997 Series B and C (the “1997 B Series” and “1997 C Series”, respectively, and collectively, the “1997 Series”),
- 2) \$179,885,000 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 A Series”, “2007 B Series”, and “2007 C Series”, respectively, and collectively, the “2007 Series”),
- 5) \$10,000,000 Local Government Revenue Bonds, 2018 Series A (the “2018 A Series”),
- 6) \$75,000,000 Local Government Revenue Bonds, 2020 Series D (the “2020 D Series”),
- 7) \$45,000,000 Local Government Revenue Bonds, 2021 Series A (the “2021 A Series”),
- 8) \$155,000,000 Local Government Revenue Bonds, 2022 Series A, B and C (the “2022 A Series”, “2022 B Series”, and “2022 C Series”, respectively, and collectively, the “2022 ABC Series”),
- 9) \$97,000,000 Local Government Revenue Bonds, 2022 Series D and E (the “2022 D Series” and “2022 E Series”, respectively, and collectively, the “2022 DE Series”),
- 10) \$141,030,000 Local Government Revenue Bonds, 2023 Series A (the “2023 A Series”), and
- 11) \$177,070,000 Local Government Revenue Bonds, 2024 Series A and B (the “2024 A Series” and “2024 B Series”, respectively, and collectively, the “2024 Series”).

The 1997 Series, 1998 Series, and 2002 Series (collectively, the “Indenture Series”) were issued under separate indentures with separate trust estates. DelVal executed an agreement in 2001 (the “Covenant Agreement”) 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 (collectively,

the “Master Indenture”). 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 executed interest rate swap transactions to hedge its interest rate and basis risk. 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) The Toronto-Dominion Bank, and
- 6) The 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:

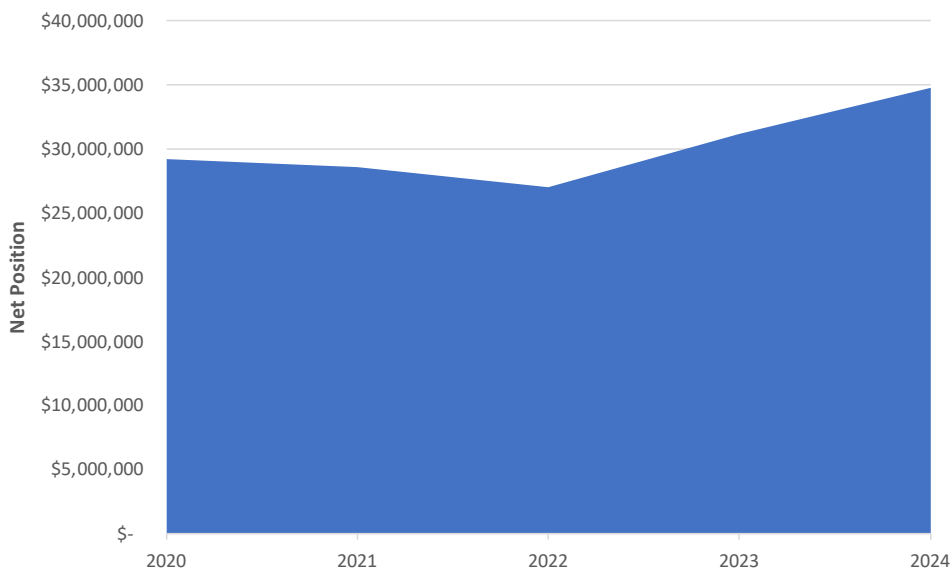
- 1) Debt service payments on the DelVal Series,
- 2) Net payments due under the Swap Agreement, and
- 3) Administrative costs and liquidity requirements necessary for the operation of the Loan Program.

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SUMMARIES OF THE 2024 FINANCIAL STATEMENTS

The net position of DelVal increased by \$3.58 million to \$34.75 million in 2024. Revenues and expenses declined 4.16% and 4.46%, respectively from 2023 levels, principally due to lower interest rates. The excess of revenues over expenses was approximately \$3.59 million, \$69,000 higher than 2023.

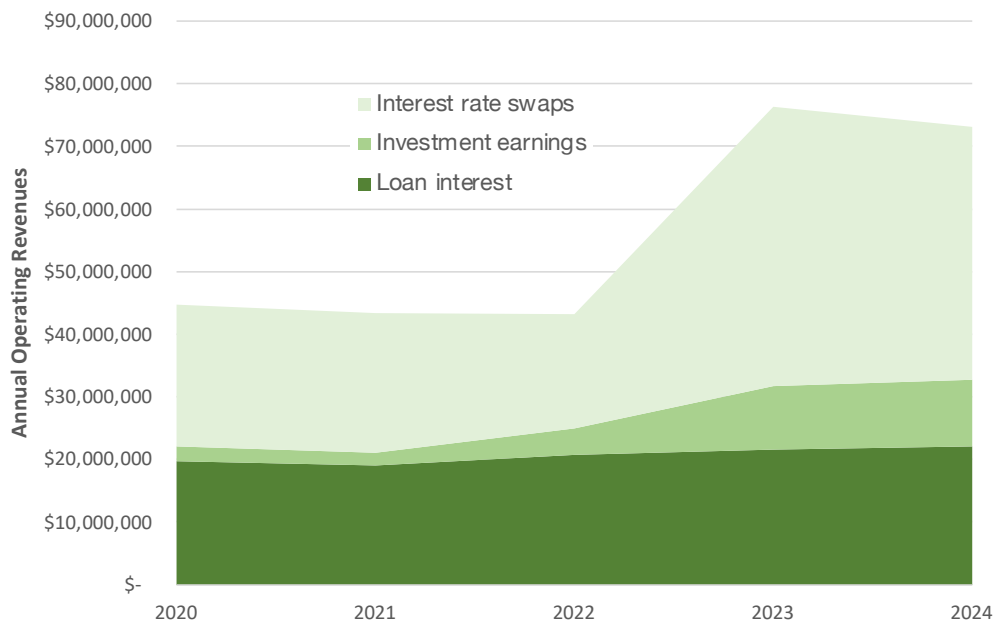
Trend of Net Position



Source: Calhoun Baker Inc.

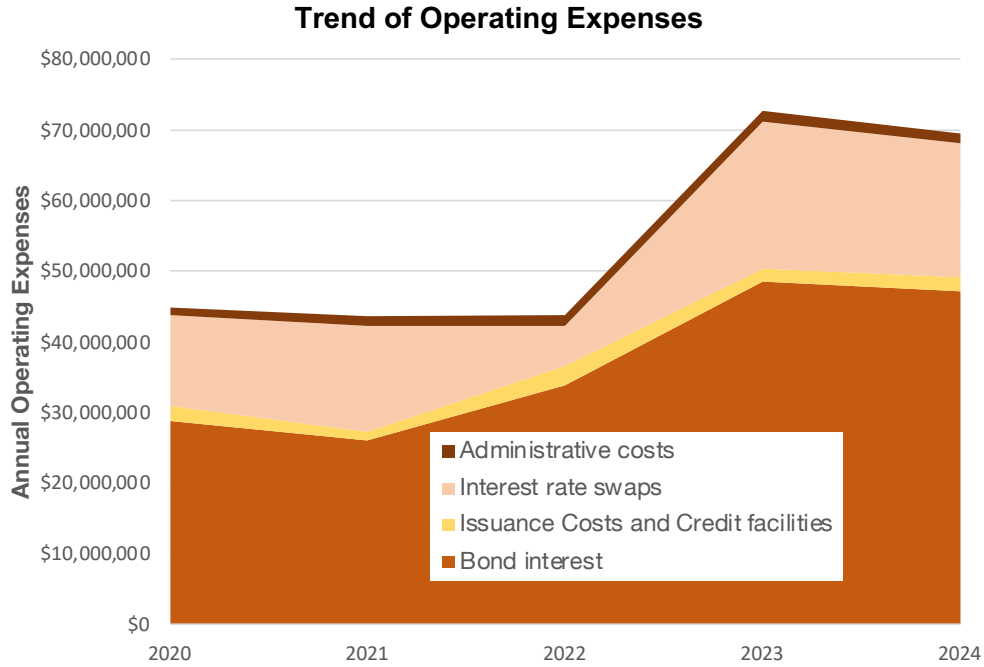
Loan interest revenues increased by only 2.11% because most Loans are fixed rate. Investment earnings increased by 6.24% due to higher average investment balances. Interest rate swap revenues decreased by 9.56% due to reductions of the notional amounts of Bond Swaps related to bond redemptions.

Trend of Operating Revenues



Source: Calhoun Baker Inc.

Bond interest expenses declined by 2.72% due to bond redemptions. Interest rate swap expenses decreased by 9.33% principally due to reductions of the notional amount of Bond Swaps related to the bond redemptions. Issuance costs and credit facility fees increased by 8.01% principally due to the issuance of the 2024 Series and the credit facility expenses of the 2024 B Series. Administrative costs decreased by 5.79% due to the reduction of legal expenses.



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.

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues:					
Loan interest	\$ 19,699,151	\$ 19,083,168	\$ 20,742,238	\$ 21,576,207	\$ 22,031,334
Interest rate swaps	22,544,794	22,156,246	18,308,247	44,550,979	40,291,902
Interest on investments and cash equivalents	<u>2,417,252</u>	<u>2,046,366</u>	<u>4,148,042</u>	<u>10,102,445</u>	<u>10,733,188</u>
Total revenues	<u>44,661,197</u>	<u>43,285,780</u>	<u>43,198,527</u>	<u>76,229,631</u>	<u>73,056,424</u>
Expenses:					
Interest expense:					
Bonds	28,721,683	25,966,172	33,851,795	48,514,454	47,196,080
Interest rate swaps	12,878,576	15,016,371	5,727,235	20,933,399	18,979,975
Costs of issuance	1,710,190	442,750	1,806,840	1,153,525	1,257,099
Credit or liquidity facility fees	456,109	877,515	916,941	627,099	666,177
Rebate expense	29,331	-	-	29,018	-
Administrative expenses	<u>1,120,707</u>	<u>1,336,623</u>	<u>1,404,808</u>	<u>1,448,793</u>	<u>1,364,851</u>
Total expenses	<u>44,916,596</u>	<u>43,639,431</u>	<u>43,707,619</u>	<u>72,706,288</u>	<u>69,464,182</u>
Revenues over (under) expenses	<u>(255,399)</u>	<u>(353,651)</u>	<u>(509,092)</u>	<u>3,523,343</u>	<u>3,592,242</u>
Other changes:					
Increase of estimated rebate liability	-	(50,000)	(200,000)	-	(200,000)
Class action settlements	101	-	18,530	-	-
Unrealized gain (loss) on investments and restricted investments	<u>(136,355)</u>	<u>(193,291)</u>	<u>(938,918)</u>	<u>672,721</u>	<u>186,514</u>
Total other changes, net	<u>(136,254)</u>	<u>(243,291)</u>	<u>(1,120,388)</u>	<u>672,721</u>	<u>(13,486)</u>
Increase (decrease) in net position	(391,653)	(596,942)	(1,629,480)	4,196,064	3,578,756
Net position, beginning	<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>
Net position, ending	<u>\$ 29,205,857</u>	<u>\$ 28,608,915</u>	<u>\$ 26,979,435</u>	<u>\$ 31,175,499</u>	<u>\$ 34,754,255</u>

Source: Calhoun Baker Inc.

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Comparative Balance Sheet Information for the past five years is set forth below. Bond principal payable includes bond maturities and variable rate or floating rate bonds with mandatory purchase dates or scheduled termination dates of credit facilities.

Comparative Balance Sheet Information Years Ended December 31

	<u>2020</u>	<u>2021</u>	<u>2022*</u>	<u>2023</u>	<u>2024</u>
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 55,208,582	\$ 52,947,186	\$ 121,111,001	\$ 158,507,845	\$ 155,545,465
Restricted cash equivalents	40,513,000	55,706,000	57,622,000	53,323,000	51,085,500
Investments	-	1,247,212	-	-	-
Restricted investments	-	20,696,575	-	-	-
Accrued interest receivable:					
Loans	339,657	340,788	1,087,379	374,125	410,747
Interest rate swaps	5,748,766	5,735,730	6,545,766	6,484,925	6,310,578
Cash equivalents and investments	68,321	40,896	255,686	358,249	415,461
Prepaid expenses	77,964	92,733	180,952	141,828	149,700
Loans to local governments	<u>79,351,300</u>	<u>100,003,200</u>	<u>105,098,500</u>	<u>96,238,700</u>	<u>97,729,900</u>
Total current assets	<u>181,307,590</u>	<u>236,810,320</u>	<u>291,901,284</u>	<u>315,428,672</u>	<u>311,647,351</u>
NONCURRENT ASSETS:					
Restricted investments	34,137,078	-	20,893,580	21,566,300	21,752,814
Loans to local governments	893,652,200	916,164,800	943,472,300	878,899,600	862,731,700
Unamortized prepaid interest rate swap expense	3,831,415	3,249,690	2,667,965	2,084,647	1,502,922
Fair value of derivative transactions	<u>101,189,440</u>	<u>91,562,935</u>	<u>124,640,844</u>	<u>90,911,515</u>	<u>90,924,155</u>
Total noncurrent assets	<u>1,032,810,133</u>	<u>1,010,977,425</u>	<u>1,091,674,689</u>	<u>993,462,062</u>	<u>976,911,591</u>
TOTAL	<u>\$1,214,117,723</u>	<u>\$1,247,787,745</u>	<u>\$1,383,575,973</u>	<u>\$1,308,890,734</u>	<u>\$1,288,558,942</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES:					
Accrued expenses	\$ 43,473	\$ 11,472	\$ 37,555	\$ 25,856	\$ 35,833
Bond principal payable	-	100,000,000	50,000,000	80,000,000	-
Estimated rebate liability	-	-	300,000	-	200,000
Accrued interest payable:					
Interest rate swaps	183,778	43,844	1,364,417	1,049,334	766,411
Bonds	<u>14,412,450</u>	<u>14,905,494</u>	<u>17,265,614</u>	<u>18,562,443</u>	<u>16,239,825</u>
Total current liabilities	<u>14,639,701</u>	<u>114,960,810</u>	<u>68,967,586</u>	<u>99,637,633</u>	<u>17,242,069</u>
LONG TERM LIABILITIES:					
Bonds payable, net	1,068,932,725	1,012,455,085	1,162,888,108	1,086,766,087	1,145,238,463
Estimated rebate liability	<u>150,000</u>	<u>200,000</u>	<u>100,000</u>	<u>400,000</u>	<u>400,000</u>
Total long term liabilities	<u>1,069,082,725</u>	<u>1,012,655,085</u>	<u>1,162,988,108</u>	<u>1,087,166,087</u>	<u>1,145,638,463</u>
DEFERRED INFLOWS OF RESOURCES:					
Accumulated increase in fair value of hedging derivatives	<u>101,189,440</u>	<u>91,562,935</u>	<u>124,640,844</u>	<u>90,911,515</u>	<u>90,924,155</u>
Total liabilities and deferred inflows of resources	1,184,911,866	1,219,178,830	1,356,596,538	1,277,715,235	1,253,804,687
NET POSITION	<u>29,205,857</u>	<u>28,608,915</u>	<u>26,979,435</u>	<u>31,175,499</u>	<u>34,754,255</u>
TOTAL	<u>\$1,214,117,723</u>	<u>\$1,247,787,745</u>	<u>\$1,383,575,973</u>	<u>\$1,308,890,734</u>	<u>\$1,288,558,942</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.

Source: Calhoun Baker Inc.

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

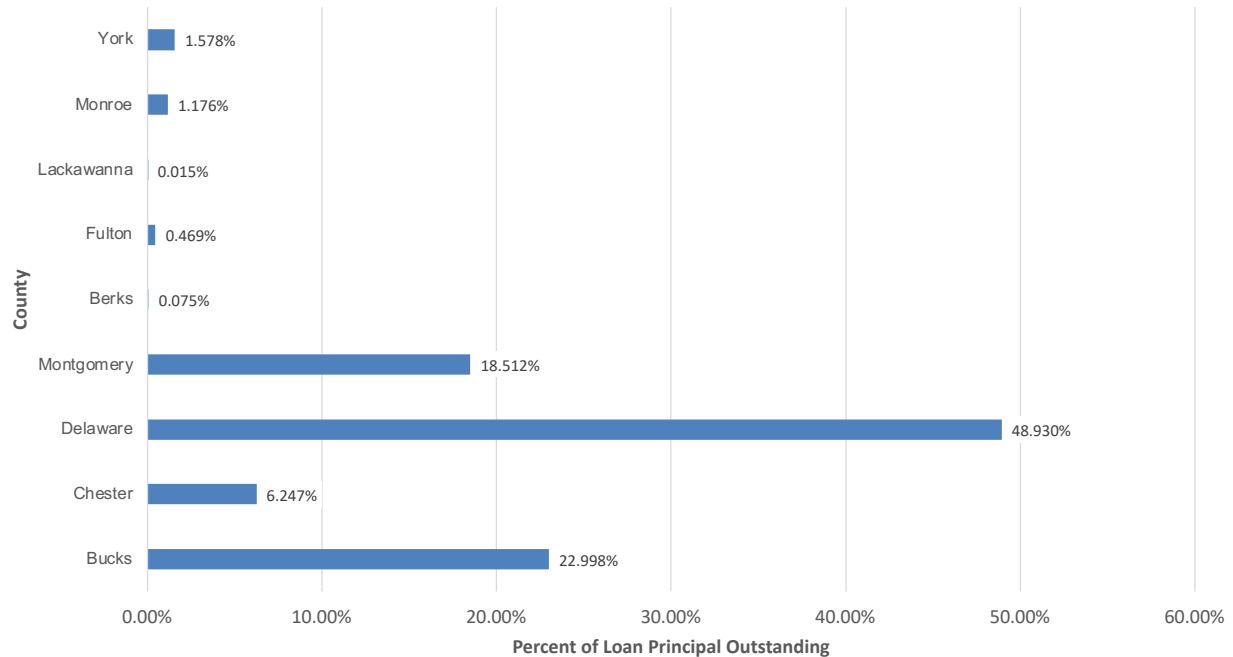
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cash flows from operating activities					
Interest received on loans to local governments and interest rate swap agreements	\$ 42,363,602	\$ 41,251,320	\$ 37,493,858	\$ 58,729,330	\$ 62,459,368
Payment of interest on bonds and interest rate swap agreements	(42,976,008)	(43,908,099)	(39,525,419)	(65,011,083)	(71,514,164)
Loans to local governments	(211,558,000)	(126,267,000)	(142,833,000)	(47,414,000)	(83,179,000)
Repayments of loan principal from local governments	83,562,031	83,102,500	110,430,200	120,846,500	97,855,700
Administrative expenses paid	(1,068,337)	(1,383,393)	(1,466,944)	(1,421,368)	(1,362,746)
Interest received on investments and cash equivalents	2,550,977	2,073,791	3,933,252	9,999,882	10,675,976
Credit or liquidity facility fees paid	(456,109)	(877,515)	(916,941)	(627,099)	(666,177)
Rebate payment	(29,331)	-	-	(29,018)	-
Proceeds of bond issues	283,633,000	47,382,750	254,641,830	150,828,225	181,593,262
Class action settlement	101	-	18,530	-	-
Bond issuance costs	(1,710,128)	(442,750)	(1,806,840)	(1,153,525)	(1,257,099)
Redemption (purchase) of investments and restricted investments	-	12,000,000	111,289	-	-
Payment of bond principal	<u>(195,000,000)</u>	<u>-</u>	<u>(150,000,000)</u>	<u>(191,650,000)</u>	<u>(199,805,000)</u>
Net cash provided by (used in) operating activities and increase (decrease) in cash and cash equivalents	(40,688,202)	12,931,604	70,079,815	33,097,844	(5,199,880)
Cash and cash equivalents and restricted cash and cash equivalents, beginning	<u>136,409,784</u>	<u>95,721,582</u>	<u>108,653,186</u>	<u>178,733,001</u>	<u>211,830,845</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 95,721,582</u>	<u>\$ 108,653,186</u>	<u>\$ 178,733,001</u>	<u>\$ 211,830,845</u>	<u>\$ 206,630,965</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET					
Cash and cash equivalents, ending	\$ 55,208,582	\$ 52,947,186	\$ 121,111,001	\$ 158,507,845	\$ 155,545,465
Restricted cash and cash equivalents, ending	<u>40,513,000</u>	<u>55,706,000</u>	<u>57,622,000</u>	<u>53,323,000</u>	<u>51,085,500</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 95,721,582</u>	<u>\$ 108,653,186</u>	<u>\$ 178,733,001</u>	<u>\$ 211,830,845</u>	<u>\$ 206,630,965</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Change in net position	\$ (391,653)	\$ (596,942)	\$ (1,629,480)	\$ 4,196,064	\$ 3,578,756
Adjustments for other revenues, expenses, and transfers					
Increase (decrease) of estimated rebate liability	-	50,000	200,000	-	200,000
Amortization of prepaid interest rate swap expense	581,724	581,725	581,725	583,318	581,725
Adjustments for changes in assets and liabilities					
Decrease (increase) in:					
Investments	1,532,239	(1,247,212)	1,247,212	-	-
Restricted investments	(1,395,884)	13,440,503	(197,005)	(672,720)	(186,514)
Accrued interest receivable:					
Loans	52,735	(1,131)	(746,591)	713,254	(36,622)
Interest rate swaps	68,517	13,036	145,617	(316,721)	174,347
Cash equivalents and investments	133,725	27,424	(214,790)	(102,563)	(57,212)
Prepaid expenses	18,294	(14,769)	(88,219)	39,124	(7,872)
Loans to local governments	(127,995,907)	(43,164,500)	(32,402,800)	73,432,500	14,676,700
Increase (decrease) in:					
Accrued expenses	34,075	(32,001)	26,083	(11,699)	9,977
Accrued interest payable:					
Interest rate swaps	(219,762)	(139,934)	364,920	62,479	(282,923)
Bonds	1,949,281	493,044	2,360,120	1,296,829	(2,322,618)
Bonds payable	<u>84,944,414</u>	<u>43,522,361</u>	<u>100,433,023</u>	<u>(46,122,021)</u>	<u>(21,527,624)</u>
Total adjustments	<u>(40,296,549)</u>	<u>13,528,546</u>	<u>71,709,295</u>	<u>28,901,780</u>	<u>(8,778,636)</u>
Net cash provided by (used in) operating activities	<u>\$ (40,688,202)</u>	<u>\$ 12,931,604</u>	<u>\$ 70,079,815</u>	<u>\$ 33,097,844</u>	<u>\$ (5,199,880)</u>

Source: Calhoun Baker Inc.

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 Political Subdivisions 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, to provide geographic diversification to its portfolio, DelVal began lending outside the Counties, principally in the eastern half of the Commonwealth. As of December 31, 2024, 234 Loans, in the aggregate principal amount of approximately \$960 million, were outstanding to 101 Participants located in nine different counties. Approximately, 96.687% 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, 2024



Source: Calhoun Baker Inc.

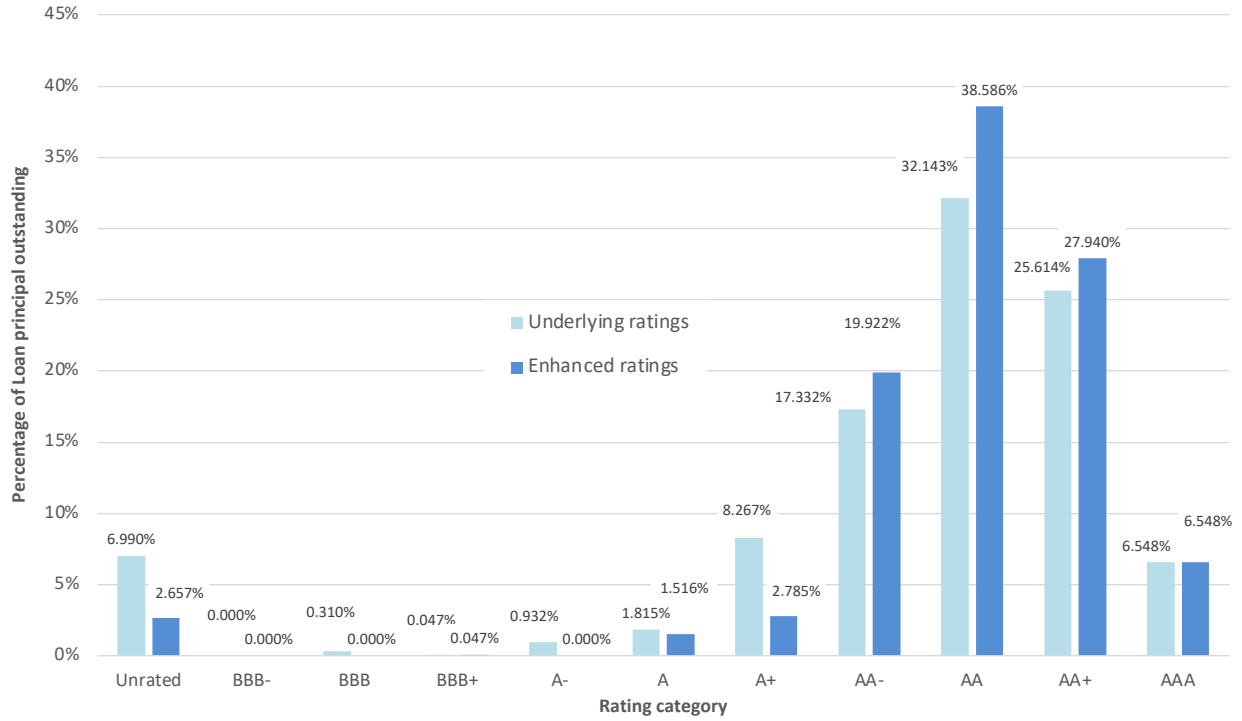
As of December 31, 2024, approximately 6.990% of the principal of the Loans outstanding was originated to Participants that had no published underlying ratings, and 0.357% of the principal of the Loans outstanding was originated to Participants with published underlying ratings below “A3” or “A-”. Approximately, 81.64% of the Loan principal was originated to Participants with published underlying ratings of “Aa3”, “AA-”, or higher. The median underlying rating is “Aa/AA”.

DelVal is the beneficiary of Participant Credit Enhancements issued by Assured Guaranty Municipal Corp. (“AGM”) and Build America Mutual Company (“BAM”) that secured 13.71% of the Loan principal outstanding as of December 31, 2024. AGM merged into its affiliate Assured Guaranty Inc. (“AG”) on August 1, 2024, and the policies issued by AGM were assumed by AG. AG 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.

Loans to school districts benefit from the provisions of the *Public School Code* and the *Debt Act* that authorize an intercept of state funding (the “Intercept”) if any school district fails to make its required debt service payments. 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. Currently, Moody’s assigns a rating of “Aa3” to debt issued by school districts that are subject to the Intercept.

As of December 31, 2024, taking into consideration the Participant Credit Enhancements and the Intercept, 2.657% of the Loan principal outstanding was unenhanced and unrated, 0.047% was rated below “A3/A-”, and 92.96% was rated “Aa3/AA-” or higher. The median enhanced rating was “Aa2/AA”.

Underlying and Enhanced Ratings of Loan Principal Outstanding as of December 31, 2024

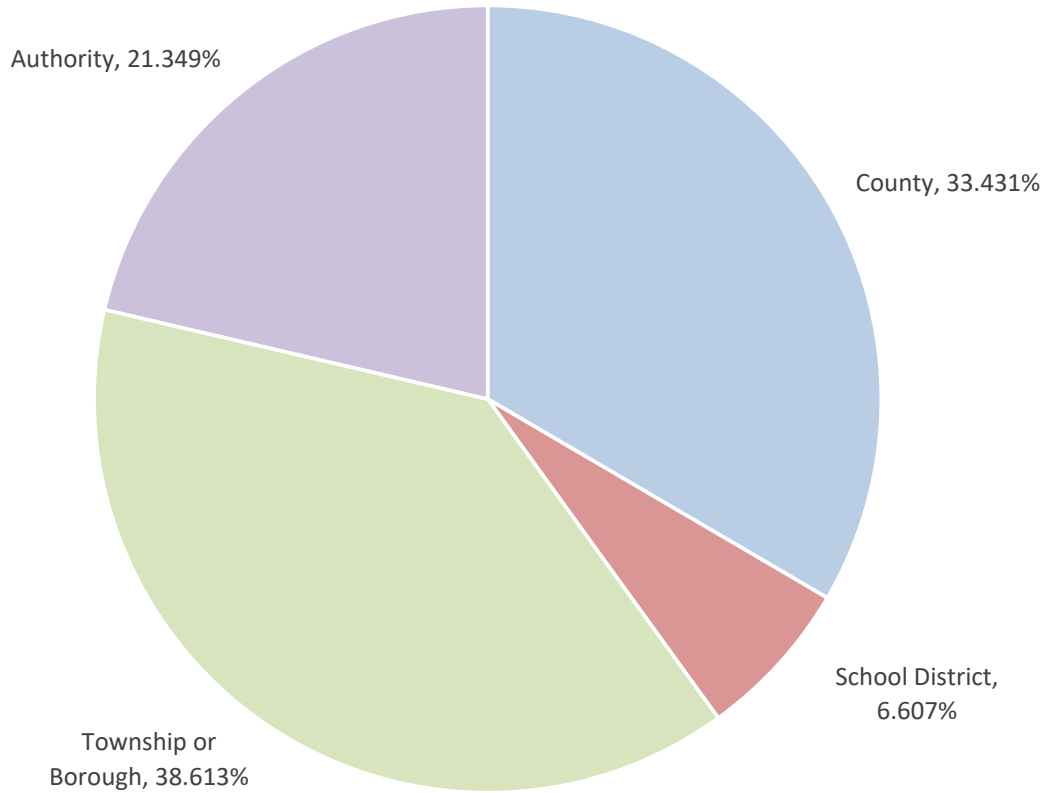


Source: Calhoun Baker Inc.

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

**Percentage of Loan Principal Outstanding
by Type of Political Subdivision
as of December 31, 2024**



Source: Calhoun Baker Inc.

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DelVal operates as one Loan 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, 2024

<u>Year</u>	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
2025	\$ 4,058,000	\$ 37,506,000	\$ 6,805,000	\$ 49,360,900	\$ 97,729,900
2026	880,000	24,923,000	13,114,000	49,613,100	88,530,100
2027	663,000	24,670,000	12,237,000	48,602,300	86,172,300
2028	-	21,338,000	12,417,000	44,897,600	78,652,600
2029	-	-	19,798,000	39,762,700	59,560,700
2030	-	-	19,942,000	40,586,000	60,528,000
2031	-	-	13,850,000	40,373,000	54,223,000
2032	-	-	8,445,000	43,071,000	51,516,000
2033	-	-	-	45,620,000	45,620,000
2034	-	-	-	42,068,000	42,068,000
2035	-	-	-	41,818,000	41,818,000
2036	-	-	-	37,950,000	37,950,000
2037	-	-	-	37,301,000	37,301,000
2038	-	-	-	36,116,000	36,116,000
2039	-	-	-	30,898,000	30,898,000
2040	-	-	-	23,623,000	23,623,000
2041	-	-	-	19,595,000	19,595,000
2042	-	-	-	15,877,000	15,877,000
2043	-	-	-	12,595,000	12,595,000
2044	-	-	-	9,317,000	9,317,000
2045	-	-	-	7,043,000	7,043,000
2046	-	-	-	5,542,000	5,542,000
2047	-	-	-	5,714,000	5,714,000
2048	-	-	-	2,619,000	2,619,000
2049	-	-	-	2,561,000	2,561,000
2050	-	-	-	2,517,000	2,517,000
2051	-	-	-	2,109,000	2,109,000
2052	-	-	-	1,513,000	1,513,000
2053	-	-	-	1,153,000	1,153,000
Total	<u>\$ 5,601,000</u>	<u>\$ 108,437,000</u>	<u>\$ 106,608,000</u>	<u>\$ 739,815,600</u>	<u>\$ 960,461,600</u>
Weighted Average Maturity (years):	0.76	1.68	4.18	8.89	7.50

Source: Calhoun Baker Inc.

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Below is a schedule of the ten Participants with the highest concentration levels of Loans. Delaware County accounts for 28.614% of the Loan principal outstanding, and the ten highest comprise 63.270% of the Loan principal outstanding. A complete listing of the Loans outstanding is attached as “EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2024”.

**Ten Participants with the Highest Concentration of Loans
as of December 31, 2024**

<u>No.</u>	<u>Borrower</u>	<u>County</u>	<u>Participant or Guarantor Ratings</u>		<u>Total Outstanding 31-Dec-24</u>	<u>Insured Loan Principal*</u>	<u>Concentration</u>	
			<u>Moody's</u>	<u>S&P</u>			<u>Borrower</u>	<u>Cumulative</u>
1	Delaware County	Delaware	Aa2	AA+	\$ 274,830,000	\$ -	28.614%	28.614%
2	Bristol Township	Bucks	Aa3	---	57,226,000	-	5.958%	34.573%
3	Bucks County Water and Sewer Authority	Bucks	---	A+	49,704,000	49,704,000	5.175%	39.748%
4	Bucks County	Bucks	Aa1	AAA	46,087,400	-	4.798%	44.546%
5	Delaware County Solid Waste Authority	Delaware	Aa2	AA+	39,496,000	762,000	4.112%	48.658%
6	Lower Perkiomen Valley Regional Sewer Authority	Montgomery	---	AA-	38,679,000	-	4.027%	52.685%
7	Upper Dublin Township	Montgomery	Aa1	---	34,364,000	-	3.578%	56.263%
8	Hatfield Township	Montgomery	---	AA	23,395,000	-	2.436%	58.699%
9	Marple Township	Delaware	---	AA	22,573,000	-	2.350%	61.049%
10	Aston Township	Delaware	---	AA-	21,330,000	-	2.221%	63.270%

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

Source: Calhoun Baker Inc.

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 \$50.0 million as of December 31, 2024. 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.

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**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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<i>Assets</i>					
Cash and cash equivalents	\$ 55,208,582	\$ 52,947,186	\$ 121,111,001	\$ 158,507,845	\$ 155,545,465
Restricted cash and cash equivalents	40,513,000	55,706,000	57,622,000	53,323,000	51,085,500
Investments	-	1,247,212	-	-	-
Restricted investments	34,137,078	20,696,575	20,893,580	21,566,300	21,752,814
Loan interest receivable	339,657	340,788	1,087,379	374,125	410,747
Interest rate swaps receivable	5,167,042	5,154,005	5,964,041	5,901,607	5,728,853
Investment earnings receivable	68,321	40,896	255,686	358,249	415,461
Prepaid expenses	77,964	92,733	180,952	141,828	149,700
Loans to local governments	<u>973,003,500</u>	<u>1,016,168,000</u>	<u>1,048,570,800</u>	<u>975,138,300</u>	<u>960,461,600</u>
Total assets	<u>1,108,515,144</u>	<u>1,152,393,395</u>	<u>1,255,685,439</u>	<u>1,215,311,254</u>	<u>1,195,550,140</u>
<i>Liabilities and Deductions</i>					
Accrued expenses	43,473	11,472	37,555	25,856	35,833
Estimated rebate liability	150,000	200,000	400,000	400,000	600,000
Interest rate swaps payable	183,778	43,844	1,364,417	1,049,334	766,411
Bond interest payable	11,077,822	11,295,759	13,287,699	14,037,942	13,070,560
Bonds payable	<u>1,053,000,000</u>	<u>1,098,000,000</u>	<u>1,200,000,000</u>	<u>1,149,380,000</u>	<u>1,126,645,000</u>
Total liabilities	<u>1,064,455,073</u>	<u>1,109,551,075</u>	<u>1,215,089,671</u>	<u>1,164,893,132</u>	<u>1,141,117,804</u>
<i>Excess Funds</i>	<u>\$ 44,060,071</u>	<u>\$ 42,842,320</u>	<u>\$ 40,595,768</u>	<u>\$ 50,418,122</u>	<u>\$ 54,432,336</u>
<i>Fair Market Value of Interest Rate Swap Transactions*</i>	<u>\$ 110,484,725</u>	<u>\$ 99,334,725</u>	<u>\$ 130,802,459</u>	<u>\$ 95,496,833</u>	<u>\$ 93,885,802</u>

*Fair market value includes the unamortized prepaid interest rate swap expense of the 1998 Series.

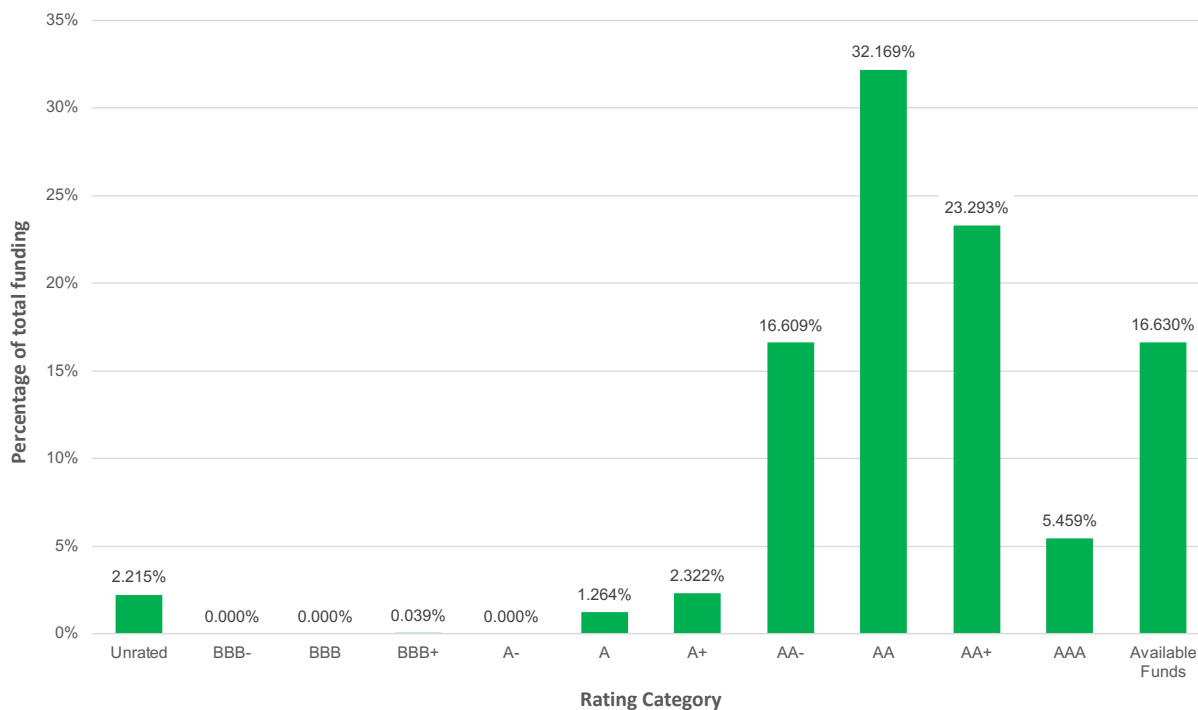
Source: Calhoun Baker Inc.

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 enhanced, the analysis gives full weight to the higher of the rating of: (i) the Participant Credit Enhancement or Intercept and (ii) the underlying rating of the Participant or Guarantor.

Below is a chart that shows the Ratings Test as of December 31, 2024. The chart shows the percentage of the Loan principal outstanding in each rating category. Approximately, 2.254% of the Loan Funds were committed to Participants that were uninsured and unrated or rated below the Rating Threshold. The “Available Funds” are deposits in the Recycling Funds that are available to originate new Loans.

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Covenant Agreement Ratings Test of the Loan Portfolio as of December 31, 2024



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.

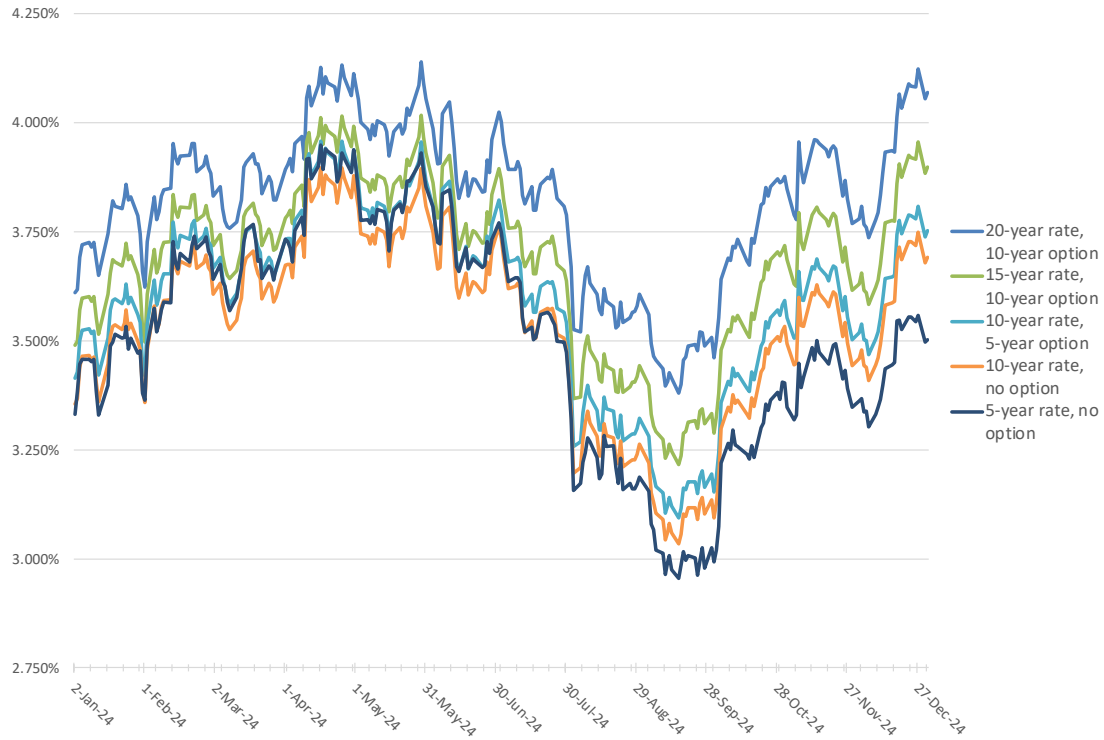
All future bonds issued by DelVal will be issued under the Master Indenture and will be equally and ratably secured by all the assets under the trust estate of the Master Indenture. The Ratings Test provisions are incorporated in the Master Indenture.

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 cut or maintain rates. Interest rates increased in the last quarter when expectations of stubborn inflation became conventional wisdom.

Trend of DeVal Loan Rates, Level Debt Amortization, as of December 31, 2024



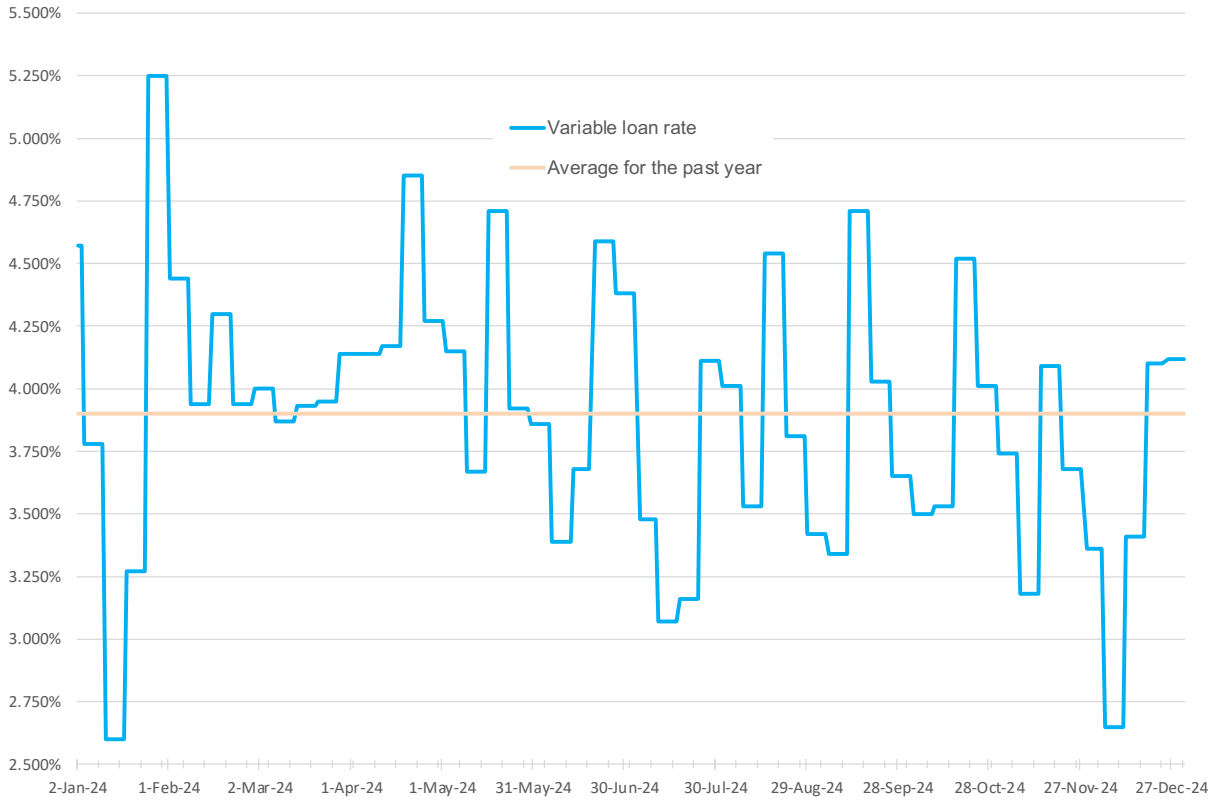
<u>Loan Option</u>	<u>Average Rate in 2024</u>	<u>Rate as of 31-Dec-24</u>
20-year rate, 10-year option	3.82%	4.07%
20-year rate, no option	3.67%	3.92%
15-year rate, 10-year option	3.68%	3.90%
15-year rate, no option	3.61%	3.82%
10-year rate, 5-year option	3.59%	3.75%
10-year rate, no option	3.53%	3.69%
5-year rate, no option	3.51%	3.50%

Source: Calhoun Baker Inc.

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The DelVal variable rate is linked to the SIFMA Index. In normal markets, the variable rate is the lowest of the Loan rates. The variable rate was abnormally high in 2024 due to the inversion of the yield curve. The variable rate is typically volatile due to seasonal spikes for outflows from money market funds, fiscal year-end window dressing of balance sheets, and reactions to headlines on inflation and employment data. As of December 31, 2024, 2.04% 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 DelVal Variable Loan Rate for the Year Ended December 31, 2024



Average variable rate since 2005	1.97%
Average variable rate for the past year:	3.90%
Variable rate as of: 31-Dec-24	4.12%

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. This comparison ignores the additional costs of issuance that the bond issuers would pay to issue refunding bonds, typically 1-2% of the par amount of the refunding. DeVal Loans do not need to be refunded to exercise an option and reset to a lower rate, effectively a refunding with no fees.

Bond Issues in DeVal’s Market Area

<u>Bond issues in the Market Area</u> (1)	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total par amount	\$ 3,262,220,000	\$ 2,972,060,000	\$ 1,884,440,000	\$ 1,690,620,000	\$ 2,358,560,000
Number of issues	211	194	95	95	132
Average par amount	\$ 15,460,758	\$ 15,319,897	\$ 19,836,211	\$ 17,796,000	\$ 17,867,879
Weighted average rating	AA	AA	AA	AA	AA
Weighted average maturity (years)	10.58	12.39	14.74	14.60	14.48
Costs of issuance (% of par amount) (2)					
Bond issues	1.484%	1.538%	1.442%	1.564%	1.557%
Comparable DeVal Loans (3)	<u>0.662%</u>	<u>0.657%</u>	<u>0.652%</u>	<u>0.639%</u>	<u>0.590%</u>
Over comparable DeVal Loan	0.822%	0.881%	0.790%	0.925%	0.967%
All-In True Interest Cost (2)					
Bond issues	2.404%	2.372%	3.750%	4.434%	4.228%
Comparable DeVal Loans (3)	<u>1.566%</u>	<u>2.004%</u>	<u>3.263%</u>	<u>4.130%</u>	<u>4.026%</u>
Over comparable DeVal Loan	0.837%	0.368%	0.487%	0.304%	0.202%
Average debt service costs (2)					
Bond issues	\$ 20,601,150	\$ 21,418,197	\$ 31,892,269	\$ 29,970,768	\$ 29,764,793
Comparable DeVal Loans (3)	<u>19,117,668</u>	<u>20,609,115</u>	<u>30,274,900</u>	<u>29,046,784</u>	<u>28,998,703</u>
Over comparable DeVal Loan	<u>\$ 1,483,482</u>	<u>\$ 809,082</u>	<u>\$ 1,617,369</u>	<u>\$ 923,985</u>	<u>\$ 766,090</u>

(1) Some official statements may have been missed inadvertently.

(2) Weighted averages.

(3) 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.

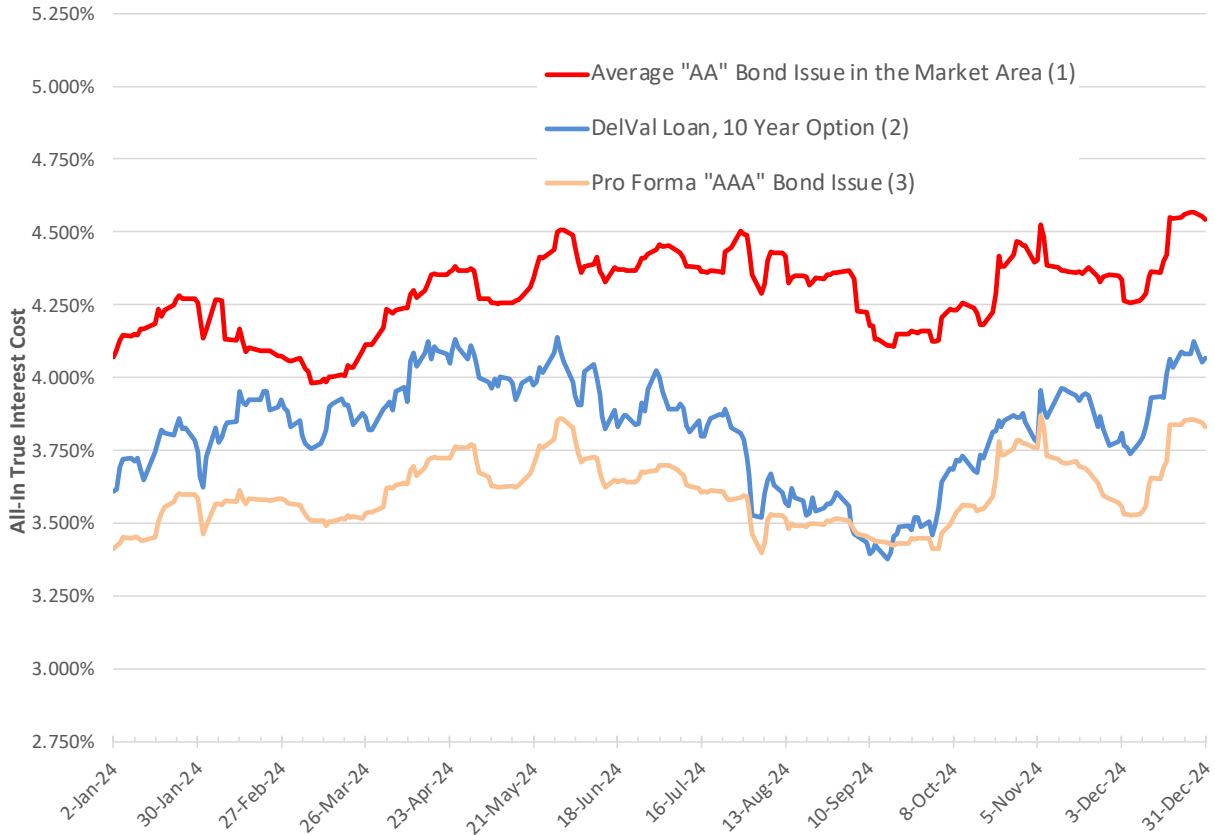
Source: Calhoun Baker Inc.

The DeVal advantage throughout this period is due to both the lower costs of issuance and lower interest rates. During the past year, the weighted average of DeVal’s All-In TIC was 0.202% below the weighted average of all bonds issued in the Market Area. DeVal’s costs of issuance averaged approximately 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 includes a 10-year option and is based on actual end-of-day rates and costs of issuance.

**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, 2024**



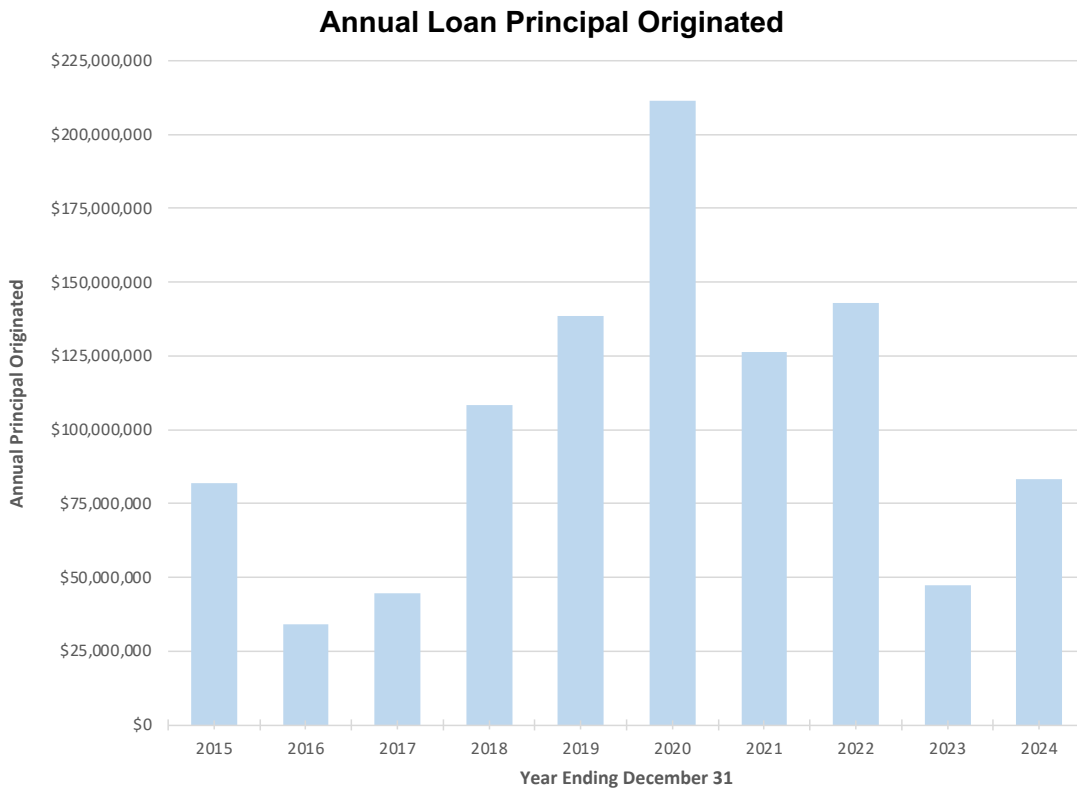
- (1) Based on actual weighted average spreads to "AAA" indices and actual issuance costs.
 - (2) Based on actual rates and issuance costs.
 - (3) Based on Bloomberg "AAA" General Obligation indices, 5% coupon, 10-year option, and actual costs of issuance.
- Past results are not a predictor of future spreads and costs.**

Source: Calhoun Baker Inc.

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DEMAND FOR LOANS

Below is a chart of the principal amounts of Loans originated each year from 2015 to 2024. 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 DelVal 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 declined sharply 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*”). Origination increased in 2024 as borrowers began to adapt to the new market and economic conditions.



Source: Calhoun Baker Inc.

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During the year ending December 31, 2024, DelVal originated ten Loans with an aggregate principal amount of approximately \$83 million. The relative advantages of DelVal Loans compared to bank loans and bond issues continued throughout this period.

Loans Originated from January 1, 2024, to December 31, 2024

<u>No.</u>	<u>Loans Closed</u>	<u>County</u>	<u>Guarantor or Underlying Rating</u>				<u>Amount</u>	<u>Closing</u>
			<u>Insurer</u>	<u>Kroll</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
3	Nether Providence Township	Delaware	---	---	---	---	600,000	25-Mar-24
4	Upper Southampton Municipal Authority	Bucks	---	AA	---	---	3,000,000	14-Jun-24
5	Delaware County Solid Waste Authority	Delaware	---	---	Aa1	AA+	35,000,000	18-Jun-24
6	Norwood Borough	Delaware	---	---	---	---	1,450,000	20-Jun-24
7	Marcus Hook Borough	Delaware	---	---	---	---	1,000,000	10-Sep-24
8	Aldan Borough	Delaware	BAM	**	**	**	4,000,000	26-Sep-24
9	Hatfield Borough	Montgomery	**	**	**	**	2,900,000	4-Nov-24
10	Upper Dublin Township	Montgomery	**	**	Aa1	**	10,000,000	8-Nov-24
	Total						<u>\$ 83,179,000</u>	

Source: Calhoun Baker Inc.

Based upon requests for pro forma debt service schedules for new capital projects that DelVal has received, DelVal expects the demand for new Loans in 2025 to continue to rebound from the low levels of 2023, but DelVal expects demand to remain constrained due to: (i) higher construction costs, (ii) reduced refunding opportunities, (iii) higher interest rates, and (iv) lingering effects of the \$2.2 trillion CARES and the \$1.9 trillion ARPA programs. A listing of Loan closings and Loans in process as of April 30, 2025, is shown below.

Loans Closed and Loans in Process from January 1, 2025, to April 30, 2025

<u>No.</u>	<u>Loans in Process</u>	<u>County</u>	<u>Underlying Rating</u>				<u>Amount</u>	<u>Scheduled</u>
			<u>Insurer</u>	<u>Kroll</u>	<u>Moody's</u>	<u>S&P</u>		<u>Closing*</u>
1	Brookhaven Borough	Delaware	---	---	---	---	\$ 1,000,000	6-Feb-25
2	Upper Dublin Township	Montgomery	---	---	Aa1	---	11,400,000	11-Apr-25
3	Chadds Ford Township Sewer Authority	Delaware	---	---	---	---	300,000	17-Apr-25
4	Morrisville Borough	Bucks	BAM	---	---	---	1,625,000	16-May-25
5	Chalfont Borough	Bucks	---	---	---	---	350,000	13-Jun-25
	Total						<u>\$ 14,675,000</u>	

* Preliminary, subject to change.

Source: Calhoun Baker Inc.

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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, 2024

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
DeIVal Series at par	\$ 11,660,000	\$179,885,000	\$125,000,000	\$ 810,100,000	\$1,126,645,000
Overcollateralization	<u>-</u>	<u>-</u>	<u>28,159,000</u>	<u>21,834,250</u>	<u>49,993,250</u>
Total funding	11,660,000	179,885,000	153,159,000	831,934,250	1,176,638,250
Debt Service Reserve Funds	<u>(1,166,000)</u>	<u>(17,988,500)</u>	<u>(12,500,000)</u>	<u>(41,131,000)</u>	<u>(72,785,500)</u>
Total funding for Loans	10,494,000	161,896,500	140,659,000	790,803,250	1,103,852,750
Loans outstanding	<u>(5,601,000)</u>	<u>(108,437,000)</u>	<u>(106,608,000)</u>	<u>(739,815,600)</u>	<u>(960,461,600)</u>
Funds available for Loans	<u>\$ 4,893,000</u>	<u>\$ 53,459,500</u>	<u>\$ 34,051,000</u>	<u>\$ 50,987,650</u>	<u>\$ 143,391,150</u>

Source: Calhoun Baker Inc.

FINANCING ACTIVITIES

DeIVal accesses the capital markets periodically to fund the Loan Program. DeIVal issues the type of debt that will minimize its cost of funds at that time. The DeIVal Board annually adopts a Post Issuance Compliance Policy, and under that policy, the Administrator monitors and reports any compliance issues with Treasury regulations or rules of the Municipal Securities Rulemaking Board.

DeIVal’s objective with each issuance is to create a pool of funds with a net cost to DeIVal that is comparable to the cost of a 7-day variable rate demand bond (“VRDB”) at that time. If DeIVal cannot achieve that cost, it will not issue. DeIVal 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 and 3-Month Term SOFR published by the CME Group Benchmark Administration (“CME”), (iii) weekly remarketed VRDBs, and (iv) daily remarketed VRDBs.

DeIVal extraordinarily redeemed \$5,155,000 of the 1997 B Series on July 1, 2024, and \$39,650,000 of the 1998 A Series on August 1, 2024 (See “Extraordinary Mandatory Redemptions of the 1997 Series and 1998 Series” for additional information.). DeIVal purchased the \$30,000,000 outstanding 2018 D Series and optionally redeemed the \$75,000,000 outstanding 2018 E Bonds on September 3, 2024, from: (i) the proceeds of the acquisition of Loans of the 2018 Series from the proceeds of the 2024 Series and other DeIVal Series and (ii) other available funds. The \$50,000,000 2020 B Bonds matured on November 1, 2024. DeIVal expects to issue one or more new DeIVal Series over the next two years to replace the funding lost from redemptions, maturities, and mandatory purchases of the outstanding DeIVal Series.

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

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DeIVal Series Outstanding as of December 31, 2024

<u>Series</u>	<u>Par Amount</u>	<u>Over Collateralization</u>	<u>Total Funding</u>	<u>Debt Service Reserve Fund (1)</u>	<u>Funding to Originate Loans</u>	<u>Option Date (2)</u>	<u>Purchase or Remarketing Date</u>	<u>Termination of Letter of Credit</u>	<u>Maturity Date</u>	<u>Basis Rate</u>
1997 B Series	\$ 1,660,000	\$ -	\$ 1,660,000	\$ 166,000	\$ 1,494,000	No option	---	---	1-Jul-27	Fixed rate
1997 C Series	10,000,000	-	10,000,000	1,000,000	9,000,000	No option	---	---	1-Jul-27	Fixed rate
Total 1997 Series	<u>11,660,000</u>	<u>-</u>	<u>11,660,000</u>	<u>1,166,000</u>	<u>10,494,000</u>					
1998 A Series	<u>179,885,000</u>	<u>-</u>	<u>179,885,000</u>	<u>17,988,500</u>	<u>161,896,500</u>	No option	---	---	1-Aug-28	Fixed rate
2002 Series	<u>125,000,000</u>	<u>28,159,000</u>	<u>153,159,000</u>	<u>12,500,000</u>	<u>140,659,000</u>	No option	---	---	1-Jul-32	Fixed rate
Master Series										
2007 A Series	10,000,000	59,250	10,059,250	608,000	9,451,250	No option	---	---	1-Jun-37	Fixed rate
2007 B Series	50,000,000	-	50,000,000	2,952,000	47,048,000	Any date	Weekly	19-May-26	1-Jun-42	Weekly rate
2007 C Series	50,000,000	-	50,000,000	2,771,000	47,229,000	1-Jun-17	---	---	1-Jun-37	3M Term SOFR
2018 A Series	10,000,000	343,000	10,343,000	518,000	9,825,000	No option	---	---	1-Sep-33	Fixed rate
2020 D Series	75,000,000	7,538,000	82,538,000	3,302,000	79,236,000	Any date	Weekly	1-Jun-26	1-Nov-55	Weekly rate
2021 Series	45,000,000	1,940,000	46,940,000	1,771,000	45,169,000	No option	---	---	1-Oct-29	Fixed rate
2022 A Series	5,000,000	50,000	5,050,000	228,000	4,822,000	No option	---	---	1-Mar-30	Fixed rate
2022 B Series	75,000,000	-	75,000,000	3,071,000	71,929,000	1-Mar-25	1-Mar-26	---	1-Mar-57	SIFMA Index
2022 C Series	75,000,000	-	75,000,000	3,135,000	71,865,000	1-Mar-26	1-Mar-27	---	1-Mar-57	SOFR Index
2022 D Series a	20,000,000	-	20,000,000	843,000	19,157,000	No option	---	---	1-Mar-29	Fixed rate
2022 D Series b	2,000,000	-	2,000,000	87,000	1,913,000	No option	---	---	2-Mar-29	Fixed rate
2022 E Series	75,000,000	-	75,000,000	3,254,000	71,746,000	Any date	Weekly	14-Jul-27	1-Mar-57	Weekly rate
2023 Series a	50,000,000	3,693,843	53,693,843	2,393,000	51,300,843	1-Sep-32	---	---	1-Mar-33	Fixed rate
2023 Series b	41,030,000	2,499,833	43,529,833	2,022,000	41,507,833	1-Sep-33	---	---	1-Mar-34	Fixed rate
2023 Series c	50,000,000	2,445,324	52,445,324	2,536,000	49,909,324	1-Sep-34	---	---	1-Mar-35	Fixed rate
2024 A Series a	15,000,000	707,135	15,707,135	729,000	14,978,135	No option	---	---	1-Sep-33	Fixed rate
2024 A Series b	27,070,000	1,276,338	28,346,338	1,353,000	26,993,338	No option	---	---	1-Sep-34	Fixed rate
2024 A Series c	30,000,000	1,281,527	31,281,527	1,543,000	29,738,527	1-Sep-34	---	---	1-Sep-35	Fixed rate
2024 B Series	<u>105,000,000</u>	<u>-</u>	<u>105,000,000</u>	<u>8,015,000</u>	<u>96,985,000</u>	Any date	Daily	4-Sep-29	1-Sep-59	Daily rate
Total Master Series	<u>810,100,000</u>	<u>21,834,250</u>	<u>831,934,250</u>	<u>41,131,000</u> (3)	<u>790,803,250</u>					
Total	<u>\$ 1,126,645,000</u>	<u>\$ 49,993,250</u>	<u>\$ 1,176,638,250</u>	<u>\$ 72,785,500</u>	<u>\$ 1,103,852,750</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.

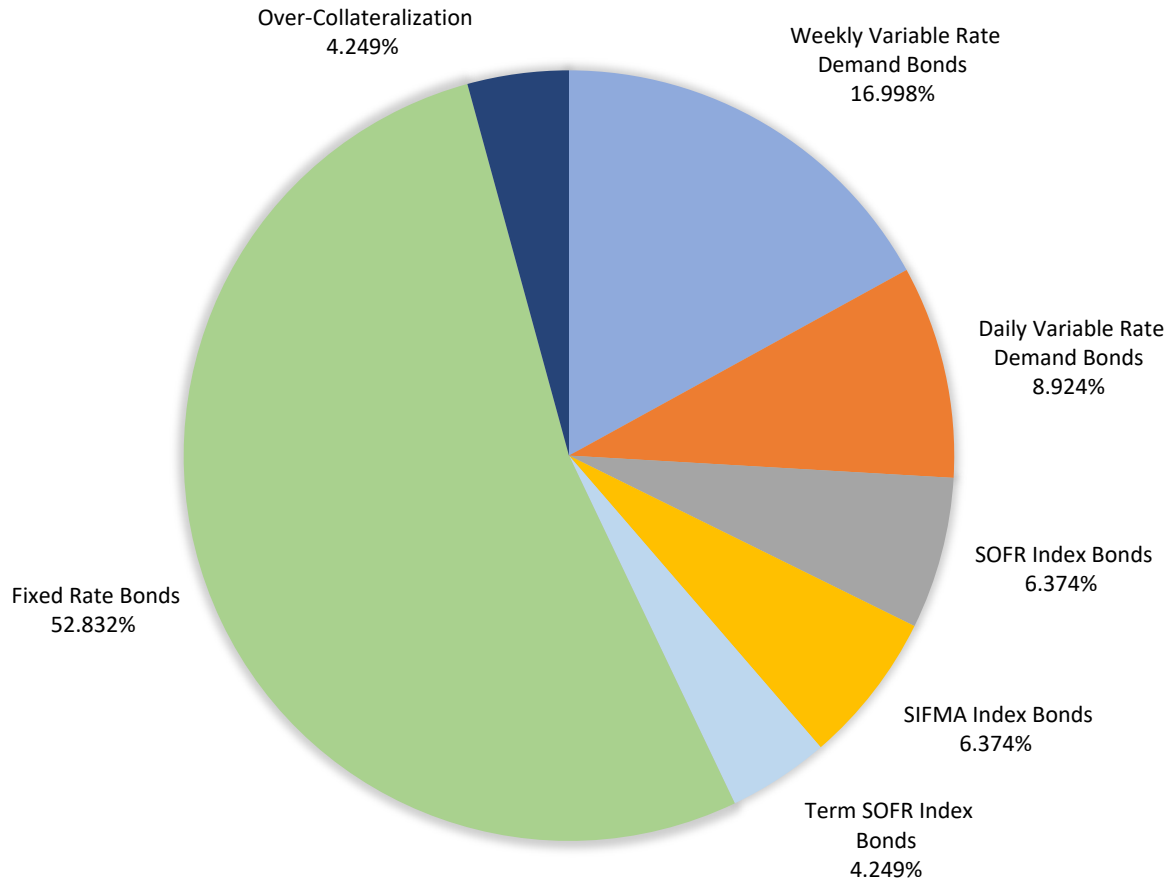
(2) Options can be exercised at a price of 100% of the principal amount, plus accrued interest. Exercise of the option to redeem or remarket requires 15 to 30 days of notice to Bondholders.

(3) The total amount held under the Master Indenture is available to secure any Series issued under the Master Indenture.

Source: Calhoun Baker Inc.

The total funding for the Loan Program, including the over-collateralization of \$49,993,250, was \$1,176,638,250 as of December 31, 2024. A chart of the composition of the funding as of December 31, 2024, is shown below.

Composition of the Funding of the DeIVal Loan Program as of December 31, 2024



Source: Calhoun Baker Inc.

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

The 1997 Series, 1998 Series, 2002 Series, 2007 A Series, 2018 A 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 six months prior to each principal maturity. The 2024 A Series are fixed rate bonds that are subject to optional redemption on or after September 1, 2034. 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 Assurance Corporation (“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 DeIVal 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 \$50 million 2007 B Series are remarketed by PNC Capital Markets as a weekly 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 DeVal and PNC. The remarketing rate has averaged 3.347% for the year ended December 31, 2024, 0.0015% below the average SIFMA Index.

The \$75 million 2020 D Series and \$75 million 2022 E Series are remarketed by TD Securities as weekly VRDB’s, and the \$105 million 2024 B Series is remarketed by TD Securities as daily VRDB’s. The 2020 D Series, 2022 E Series, and 2024 B Series are secured by Letters of Credit issued by TD Bank, N.A. (collectively, the “TD LOCs”). The TD LOC for the 2020 D Series is scheduled to terminate on June 1, 2026, the TD LOC for the 2022 E Series is scheduled to terminate on July 14, 2027, and the TD LOC for the 2024 B Series is scheduled to terminate on September 4, 2029. Upon issuance, the 2020 D Series, 2022 E Series, and 2024 B Series were rated “Aa3/VMIG 1” by Moody’s and “AA+/A-1+” by S&P. S&P and Moody’s subsequently downgraded TD and all VRDB’s secured by a TD Letter of Credit on October 18, 2024, and October 30, 2024, respectively. The 2020 D Series, 2022 E Series, and 2024 B Series are now rated “A1/VMIG 1” by Moody’s and “AA+/A-1” by S&P. The short-term ratings are based solely on TD’s short-term ratings. The Moody’s long-term ratings are based solely on TD’s long-term rating. The S&P long-term ratings are based on the joint probability of a default by both DeVal and TD. The remarketing rates of the 2020 D Series and 2022 E Series averaged 3.361% over the year ending December 31, 2024, 0.0117% above the average SIFMA Index. The remarketing rates of the 2024 B Series averaged 3.141% since September 3, 2024, 0.0993% below the average SIFMA Index during that period.

The interest rates on the 2022 B Series are set at spreads to the SIFMA Index, adjusted and payable monthly. The 2022 C Series rates were set at spreads to 67% of the Secured Overnight Financing Rate (“SOFR”), adjusted and payable monthly. 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 are rated “A1” by Moody’s and “A+” by S&P.

The estimated debt service payments of the DeVal Series outstanding as of December 31, 2024, are shown on the following page. Future interest rates on variable rate DeVal Series are based on the last rate resets of 2024.

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**Estimated Debt Service Payments
for the DeVal Series Outstanding on December 31, 2024**

Fiscal Year	1997 Series		1998 Series		2002 Series		Master Series (1)		Total Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	\$ -	\$ 869,620	\$ -	\$ 9,893,675	\$ -	\$ 7,187,500	\$ -	\$ 30,331,339	\$ -	\$ 48,282,134	\$ 48,282,134
2026	-	869,620	-	9,893,675	-	7,187,500	-	30,347,355	-	48,298,150	48,298,150
2027	11,660,000	869,620	-	9,893,675	-	7,187,500	-	30,347,355	11,660,000	48,298,150	59,958,150
2028	-	-	179,885,000	9,893,675	-	7,187,500	-	30,347,355	179,885,000	47,428,530	227,313,530
2029	-	-	-	-	-	7,187,500	67,000,000	29,897,355	67,000,000	37,084,855	104,084,855
2030	-	-	-	-	-	7,187,500	5,000,000	28,422,355	5,000,000	35,609,855	40,609,855
2031	-	-	-	-	-	7,187,500	-	28,297,355	-	35,484,855	35,484,855
2032	-	-	-	-	125,000,000	7,187,500	-	28,297,355	125,000,000	35,484,855	160,484,855
2033	-	-	-	-	-	-	90,000,000	25,647,355	90,000,000	25,647,355	115,647,355
2034	-	-	-	-	-	-	68,100,000	22,554,355	68,100,000	22,554,355	90,654,355
2035	-	-	-	-	-	-	65,000,000	19,923,355	65,000,000	19,923,355	84,923,355
2036	-	-	-	-	-	-	-	19,273,355	-	19,273,355	19,273,355
2037	-	-	-	-	-	-	60,000,000	18,013,390	60,000,000	18,013,390	78,013,390
2038	-	-	-	-	-	-	-	16,753,425	-	16,753,425	16,753,425
2039	-	-	-	-	-	-	-	16,753,425	-	16,753,425	16,753,425
2040	-	-	-	-	-	-	-	16,753,425	-	16,753,425	16,753,425
2041	-	-	-	-	-	-	-	16,753,425	-	16,753,425	16,753,425
2042	-	-	-	-	-	-	50,000,000	15,860,925	50,000,000	15,860,925	65,860,925
2043	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2044	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2045	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2046	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2047	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2048	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2049	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2050	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2051	-	-	-	-	-	-	-	14,968,425	-	14,968,425	14,968,425
2052	-	-	-	-	-	-	75,000,000	12,943,425	75,000,000	12,943,425	87,943,425
2053	-	-	-	-	-	-	-	12,268,425	-	12,268,425	12,268,425
2054	-	-	-	-	-	-	-	12,268,425	-	12,268,425	12,268,425
2055	-	-	-	-	-	-	75,000,000	12,043,425	75,000,000	12,043,425	87,043,425
2056	-	-	-	-	-	-	-	9,568,425	-	9,568,425	9,568,425
2057	-	-	-	-	-	-	150,000,000	5,384,606	150,000,000	5,384,606	155,384,606
2058	-	-	-	-	-	-	-	3,990,000	-	3,990,000	3,990,000
2059	-	-	-	-	-	-	105,000,000	997,500	105,000,000	997,500	105,997,500
Total	\$ 11,660,000	\$ 2,608,860	\$ 179,885,000	\$ 39,574,700	\$ 125,000,000	\$ 57,500,000	\$ 810,100,000	\$ 628,754,316	\$ 1,126,645,000	\$ 728,437,876	\$ 1,855,082,876

(1) Variable interest rates in 2025 and thereafter are based on the last rate resets in 2024.

Source: Calhoun Baker Inc.

EXTRAORDINARY MANDATORY REDEMPTIONS OF THE 1997 SERIES AND 1998 SERIES

The 1997 Series and 1998 Series are both insured by Ambac, and 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 April 8, 2024, 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 \$5,155,000 of the \$16,815,000 outstanding 1997 B Series on July 1, 2024, and DelVal redeemed \$39,650,000 of the \$219,535,000 outstanding 1998 A Series on August 1, 2024.

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 weekly 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, 2024**

<u>Description</u>	<u>Senior Debt Rating of Counterparty or Guarantor</u>			<u>Maturity</u>	<u>Rate (6)</u>	<u>Cash Equivalents</u>	<u>Restricted Cash Equivalents</u>	<u>Fair Value Restricted Investments</u>	<u>Total Fair Value</u>	<u>Fair Value Concentration</u>
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>							
<i>Floating Rate Notes (1)</i>										
National Australia Bank	Aa2	AA-	***	12-Jan-27	5.110%	\$ -	\$ -	\$ 4,711,844	\$ 4,711,844	2.063%
Pacific Life Global Funding	Aa3	AA-	***	4-Jun-26	5.080%	-	-	17,040,970	17,040,970	7.462%
<i>Goldman Sachs Financial Square Treasury Solutions Fund</i>										
	Aaa-mf	***	***	***	3.480%	44,737,000	-	-	44,737,000	19.589%
<i>Variable Rate Demand Bonds</i>										
<i>Harris County Cultural Education Facilities Finance Corporation</i>										
	Aa1/VMIG 1	AA+/A-1	***	1-Oct-45	3.600%	-	12,180,000	-	12,180,000	5.333%
<i>GIC's (2)</i>										
BayemLB	Aa2	***	AA-	1-Jul-26	4.000%	-	7,251,000	-	7,251,000	39.690%
BayemLB (3)	Aaa	***	AAA	27-Jul-28	5.250%	65,407,696	17,988,500	-	83,396,196	
CFPI (4)	A3	BBB+	A	28-May-42	4.791%	6,250,650	-	-	6,250,650	2.737%
Natixis (5)	Aa3	AA-	AA-	28-Jun-27	5.201%	4,936,802	1,166,000	-	6,102,802	23.126%
Natixis (5)	Aa3	AA-	AA-	28-Jun-32	4.790%	34,213,317	12,500,000	-	46,713,317	
Total						<u>\$ 155,545,465</u>	<u>\$ 51,085,500</u>	<u>\$ 21,752,814</u>	<u>\$ 228,383,779</u>	100.000%

(1) Notes pay a spread over SOFR, adjusted daily 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, 2024.

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, 2024.

- 1) Financing Plan: New DelVal Series are issued annually from 2025 to 2029 to replace funding lost from extraordinary mandatory redemptions, mandatory purchases, and maturities of the DelVal Series, and new Loans are originated as permitted by the availability of Loan Funds and maturities of DelVal Series.
- 2) Scheduled Maturities: DelVal Series are repaid on their respective maturity dates, new DelVal Series are not issued, and new Loans are originated as permitted by the scheduled maturities of the DelVal Series.
- 3) Run-Off: DelVal Series are run-off as quickly as permitted by Loan repayments. New DelVal Series are not issued, and new Loans are not originated. The extraordinary mandatory redemptions of the 1997 Series and 1998 Series are accelerated. The fixed rate DelVal Series with options are redeemed on the option dates, and those without options are redeemed at maturity. Variable rate DelVal Series are optionally redeemed when sufficient funds from Loan repayments are accumulated.

Each scenario is analyzed to test the effects of rising and falling interest rates. The SIFMA Index averaged 3.356% in 2024. For these scenarios, the SIFMA Index is assumed to average 3.00% in 2025, principally due to the return to a more normally shaped yield curve with little or no inversion of short-term rates. The average SIFMA Index is assumed to change in straight line increments from 2025 to 2035 and to remain constant after 2035. The assumed rates in 2035 are listed below:

- 1) 1.50%,
- 2) 3.00%,
- 3) 5.00%, and
- 4) 8.00%.

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 \$49,993,250, (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 in excess of the funds available from the Debt Service Reserve Funds exceeds more than one year of net revenues from Loan repayments, investments, and interest rate swaps under all permutations of the stress tests. In most years, the coverage in excess of the Debt Service Reserve Funds exceeds two years of net revenues. The principal circumstances under which coverage would be inadequate would be: (i) a cataclysmic market failure that would cause DeVal'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 simultaneously 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 3.00%. 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 Financing Plan with the Issuance of New Debt
Average SIFMA Index Equal to 3.00% in 2035**

Year	Funds Available for Debt Service				Debt Service			Annual Coverage of Debt Service		Coverage Percentage if SIFMA in 2035 equals (4):		
	Revenue Fund (1)	Recycling Fund (2)	Debt Service Reserve	Total	Interest (3)	Principal	Total	Amount in Excess of Debt Service	Coverage Percentage	1.50%	5.00%	8.00%
2024	\$53,953,740	\$410,880,650	\$73,108,000	\$537,942,390	\$ 51,877,024	\$ 199,805,000	\$ 251,682,024	\$286,260,366	214%	214%	214%	214%
2025	49,736,148	312,371,050	72,785,500	434,892,698	46,999,379	45,195,000	92,194,379	342,698,319	472%	472%	472%	472%
2026	49,336,760	358,868,650	72,016,000	480,221,410	45,071,225	121,225,000	166,296,225	313,925,185	289%	290%	288%	286%
2027	48,365,313	335,168,450	70,572,500	454,106,263	44,107,100	126,830,000	170,937,100	283,169,163	266%	267%	264%	261%
2028	47,106,118	304,109,050	68,504,500	419,719,668	44,664,325	48,295,000	92,959,325	326,760,343	452%	463%	437%	418%
2029	48,410,669	334,274,250	69,925,000	452,609,919	45,783,100	67,000,000	112,783,100	339,826,819	401%	414%	386%	365%
2030	49,903,674	231,224,250	73,474,000	354,601,924	48,533,100	5,000,000	53,533,100	301,068,824	662%	746%	580%	494%
2031	49,580,273	186,932,250	73,246,000	309,758,523	48,408,100	-	48,408,100	261,350,423	640%	751%	540%	445%
2032	48,907,663	166,729,250	73,246,000	288,882,913	48,408,100	125,000,000	173,408,100	115,474,813	167%	170%	162%	157%
2033	42,230,663	137,022,250	60,746,000	239,998,913	40,220,600	75,000,000	115,220,600	124,778,313	208%	219%	197%	184%
2034	39,978,232	130,786,094	57,009,156	227,773,482	37,300,000	68,100,000	105,400,000	122,373,482	216%	231%	201%	186%
2035	37,617,323	132,132,931	53,625,319	223,375,573	34,396,600	80,000,000	114,396,600	108,978,973	195%	207%	183%	170%
2036	35,338,374	135,380,250	49,652,000	220,370,624	32,196,600	-	32,196,600	188,174,024	684%	1127%	473%	343%
2037	34,025,001	133,001,250	49,652,000	216,678,251	30,970,300	60,000,000	90,970,300	125,707,951	238%	261%	216%	195%
2038	32,878,728	133,991,250	46,273,000	213,142,978	29,744,000	-	29,744,000	183,398,978	717%	1203%	490%	353%
2039	32,877,998	133,260,250	46,273,000	212,411,248	29,744,000	-	29,744,000	182,667,248	714%	1198%	489%	352%
2040	32,912,788	130,551,250	46,273,000	209,737,038	29,744,000	-	29,744,000	179,993,038	705%	1182%	483%	348%
2041	32,913,338	131,100,250	46,273,000	210,286,588	29,744,000	-	29,744,000	180,542,588	707%	1185%	484%	349%
2042	31,746,704	132,095,250	46,273,000	210,114,954	28,899,000	50,000,000	78,899,000	131,215,954	266%	297%	238%	211%
2043	30,976,571	131,840,250	43,321,000	206,137,821	28,054,000	-	28,054,000	178,083,821	735%	1235%	502%	361%
2044	30,978,225	133,498,250	43,321,000	207,797,475	28,054,000	-	28,054,000	179,743,475	741%	1246%	505%	363%
2045	30,981,068	136,344,250	43,321,000	210,646,318	28,054,000	-	28,054,000	182,592,318	751%	1264%	512%	367%
2046	30,977,138	132,413,250	43,321,000	206,711,388	28,054,000	-	28,054,000	178,657,388	737%	1239%	503%	362%
2047	31,027,392	130,168,250	43,321,000	204,516,642	28,054,000	-	28,054,000	176,462,642	729%	1225%	498%	358%
2048	31,059,482	124,758,250	43,321,000	199,138,732	28,054,000	-	28,054,000	171,084,732	710%	1190%	486%	351%
2049	31,119,571	122,346,250	43,321,000	196,786,821	28,054,000	-	28,054,000	168,732,821	701%	1175%	481%	347%
2050	31,179,941	120,213,250	43,321,000	194,714,191	28,054,000	-	28,054,000	166,660,191	694%	1162%	476%	344%
2051	31,244,990	117,857,250	43,321,000	192,423,240	28,054,000	-	28,054,000	164,369,240	686%	1147%	471%	341%
2052	29,907,092	125,701,250	43,321,000	198,929,342	26,152,750	75,000,000	101,152,750	97,776,592	197%	208%	185%	173%
2053	28,714,423	121,025,250	40,067,000	189,806,673	25,519,000	-	25,519,000	164,287,673	744%	1251%	508%	365%
2054	28,709,791	122,325,250	40,067,000	191,102,041	25,519,000	-	25,519,000	165,583,041	749%	1260%	511%	367%
2055	27,384,396	129,766,250	40,067,000	197,217,646	25,307,750	75,000,000	100,307,750	96,909,896	197%	208%	185%	172%
2056	26,141,823	139,661,250	36,765,000	202,568,073	22,984,000	-	22,984,000	179,584,073	881%	1497%	594%	421%
2057	26,148,916	138,618,250	36,765,000	201,532,166	22,984,000	-	22,984,000	178,548,166	877%	1489%	592%	419%
2058	26,304,642	185,915,250	36,765,000	248,984,892	22,984,000	-	22,984,000	226,000,892	1083%	1860%	721%	502%
2059	24,667,082	278,005,250	36,765,000	339,437,332	22,096,750	105,000,000	127,096,750	212,340,582	267%	281%	252%	234%
2060	21,565,873	269,719,250	28,750,000	320,035,123	19,435,000	75,000,000	94,435,000	225,600,123	339%	362%	314%	284%
2061	17,973,465	283,859,250	25,000,000	326,832,715	14,435,417	125,000,000	139,435,417	187,397,298	234%	240%	228%	219%
2062	13,576,570	247,067,250	18,750,000	279,393,820	10,914,583	125,000,000	135,914,583	143,479,237	206%	209%	202%	196%
2063	9,128,879	209,704,250	12,500,000	231,333,129	7,041,667	125,000,000	132,041,667	99,291,462	175%	176%	174%	171%
2064	4,597,852	168,743,250	6,250,000	179,591,102	2,464,583	125,000,000	127,464,583	52,126,519	141%	141%	141%	142%
Total					<u>\$ 1,247,135,053</u>	<u>\$ 1,901,450,000</u>	<u>\$ 3,148,585,053</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 estimated over-collateralization of: \$ 49,993,250

(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 the Scheduled Maturity of Outstanding Debt
Average SIFMA Index Equal to 3.00% in 2035**

Year	Funds Available for Debt Service				Debt Service			Annual Coverage of Debt Service		Coverage Percentage if SIFMA in 2035 equals (4):		
	Revenue Fund (1)	Recycling Fund (2)	Debt Service Reserve	Total	Interest (3)	Principal	Total	Amount in Excess of Debt Service	Coverage Percentage	1.50%	5.00%	8.00%
2024	\$54,241,240	\$410,880,650	\$73,108,000	\$538,229,890	\$ 51,877,024	\$ 199,805,000	\$ 251,682,024	\$286,547,866	214%	214%	214%	214%
2025	49,225,327	241,121,050	72,785,500	363,131,877	46,999,379	-	46,999,379	316,132,498	773%	773%	773%	773%
2026	47,741,957	233,566,150	72,785,500	354,093,607	45,102,895	75,000,000	120,102,895	233,990,712	295%	296%	294%	292%
2027	45,140,638	213,570,450	69,714,500	328,425,588	42,456,145	86,660,000	129,116,145	199,309,443	254%	255%	253%	251%
2028	40,418,700	215,574,050	65,413,500	321,406,250	40,916,775	179,885,000	220,801,775	100,604,475	146%	146%	145%	145%
2029	30,226,055	119,091,250	47,425,000	196,742,305	30,573,100	67,000,000	97,573,100	99,169,205	202%	204%	199%	196%
2030	29,890,462	121,319,250	44,724,000	195,933,712	29,098,100	5,000,000	34,098,100	161,835,612	575%	613%	532%	480%
2031	30,215,203	176,919,250	44,496,000	251,630,453	28,973,100	-	28,973,100	222,657,353	868%	962%	772%	666%
2032	29,828,167	234,738,250	44,496,000	309,062,417	28,973,100	125,000,000	153,973,100	155,089,317	201%	203%	198%	194%
2033	22,984,826	174,318,250	31,996,000	229,299,076	20,785,600	75,000,000	95,785,600	133,513,476	239%	245%	233%	224%
2034	20,628,151	151,746,094	28,259,156	200,633,401	17,865,000	68,100,000	85,965,000	114,668,401	233%	240%	226%	216%
2035	18,117,061	135,635,931	24,875,319	178,628,311	14,961,600	80,000,000	94,961,600	83,666,711	188%	192%	184%	178%
2036	15,711,722	104,516,250	20,902,000	141,129,972	12,761,600	-	12,761,600	128,368,372	1106%	1816%	752%	531%
2037	14,408,838	108,280,250	20,902,000	143,591,088	11,535,300	60,000,000	71,535,300	72,055,788	201%	207%	194%	186%
2038	13,210,829	96,783,250	17,523,000	127,517,079	10,309,000	-	10,309,000	117,208,079	1237%	2127%	822%	571%
2039	13,200,438	91,960,250	17,523,000	122,683,688	10,309,000	-	10,309,000	112,374,688	1190%	2043%	793%	552%
2040	13,232,593	86,606,250	17,523,000	117,361,843	10,309,000	-	10,309,000	107,052,843	1138%	1950%	760%	532%
2041	13,268,017	84,434,250	17,523,000	115,225,267	10,309,000	-	10,309,000	104,916,267	1118%	1913%	747%	523%
2042	12,100,591	97,874,250	17,523,000	127,497,841	9,464,000	50,000,000	59,464,000	68,033,841	214%	221%	207%	197%
2043	11,289,573	79,856,250	14,571,000	105,716,823	8,619,000	-	8,619,000	97,097,823	1227%	2105%	817%	570%
2044	11,286,181	77,703,250	14,571,000	103,560,431	8,619,000	-	8,619,000	94,941,431	1202%	2060%	802%	560%
2045	11,285,963	77,487,250	14,571,000	103,344,213	8,619,000	-	8,619,000	94,725,213	1199%	2056%	800%	558%
2046	11,280,284	71,802,250	14,571,000	97,653,534	8,619,000	-	8,619,000	89,034,534	1133%	1937%	758%	532%
2047	11,309,774	71,294,250	14,571,000	97,175,024	8,619,000	-	8,619,000	88,556,024	1127%	1927%	755%	530%
2048	11,308,624	70,147,250	14,571,000	96,026,874	8,619,000	-	8,619,000	87,407,874	1114%	1903%	747%	524%
2049	11,315,050	72,153,250	14,571,000	98,039,300	8,619,000	-	8,619,000	89,420,300	1137%	1945%	761%	534%
2050	11,350,677	82,633,250	14,571,000	108,554,927	8,619,000	-	8,619,000	99,935,927	1259%	2164%	838%	583%
2051	11,422,177	106,500,250	14,571,000	132,493,427	8,619,000	-	8,619,000	123,874,427	1537%	2664%	1012%	695%
2052	10,037,708	130,262,250	14,571,000	154,870,958	6,717,750	75,000,000	81,717,750	73,153,208	190%	191%	187%	184%
2053	8,715,112	82,415,250	11,317,000	102,447,362	6,084,000	-	6,084,000	96,363,362	1684%	2919%	1109%	760%
2054	8,785,848	105,673,250	11,317,000	125,776,098	6,084,000	-	6,084,000	119,692,098	2067%	3608%	1349%	915%
2055	7,483,683	129,451,250	11,317,000	148,251,933	5,872,750	75,000,000	80,872,750	67,379,183	183%	185%	181%	177%
2056	6,078,538	82,066,250	8,015,000	96,159,788	3,549,000	-	3,549,000	92,610,788	2709%	4742%	1762%	1189%
2057	6,148,224	104,210,250	8,015,000	118,373,474	3,549,000	-	3,549,000	114,824,474	3335%	5867%	2156%	1442%
2058	6,215,389	126,843,250	8,015,000	141,073,639	3,549,000	-	3,549,000	137,524,639	3975%	7017%	2558%	1700%
2059	4,360,684	146,978,250	8,015,000	159,353,934	2,661,750	105,000,000	107,661,750	51,692,184	148%	148%	148%	148%
Total					<u>\$ 589,216,968</u>	<u>\$ 1,326,450,000</u>	<u>\$ 1,915,666,968</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 estimated over-collateralization of: \$ 49,993,250

(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 Run-Off of Outstanding Debt
Average SIFMA Index Equal to 3.00% in 2035**

Year	Funds Available for Debt Service				Debt Service			Annual Coverage of Debt Service		Coverage Percentage if SIFMA in 2035 equals (4):		
	Revenue Fund (1)	Recycling Fund (2)	Debt Service Reserve	Total	Interest (3)	Principal	Total	Amount in Excess of Debt Service	Coverage Percentage	1.50%	5.00%	8.00%
2024	\$54,316,240	\$410,880,650	\$73,108,000	\$538,304,890	\$ 51,877,024	\$ 199,805,000	\$ 251,682,024	\$286,622,866	214%	214%	214%	214%
2025	47,741,969	241,121,050	72,785,500	361,648,519	46,999,379	141,660,000	188,659,379	172,989,140	192%	192%	192%	192%
2026	38,853,845	202,157,150	58,619,500	299,630,495	37,083,275	124,885,000	161,968,275	137,662,220	185%	185%	185%	184%
2027	34,096,769	171,503,950	50,560,000	256,160,719	31,692,850	75,000,000	106,692,850	149,467,869	240%	241%	239%	236%
2028	30,507,987	178,291,550	47,425,000	256,224,537	30,071,800	50,000,000	80,071,800	176,152,737	320%	324%	315%	308%
2029	28,875,124	190,623,250	44,654,000	264,152,374	28,670,500	67,000,000	95,670,500	168,481,874	276%	279%	272%	267%
2030	28,487,266	186,852,250	41,953,000	257,292,516	27,195,500	5,000,000	32,195,500	225,097,016	799%	851%	741%	669%
2031	28,783,753	236,303,250	41,725,000	306,812,003	27,070,500	-	27,070,500	279,741,503	1133%	1248%	1013%	878%
2032	27,748,165	287,819,250	41,725,000	357,292,415	27,070,500	175,000,000	202,070,500	155,221,915	177%	178%	176%	174%
2033	19,579,940	173,403,619	26,760,631	219,744,190	17,883,000	66,030,000	83,913,000	135,831,190	262%	268%	254%	245%
2034	17,398,655	152,736,356	23,465,894	193,600,905	15,141,800	107,070,000	122,211,800	71,389,105	158%	159%	157%	156%
2035	12,870,587	92,819,250	18,131,000	123,820,837	10,014,000	50,000,000	60,014,000	63,806,837	206%	213%	199%	191%
2036	11,104,623	83,721,250	15,179,000	110,004,873	9,028,167	50,000,000	59,028,167	50,976,706	186%	191%	181%	174%
2037	9,510,222	73,223,583	12,977,667	95,711,472	7,133,583	35,000,000	42,133,583	53,577,889	227%	235%	218%	208%
2038	8,418,668	76,048,250	11,269,000	95,735,918	5,450,250	25,000,000	30,450,250	65,285,668	314%	329%	298%	279%
2039	7,604,774	83,030,917	10,184,333	100,820,024	4,605,250	25,000,000	29,605,250	71,214,774	341%	355%	325%	305%
2040	6,748,966	82,738,583	9,099,667	98,587,216	3,760,250	25,000,000	28,760,250	69,826,966	343%	354%	330%	314%
2041	5,885,198	78,418,250	8,015,000	92,318,448	3,337,750	25,000,000	28,337,750	63,980,698	326%	335%	315%	301%
2042	4,721,008	71,203,583	6,106,667	82,031,258	2,492,750	25,000,000	27,492,750	54,538,508	298%	303%	292%	284%
2043	3,813,716	60,706,917	4,198,333	68,718,966	1,647,750	25,000,000	26,647,750	42,071,216	258%	259%	257%	255%
2044	2,805,210	46,932,250	2,290,000	52,027,460	760,500	30,000,000	30,760,500	21,266,960	169%	167%	172%	176%
2045	953,733	-	-	953,733	-	-	-	953,733	***	***	***	***
2046	733,495	-	-	733,495	-	-	-	733,495	***	***	***	***
2047	536,515	-	-	536,515	-	-	-	536,515	***	***	***	***
2048	390,688	-	-	390,688	-	-	-	390,688	***	***	***	***
2049	300,038	-	-	300,038	-	-	-	300,038	***	***	***	***
2050	211,173	-	-	211,173	-	-	-	211,173	***	***	***	***
2051	130,218	-	-	130,218	-	-	-	130,218	***	***	***	***
2052	66,833	-	-	66,833	-	-	-	66,833	***	***	***	***
2053	20,178	-	-	20,178	-	-	-	20,178	***	***	***	***
2054	-	-	-	-	-	-	-	-	***	***	***	***
2055	-	-	-	-	-	-	-	-	***	***	***	***
2056	-	-	-	-	-	-	-	-	***	***	***	***
2057	-	-	-	-	-	-	-	-	***	***	***	***
2058	-	-	-	-	-	-	-	-	***	***	***	***
2059	-	-	-	-	-	-	-	-	***	***	***	***
Total					\$ 388,986,378	\$ 1,326,450,000	\$ 1,715,436,378					

(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 estimated over-collateralization of: \$ 49,993,250

(3) Includes Letter of Credit and remarketing fees.

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

Source: Calhoun Baker Inc.

INTEREST RATE SWAP AGREEMENTS

DelVal utilizes Bond Swaps to hedge its interest rate and basis risk of the DelVal Series. For each fixed rate DelVal 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 DelVal Series that are weekly or daily VRDB's or that have interest rates based on the SIFMA Index.

DelVal utilizes Loan Swaps to hedge the interest rate risk of providing fixed rate Loans. For each fixed rate Loan, DelVal executes a Loan Swap under which DelVal receives the SIFMA Index and pays a fixed rate. The Loan Swap SIFMA Index receipt offsets the related Bond Swap SIFMA Index payment. The fixed rate of the Loan Swap hedges the risk of providing 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.

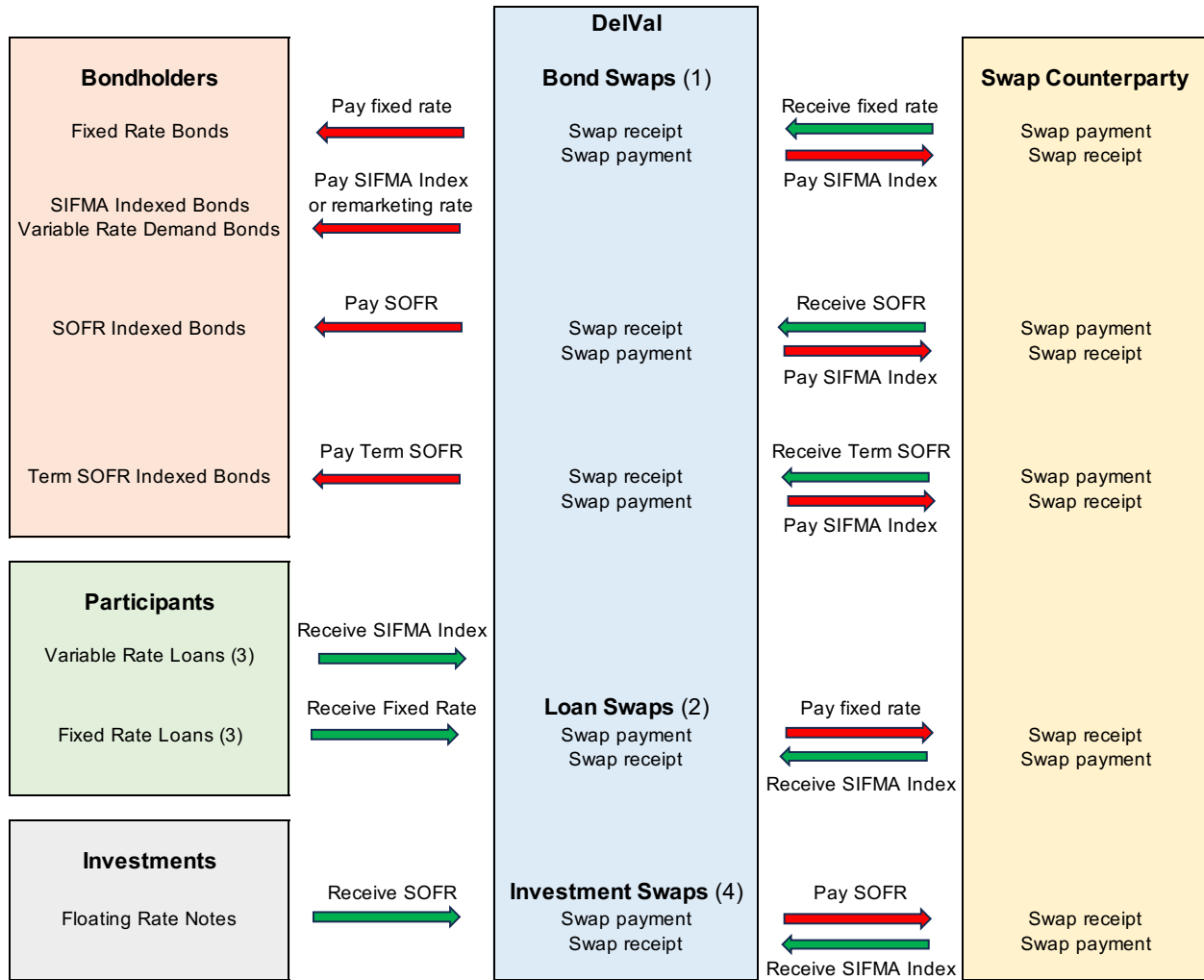
All the Bond Swaps, Loan Swaps, and Investment Swaps are effective hedges under the "consistent critical terms" and "quantitative methods" standards of the Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

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, 2024

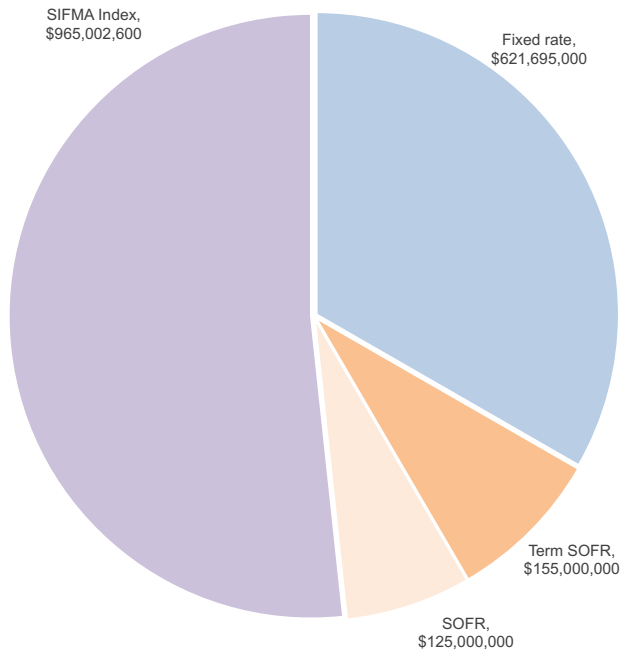
	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 31-Dec-24</u>
	<u>Moody's</u>	<u>S&P</u>		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 11,660,000	\$ 673,161
1998 Series	A1	***	179,885,000	13,351,390
2002 Series	A1	A+	125,000,000	11,491,128
Master Series	A1	A+	<u>585,150,000</u>	<u>(11,404,990)</u>
Total Bond Swaps			<u>901,695,000</u>	<u>14,110,689</u>
<i>Loan swaps</i>				
1997 Series	A1	***	5,366,000	47,209
1998 Series	A1	***	107,352,000	2,867,757
2002 Series	A1	A+	106,608,000	4,434,470
Master Series	A1	A+	<u>723,976,600</u>	<u>72,799,730</u>
Total Loan Swaps			<u>943,302,600</u>	<u>80,149,166</u>
<i>Investment swaps</i>			<u>21,700,000</u>	<u>(374,053)</u>
TOTAL			<u>\$ 1,866,697,600</u>	<u>\$ 93,885,802</u>
<i>Counterparty</i>				
Bank of America	Aa1	A+	\$ 959,111,200	\$ 71,370,510
Barclays Bank PLC	A1	A+	20,192,000	1,208,427
Citibank	Aa3	A+	110,050,000	50,655
PNC Bank	A1	A	376,949,000	16,947,690
Royal Bank of Canada	Aa1	AA-	400,114,400	4,304,390
Toronto-Dominion Bank	Aa2	A+	<u>281,000</u>	<u>4,130</u>
TOTAL			<u>\$ 1,866,697,600</u>	<u>\$ 93,885,802</u>

Source: Calhoun Baker Inc.

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

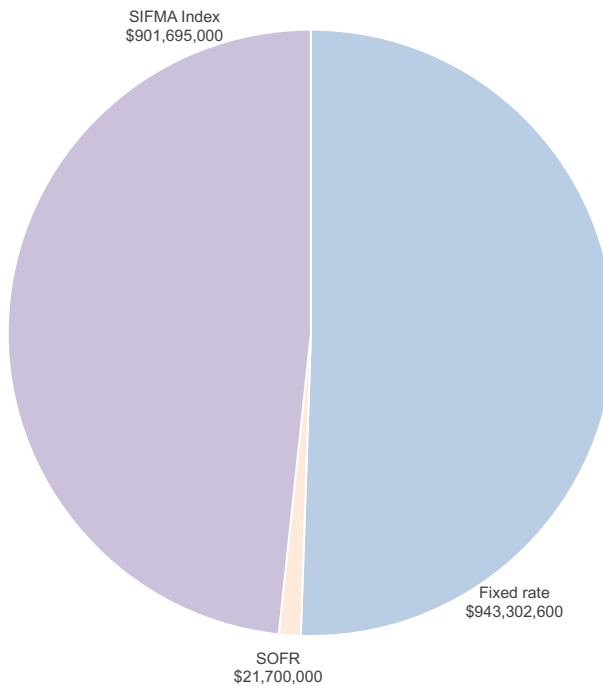
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**Notional Amount of Interest Rate Swap Receiver Rates
as of December 31, 2024**



Source: Calhoun Baker Inc.

**Notional Amount of Interest Rate Swap Payor Rates
as of December 31, 2024**



Source: Calhoun Baker Inc.

OUTLOOK

DelVal expects to originate \$65 to \$120 million of new Loans in 2025 based upon the requests it has received for pro forma debt service schedules for new capital projects. DelVal expects demand to continue to be constrained due to: (i) higher construction costs, (ii) reduced refunding opportunities, (iii) higher interest rates, and (iv) lingering effects of the \$2.2 trillion *CARES* and the \$1.9 trillion *ARPA* programs.

DelVal will continue to monitor the market for opportunities to augment funding for Loans and to restructure its debt obligations in 2025.

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, 2025

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2024

(Continued on the next page)

No.	Borrower	County	Participant or Guarantor Ratings			Loans Outstanding				Total Outstanding 31-Dec-24	Insured Loan Principal*	Concentration	
			Kroll	Moody's	S&P	1997 Series	1998 Series	2002 Series	Master Series			Borrower	Cumulative
1	Aldan Borough	Delaware	---	---	---	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	0.416%	0.416%
2	Aston Township	Delaware	---	---	AA-	-	-	716,000	20,614,000	21,330,000	-	2.221%	2.637%
3	Bensalem Township	Bucks	---	Aa1	---	-	7,936,000	-	5,788,000	13,724,000	-	1.429%	4.066%
4	Benton Township	Lackawanna	---	---	---	-	-	-	148,000	148,000	-	0.015%	4.082%
5	Bethel Township Sewer Authority	Delaware	A+	---	---	-	-	-	721,000	721,000	-	0.075%	4.157%
6	Bridgeport Borough	Montgomery	---	---	---	147,000	-	1,696,000	1,620,000	3,463,000	2,860,000	0.361%	4.517%
7	Bristol Borough School District	Bucks	---	---	A-	-	-	-	8,956,000	8,956,000	8,956,000	0.932%	5.450%
8	Bristol Township	Bucks	---	Aa3	---	-	-	1,236,000	55,990,000	57,226,000	-	5.958%	11.408%
9	Brookhaven Borough	Delaware	---	---	---	-	-	784,000	249,000	1,033,000	-	0.108%	11.515%
10	Bucks County	Bucks	---	Aa1	AAA	-	35,412,000	10,651,000	24,400	46,087,400	-	4.798%	16.314%
11	Bucks County Airport Authority	Bucks	---	Aa1	AAA	-	-	-	797,000	797,000	-	0.083%	16.397%
12	Bucks County Community College Authority	Bucks	---	Aa1	AAA	-	2,317,000	-	-	2,317,000	-	0.241%	16.638%
13	Bucks County Water and Sewer Authority	Bucks	---	---	A+	-	-	-	49,704,000	49,704,000	49,704,000	5.175%	21.813%
14	Caln Township	Chester	---	---	AA	-	-	-	11,086,000	11,086,000	-	1.154%	22.967%
15	Caln Township Municipal Authority	Chester	---	---	AA	-	-	-	2,230,000	2,230,000	-	0.232%	23.200%
16	Chadds Ford Township Sewer Authority	Delaware	---	---	---	41,000	-	-	1,519,000	1,560,000	1,519,000	0.162%	23.362%
17	Chalfont Borough	Bucks	---	A1	---	-	-	-	2,172,000	2,172,000	-	0.226%	23.588%
18	Chichester School District	Delaware	---	---	A+	-	-	-	8,285,000	8,285,000	-	0.863%	24.451%
19	Clifton Heights Borough	Delaware	---	---	---	-	-	-	2,655,000	2,655,000	2,655,000	0.276%	24.727%
20	Collegeville Borough	Montgomery	---	---	---	-	-	-	95,000	95,000	-	0.010%	24.737%
21	Concord Township	Delaware	---	Aa1	---	-	-	-	8,222,000	8,222,000	-	0.856%	25.593%
22	Delaware County	Delaware	---	Aa2	AA+	-	42,479,000	55,008,000	177,343,000	274,830,000	-	28.614%	54.207%
23	Delaware County Solid Waste Authority	Delaware	---	Aa2	AA+	-	-	18,293,000	21,203,000	39,496,000	762,000	4.112%	58.320%
24	Dover Area School District	York	---	A1	---	2,963,000	-	-	-	2,963,000	-	0.308%	58.628%
25	Doylestown Borough	Bucks	AA	---	---	-	-	-	5,612,000	5,612,000	-	0.584%	59.212%
26	East Bradford Township	Chester	---	---	AA	-	-	-	6,096,000	6,096,000	-	0.635%	59.847%
27	East Goshen Municipal Authority	Chester	AAA	Aaa	---	-	-	4,194,000	1,321,000	5,515,000	4,194,000	0.574%	60.421%
28	Eddystone Borough	Delaware	---	---	---	-	-	1,301,000	-	1,301,000	-	0.135%	60.557%
29	Folcroft Borough	Delaware	---	---	---	-	-	198,000	12,680,000	12,878,000	12,680,000	1.341%	61.898%
30	Forbes Road School District	Fulton	---	---	---	-	-	-	4,501,000	4,501,000	4,102,000	0.469%	62.366%
31	Franconia Sewer Authority	Montgomery	---	---	AA	-	-	-	9,728,000	9,728,000	9,728,000	1.013%	63.379%
32	Franconia Township	Montgomery	---	---	AA	896,000	-	164,000	1,562,000	2,622,000	1,235,000	0.273%	63.652%
33	Franklin Township	Chester	---	A1	---	-	-	-	2,237,000	2,237,000	-	0.233%	63.885%
34	Gamet Valley School District	Delaware	---	---	AA	-	2,612,000	-	2,417,000	5,029,000	2,612,000	0.524%	64.409%
35	Glen Rock Sewer Authority	York	---	---	---	-	-	-	1,696,000	1,696,000	1,696,000	0.177%	64.585%

*Certain loans are insured by Assured Guaranty Inc. ("AG") and Build America Mutual Assurance Company ("BAM") with the Delaware Valley Regional Finance Authority as the beneficiary.

AG is rated "A1" by Moody's, "AA" by S&P, and "AA+" by Kroll, all with stable outlooks. BAM is currently rated "AA" with a stable outlook by S&P.

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2024

(Continued on the next page)

No.	Borrower	County	Participant or Guarantor Ratings			Loans Outstanding				Total Outstanding 31-Dec-24	Insured Loan Principal*	Concentration	
			Kroll	Moody's	S&P	1997 Series	1998 Series	2002 Series	Master Series			Borrower	Cumulative
36	Great Valley School District	Chester	--	Aaa	--	-	-	-	679,000	679,000	-	0.071%	64.656%
37	Hatfield Borough	Montgomery	--	--	--	-	-	-	6,153,000	6,153,000	2,875,000	0.641%	65.296%
38	Hatfield Township	Montgomery	--	--	AA	117,000	220,000	632,000	22,426,000	23,395,000	-	2.436%	67.732%
39	Highland Township	Chester	--	--	--	-	249,000	-	-	249,000	-	0.026%	67.758%
40	Kennett Square Borough	Chester	--	A2	AA-	-	-	-	9,966,000	9,966,000	5,737,000	1.038%	68.796%
41	Lansdowne Borough	Delaware	A+	--	--	-	76,000	-	1,410,000	1,486,000	-	0.155%	68.951%
42	London Britain Township	Chester	--	--	--	19,000	-	-	228,000	247,000	-	0.026%	68.976%
43	London Grove Township	Chester	--	--	AA	65,000	-	-	4,561,000	4,626,000	-	0.482%	69.458%
44	London Grove Township Municipal Authority	Chester	--	--	AA	-	-	1,225,000	3,412,000	4,637,000	-	0.483%	69.941%
45	Lower Oxford Township	Chester	--	--	--	191,000	-	-	470,000	661,000	-	0.069%	70.010%
46	Lower Perkiomen Valley Regional Sewer Authority	Montgomery	--	--	AA-	-	5,474,000	-	33,205,000	38,679,000	-	4.027%	74.037%
47	Lower Pottsgrove Township Authority	Montgomery	--	--	AA	-	-	4,007,000	-	4,007,000	-	0.417%	74.454%
48	Lower Providence Township	Montgomery	--	Aa2	--	-	-	-	15,000	15,000	-	0.002%	74.455%
49	Lower Providence Township Sewer Authority	Montgomery	--	Aa2	--	-	-	-	9,400,000	9,400,000	-	0.979%	75.434%
50	Lower Salford Township	Montgomery	--	--	--	-	742,000	-	-	742,000	-	0.077%	75.511%
51	Marcus Hook Borough	Delaware	--	--	--	-	343,000	-	1,951,000	2,294,000	-	0.239%	75.750%
52	Marple Township	Delaware	--	--	AA	-	-	-	22,573,000	22,573,000	-	2.350%	78.100%
53	Montgomery County	Montgomery	--	Aaa	--	-	-	-	174,200	174,200	-	0.018%	78.119%
54	Montgomery Township	Montgomery	--	--	AAA	-	-	-	20,739,000	20,739,000	-	2.159%	80.278%
55	Morton Borough	Delaware	--	--	--	52,000	-	-	-	52,000	-	0.005%	80.283%
56	Nether Providence Township	Delaware	--	--	--	-	-	308,000	1,573,000	1,881,000	507,000	0.196%	80.479%
57	New Britain Township	Bucks	--	--	--	40,000	-	-	-	40,000	-	0.004%	80.483%
58	Newtown Township	Delaware	--	Aaa	--	-	-	-	10,046,000	10,046,000	-	1.046%	81.529%
59	Norristown Municipality	Montgomery	--	--	A+	-	-	-	540,000	540,000	-	0.056%	81.585%
60	North Coventry Township	Chester	--	--	AA	-	-	-	660,000	660,000	-	0.069%	81.654%
61	North Wales Borough	Montgomery	--	--	--	-	-	-	1,634,000	1,634,000	-	0.170%	81.824%
62	Northeastern York County Sewer Authority	York	--	--	--	-	-	244,000	5,744,000	5,988,000	2,848,000	0.623%	82.448%
63	Norwood Borough	Delaware	--	--	--	-	-	-	1,450,000	1,450,000	-	0.151%	82.599%
64	Ontelaunee Township	Berks	--	--	AA-	-	-	-	717,000	717,000	717,000	0.075%	82.673%
65	Parquesburg Borough	Chester	--	--	--	-	-	-	2,651,000	2,651,000	2,651,000	0.276%	82.949%
66	Pennndel Borough	Bucks	--	--	--	-	-	-	656,000	656,000	-	0.068%	83.018%
67	Pennsbury Township	Chester	AA	--	--	-	-	-	2,265,000	2,265,000	-	0.236%	83.253%
68	Perkasie Borough	Bucks	--	--	--	274,000	83,000	-	959,000	1,316,000	-	0.137%	83.390%
69	Pocopson Township	Chester	--	Aa2	--	-	-	675,000	239,000	914,000	239,000	0.095%	83.486%
70	Prospect Park Borough	Delaware	--	--	--	-	-	-	1,112,000	1,112,000	-	0.116%	83.601%
71	Red Lion Area School District	York	--	Aa3	--	-	-	-	3,036,000	3,036,000	-	0.316%	83.918%
72	Ridley School District	Delaware	--	--	BBB	-	-	-	2,979,000	2,979,000	-	0.310%	84.228%
73	Ridley Township	Delaware	--	--	AA-	312,000	-	-	8,722,000	9,034,000	-	0.941%	85.168%
74	Rockledge Borough	Montgomery	--	--	--	45,000	-	-	-	45,000	-	0.005%	85.173%
75	Rutledge Borough	Delaware	--	--	--	-	-	-	115,000	115,000	-	0.012%	85.185%

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

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2024

No.	Borrower	County	Participant or Guarantor Ratings			Loans Outstanding				Total Outstanding 31-Dec-24	Insured Loan Principal*	Concentration	
			Kroll	Moody's	S&P	1997 Series	1998 Series	2002 Series	Master Series			Borrower	Cumulative
76	Solebury Township	Bucks	---	Aa1	---	-	921,000	-	-	921,000	-	0.096%	85.281%
77	Southern Delaware County Authority	Delaware	---	---	---	135,000	-	-	-	135,000	-	0.014%	85.295%
78	Springfield Township, York County, Sewer Authority	York	---	---	---	-	-	1,471,000	-	1,471,000	1,471,000	0.153%	85.448%
79	Stroudsburg Area School District	Monroe	---	A1	A+	-	4,144,000	-	7,154,000	11,298,000	4,144,000	1.176%	86.624%
80	Swarthmore Borough	Delaware	---	---	---	-	111,000	-	1,704,000	1,815,000	111,000	0.189%	86.813%
81	Tinicum Township (Bucks)	Bucks	AA-	---	---	-	-	-	5,131,000	5,131,000	-	0.534%	87.348%
82	Tinicum Township (Delaware)	Delaware	---	Aa3	---	-	274,000	-	7,486,000	7,760,000	550,000	0.808%	88.155%
83	Towamencin Municipal Authority	Montgomery	---	---	AA	-	-	-	5,799,000	5,799,000	-	0.604%	88.759%
84	Towamencin Township	Montgomery	---	---	AA	-	-	-	8,695,000	8,695,000	1,865,000	0.905%	89.665%
85	Upland Borough	Delaware	BBB+	---	---	-	-	-	454,000	454,000	-	0.047%	89.712%
86	Upper Dublin Township	Montgomery	---	Aa1	---	-	2,495,000	-	31,869,000	34,364,000	-	3.578%	93.290%
87	Upper Dublin Township Municipal Authority	Montgomery	---	Aa1	---	-	-	-	4,905,000	4,905,000	-	0.511%	93.800%
88	Upper Providence Township	Delaware	---	---	AA	-	-	-	461,000	461,000	-	0.048%	93.848%
89	Upper Providence Township Sewer Authority	Delaware	---	---	AA	-	812,000	-	7,119,000	7,931,000	-	0.826%	94.674%
90	Upper Salford Township	Montgomery	---	---	---	-	-	-	96,000	96,000	-	0.010%	94.684%
91	Upper Southampton Municipal Authority	Bucks	AA	---	---	169,000	53,000	3,668,000	9,244,000	13,134,000	-	1.367%	96.052%
92	Upper Southampton Township	Bucks	AA	---	---	-	355,000	-	413,000	768,000	-	0.080%	96.132%
93	Uwchlan Township	Chester	---	---	---	135,000	-	-	-	135,000	-	0.014%	96.146%
94	Wallingford-Swarthmore School District	Delaware	---	---	AA-	-	-	-	15,731,000	15,731,000	-	1.638%	97.783%
95	Warminster Township	Bucks	---	---	A	-	-	-	12,445,000	12,445,000	-	1.296%	99.079%
96	West Fallowfield Township	Chester	---	---	---	-	190,000	-	-	190,000	-	0.020%	99.099%
97	West Goshen Township	Chester	AA+	---	AA+	-	-	-	2,115,000	2,115,000	-	0.220%	99.319%
98	West Pottsgrove Township	Montgomery	---	---	---	-	-	-	1,248,000	1,248,000	1,248,000	0.130%	99.449%
99	West Vincent Township	Chester	---	Aa3	---	-	-	-	2,841,000	2,841,000	-	0.296%	99.745%
100	Whitpain Township	Montgomery	---	Aaa	---	-	1,139,000	-	-	1,139,000	-	0.119%	99.864%
101	Yeadon Borough	Delaware	---	---	---	-	-	137,000	1,174,000	1,311,000	-	0.136%	100.000%
Total Loans Outstanding						<u>\$ 5,601,000</u>	<u>\$ 108,437,000</u>	<u>\$ 106,608,000</u>	<u>\$ 739,815,600</u>	<u>\$ 960,461,600</u>	<u>\$ 131,666,000</u>	100.000%	

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

Source: Calhoun Baker Inc.

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), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise DeVal's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Delaware Valley Regional Finance Authority as of December 31, 2024, and the changes in financial position and 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 opinion. 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, 2025

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
BALANCE SHEET
DECEMBER 31, 2024

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 155,545,465
Restricted cash equivalents	51,085,500
Accrued interest receivable:	
Loans	410,747
Interest rate swaps	6,310,578
Cash equivalents and investments	415,461
Prepaid expenses	149,700
Loans to local governments	<u>97,729,900</u>
Total current assets	<u>311,647,351</u>
NONCURRENT ASSETS:	
Restricted investments	21,752,814
Loans to local governments	862,731,700
Unamortized prepaid interest	
rate swap expense	1,502,922
Fair value of derivative transactions	<u>90,924,155</u>
Total noncurrent assets	<u>976,911,591</u>
TOTAL	<u><u>\$ 1,288,558,942</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES:	
Accrued expenses	\$ 35,833
Estimated rebate liability	200,000
Accrued interest payable:	
Interest rate swaps	766,411
Bonds	<u>16,239,825</u>
Total current liabilities	<u>17,242,069</u>
LONG TERM LIABILITIES:	
Bonds payable, net	1,145,238,463
Estimated rebate liability	<u>400,000</u>
Total long term liabilities	<u>1,145,638,463</u>
DEFERRED INFLOWS OF RESOURCES:	
Accumulated increase in fair	
value of hedging derivatives	<u>90,924,155</u>
Total liabilities and deferred	
inflows of resources	1,253,804,687
NET POSITION	<u>34,754,255</u>
TOTAL	<u><u>\$ 1,288,558,942</u></u>

See Notes to Financial Statements

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

Revenues:	
Loan interest	\$ 22,031,334
Interest rate swap	40,291,902
Interest on investments and cash equivalents	<u>10,733,188</u>
Total revenues	<u>73,056,424</u>
Expenses:	
Interest expense:	
Bonds	47,196,080
Interest rate swaps	18,979,975
Costs of issuance	1,257,099
Credit or liquidity facility fees	666,177
Administrative expenses	<u>1,364,851</u>
Total expenses	<u>69,464,182</u>
Revenues over expenses	<u>3,592,242</u>
Other changes:	
Increase of estimated rebate liability	(200,000)
Unrealized gain on restricted investments	<u>186,514</u>
Total other changes, net	<u>(13,486)</u>
Increase in net position	3,578,756
Net position, beginning	<u>31,175,499</u>
Net position, ending	<u><u>\$ 34,754,255</u></u>

See Notes to Financial Statements

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities	
Interest received on loans to local governments and interest rate swap agreements	\$ 62,459,368
Payment of interest on bonds and interest rate swap agreements	(71,514,164)
Loans to local governments	(83,179,000)
Repayments of loan principal from local governments	97,855,700
Administrative expenses paid	(1,362,746)
Interest received on investments and cash equivalents	10,675,976
Credit or liquidity facility fees paid	(666,177)
Proceeds of bond issues	181,593,262
Bond issuance costs	(1,257,099)
Payment of bond principal	<u>(199,805,000)</u>
Net cash used in operating activities and decrease in cash and cash equivalents	(5,199,880)
Cash and cash equivalents and restricted cash and cash equivalents, beginning	<u>211,830,845</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 206,630,965</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET	
Cash and cash equivalents, ending	\$ 155,545,465
Restricted cash and cash equivalents, ending	<u>51,085,500</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 206,630,965</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net position	<u>\$ 3,578,756</u>
Adjustments for other revenues, expenses, and transfers	
Increase of estimated rebate liability	200,000
Amortization of prepaid interest rate swap expense	581,725
Adjustments for changes in assets and liabilities	
Decrease (increase) in:	
Restricted investments	(186,514)
Accrued interest receivable:	
Loans	(36,622)
Interest rate swaps	174,347
Cash equivalents and investments	(57,212)
Prepaid expenses	(7,872)
Loans to local governments	14,676,700
Increase (decrease) in:	
Accrued expenses	9,977
Accrued interest payable:	
Interest rate swaps	(282,923)
Bonds	(2,322,618)
Bonds payable	<u>(21,527,624)</u>
Total adjustments	<u>(8,778,636)</u>
Net cash provided by operating activities	<u>\$ (5,199,880)</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS, AS OF DECEMBER 31, 2024

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 (the “Loan Program”) to political subdivisions (each a “Political Subdivision”) within the Commonwealth of Pennsylvania (the “Commonwealth”). Eligible borrowers (each a “Participant”) include school districts, townships, boroughs, cities, and counties (each a “Local Government Unit”) and authorities (each an “Authority”) and other Political Subdivisions created by one or more Local Government Units and/or the Commonwealth. Since its inception, DelVal has originated 631 loans (each a “Loan”) in the aggregate principal amount of approximately \$4.045 billion to 213 different Participants located in 16 counties of Pennsylvania. As of December 31, 2024, 234 Loans in the aggregate principal amount of approximately \$960 million were outstanding to 101 Participants located in nine counties.

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 or other type of Political Subdivision 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”), (iii) secured by a Participant Credit Enhancement, or (iv) secured by a written agreement (a “Security Agreement”) with the Commonwealth or one or more Local Government Units that agree to pay all amounts necessary to enable the Participant to repay the Loan. Any such Loan not secured by a Guaranty, Security Agreement, or Participant Credit Enhancement must include a covenant by the Participant to secure a Guaranty, Security Agreement, or Participant Credit Enhancement if its rating is reduced below “Aa3” by Moody’s or “AA-” by S&P.

DelVal has covenanted to restrict Loans to Authorities or other Political Subdivisions that are not secured by a Guaranty, Security Agreement, or Participant Credit Enhancement, to an aggregate principal amount not in excess of 20% of the total funding for Loan origination at the time the Loan is originated. All Loans to Authorities or other Political Subdivisions outstanding as of December 31, 2024, were either secured by a Guaranty, Security Agreement, 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.

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Eleven series of bonds (each a “DelVal Series”) in the aggregate par amount of \$1,126,645,000 were outstanding to fund the Loan Program as of December 31, 2024:

- 1) \$11,660,000 Local Government Revenue Bonds, 1997 Series B and C (the “1997 B Series” and “1997 C Series”, respectively, and collectively, the “1997 Series”),
- 2) \$179,885,000 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 A Series”, “2007 B Series”, and “2007 C Series”, respectively, and collectively, the “2007 Series”),
- 5) \$10,000,000 Local Government Revenue Bonds, 2018 Series A (the “2018 A Series”),
- 6) \$75,000,000 Local Government Revenue Bonds, 2020 Series D (the “2020 D Series”),
- 7) \$45,000,000 Local Government Revenue Bonds, 2021 Series A (the “2021 A Series”),
- 8) \$155,000,000 Local Government Revenue Bonds, 2022 Series A, B and C (the “2022 A Series”, “2022 B Series”, and “2022 C Series”, respectively, and collectively, the “2022 ABC Series”),
- 9) \$97,000,000 Local Government Revenue Bonds, 2022 Series D and E (the “2022 D Series” and “2022 E Series”, respectively, and collectively, the “2022 DE Series”),
- 10) \$141,030,000 Local Government Revenue Bonds, 2023 Series A (the “2023 A Series”), and
- 11) \$177,070,000 Local Government Revenue Bonds, 2024 Series A and B (the “2024 A Series” and “2024 B Series”, respectively, and collectively the “2024 AB Series”).

The 1997, 1998, and 2002 Series (collectively, the “Indenture Series”) are secured separately by the Loans and other assets held under their respective indentures (the “1997 Indenture”, “1998 Indenture”, and “2002 Indenture”, respectively). All DelVal Series issued since 2007 (collectively, the “Master Series”) were issued under a master indenture (the “Master Indenture”, and collectively with the 1997 Indenture, 1998 Indenture, and 2002 Indenture, the “Indenture”), and they are equally and ratably secured by all Loans 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”).

DelVal executes interest rate swap transactions to hedge: (i) its interest rate and basis risk of the DelVal Series (the “Bond Swaps”), (ii) its interest rate and basis risk of providing fixed rate Loans (the “Loan Swaps”), and (iii) its basis risk of investments (the “Investment Swaps”). As of December 31, 2024, DelVal has executed approximately \$1.87 billion notional amount of swap transactions under master interest rate swap agreements with six counterparties (each a “Counterparty”):

- 1) Bank of America, N.A. (“BANA”),
- 2) Citibank, N.A. (“Citibank”),
- 3) Barclays Bank PLC (“Barclays”),
- 4) PNC Bank, National Association (“PNC”),
- 5) The Toronto-Dominion Bank (“T-D”), and
- 6) The Royal Bank of Canada (“RBC”).

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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 or 2024, as DelVal was not involved in any material SBITAs during fiscal 2023 or 2024.

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. No rebate or yield reduction payments were required in 2024. The estimated current rebate liability of the outstanding DelVal Series as of December 31, 2024, was \$200,000, and the estimated noncurrent rebate liability 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, 2024, 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 deposited in the Recycling Funds were originally funded from the proceeds of the DelVal Series. The remaining cash, cash equivalents, and investments principally, deposits in the Revenue Funds, were funded from the operations of the Loan Program. The restricted cash, restricted cash equivalents, and restricted investments deposited in the Debt Service Reserve Funds were originally funded from the proceeds of the DelVal Series. All cash, cash equivalents, investments, restricted cash, restricted cash equivalents, and restricted investments are held by the Trustee under the Trust Estates of the DelVal Series as security for debt service payments on the DelVal Series for the benefit of the bondholders. Under the terms of the trust indentures of all DelVal Series and the Covenant Agreement, the deposits may only be used in DelVal’s Loan Program as long as any DelVal Series remains outstanding.

DelVal’s cash equivalents and restricted cash equivalents are comprised of: (i) securities with original maturities of 90 days or less, (ii) securities that may be tendered at par with notice of 90 days or less, and (iii) GIC’s that can be drawn at par with notice of 90 days or less. Cash receipts and bond proceeds held by the Trustee are invested in a U.S. Treasury money market fund until such funds are deposited in a GIC or used to purchase VRDB’s or FRN’s. Deposits in the money market fund are treated as cash equivalents because DelVal can withdraw deposits at par at any time. The VRDB’s are treated as cash equivalents because DelVal can tender the VRDB’s at par with 7 days of notice. The GIC’s are treated as cash equivalents and restricted cash equivalents because DelVal can withdraw deposits at par with no more than 7 days of notice. Interest rates of the money market fund are adjusted daily, and interest rates of the VRDB’s and GIC’s are adjusted weekly. 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. DelVal’s cash equivalents, restricted cash equivalents, and restricted investments on December 31, 2024, are set forth below.

Cash Equivalents, Restricted Cash Equivalents, and Restricted Investments as of December 31, 2024

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Cash equivalents	<u>\$ 4,936,802</u>	<u>\$ 65,407,696</u>	<u>\$ 34,213,317</u>	<u>\$ 50,987,650</u>	<u>\$ 155,545,465</u>
Restricted cash equivalents	\$ 1,166,000	\$ 17,988,500	\$ 12,500,000	\$ 19,431,000	\$ 51,085,500
Restricted investments (1)	-	-	-	21,752,814	21,752,814
Restricted total	<u>\$ 1,166,000</u>	<u>\$ 17,988,500</u>	<u>\$ 12,500,000</u>	<u>\$ 41,183,814</u>	<u>\$ 72,838,314</u>

(1) Recorded at fair value.

The DelVal Board of Directors has not adopted a formal investment policy; however, Indenture provisions that define eligible investments serve the same purpose. Eligible investments under the 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 Indenture requires the Administrator to approve any investment and requires the Trustee to hold the investment. The cash, cash equivalents, investments, restricted cash, 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 a bond insurance policy that secures the 1997 Series, and Ambac requires DelVal to invest all funds under the trust estate of the 1997 Series in GIC's approved by Ambac. Natixis Funding Corp. ("Natixis"), owned by Groupe Caisse d'Épargne and Groupe Banque Populaire, provides the two GIC's for the 1997 Series, one for the Debt Service Reserve Fund and one for the other operating funds. The Natixis GIC's are guaranteed by Caisse des Dépôts et Consignations ("CDC"). Natixis pays 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 drop below "Aa3" or "AA-", Ambac may direct Natixis 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, 2024, the Natixis obligations guaranteed by CDC were rated "Aa3" by Moody's, "AA-" by S&P, and "AA-" by Fitch. The Natixis GIC terminates on June 28, 2027, three business days prior to the scheduled maturity date of the 1997 Series.

Ambac issued a bond insurance policy that secures the 1998 Series, and Ambac requires DelVal to invest all funds under the trust estates of the 1998 Series in GIC's approved by Ambac. Bayerische Landesbank ("BayernLB") provides two GIC's for the 1998 Series, one for the Debt Service Reserve Fund and one for the other operating funds. The obligations of BayernLB under the GIC's are guaranteed by the Free State of Bavaria and the Association of Bavarian Savings Banks. BayernLB pays DelVal an investment rate equal to a spread over the the SIFMA Index. If the ratings applicable to BayernLB GIC's drop below "Aa3" or "AA-", Ambac may direct 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, 2024, 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 BayernLB GIC terminates on July 27, 2028, three business days prior to the scheduled maturity date of the 1998 Series.

The funds of the 2002 Series are invested in two GIC's, one for the Debt Service Reserve Fund and one for the other operating funds, 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 Natixis 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, 2024, the Natixis obligations guaranteed by CDC were rated "Aa3" 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 FRN's, VRDB's, and a GIC provided by BayernLB. The BayernLB GIC will terminate on July 1, 2026. BayernLB is rated "Aa2" by Moody's and "AA-" 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, execute 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 deposited in a U.S. Treasury money market fund or a GIC provided by Citigroup Financial Products Inc. ("CFPI"). 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, 2024, 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 in the Recycling Funds were provided originally from the proceeds of the DelVal Series. Deposits in other funds, principally the Revenue Funds, were provided from the net receipts of DelVal's operations. DelVal uses the Revenue Fund of the 1998 Series to clear most operating payments and receipts. DelVal's cash equivalents as of December 31, 2024, are set forth below.

Cash Equivalents by Use of Funds as of December 31, 2024

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Recycling Funds (1)	\$ 4,893,000	\$ 53,459,500	\$ 34,051,000	\$ 50,987,650	\$ 143,391,150
Revenue Funds (2)	<u>43,802</u>	<u>11,948,196</u>	<u>162,317</u>	<u>-</u>	<u>12,154,315</u>
Total	<u>\$ 4,936,802</u>	<u>\$ 65,407,696</u>	<u>\$ 34,213,317</u>	<u>\$ 50,987,650</u>	<u>\$ 155,545,465</u>

(1) Deposits are restricted to the origination or acquisition of Loans or the repayment of bonds.

The Recycling Funds are over-collateralized by \$49,993,250.

(2) Deposits are available for any purpose of the Loan Program.

The fair value of the instruments that constitute the cash equivalents, restricted cash equivalents, and restricted investments held by DeIVal on December 31, 2024, are summarized in the following table. DeIVal 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. DeIVal records restricted investments at fair value. As of December 31, 2024, the concentration of cash equivalents, restricted cash equivalents, and restricted investments in the obligations of Pacific Life Global Funding, Goldman Sachs Financial Square Treasury Solutions Fund, Harris County Cultural Education Facilities Finance Corporation, BayernLB, and Natixis exceeded 5%.

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**Cash Equivalents, Restricted Cash Equivalents,
and Restricted Investments as of December 31, 2024**

<i>Description</i>	<i>Senior Debt Rating of Counterparty or Guarantor</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	Aa2	AA-	***	12-Jan-27	5.110%	\$ -	\$ -	\$ 4,711,844	\$ 4,711,844	2.063%
Pacific Life Global Funding	Aa3	AA-	***	4-Jun-26	5.080%	-	-	17,040,970	17,040,970	7.462%
Goldman Sachs Financial Square Treasury Solutions Fund										
	Aaa-mf	***	***	***	3.480%	44,737,000	-	-	44,737,000	19.589%
<i>Variable Rate Demand Bonds</i>										
Harris County Cultural Education Facilities Finance Corporation										
	Aa1/VMIG 1	AA+/A-1	***	1-Oct-45	3.600%	-	12,180,000	-	12,180,000	5.333%
<i>GIC's (2)</i>										
BayernLB	Aa2	***	AA-	1-Jul-26	4.000%	-	7,251,000	-	7,251,000	39.690%
BayernLB (3)	Aaa	***	AAA	27-Jul-28	5.250%	65,407,696	17,988,500	-	83,396,196	
CFPI (4)	A3	BBB+	A	28-May-42	4.791%	6,250,650	-	-	6,250,650	2.737%
Natixis (5)	Aa3	AA-	AA-	28-Jun-27	5.201%	4,936,802	1,166,000	-	6,102,802	23.126%
Natixis (5)	Aa3	AA-	AA-	28-Jun-32	4.790%	34,213,317	12,500,000	-	46,713,317	
Total						<u>\$ 155,545,465</u>	<u>\$ 51,085,500</u>	<u>\$ 21,752,814</u>	<u>\$ 228,383,779</u>	100.000%

- (1) Notes pay a spread over SOFR, adjusted daily 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, 2024.

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 Indenture, Promissory Notes, and Loan Agreements. 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 a variable rate Loan during 2024 was 3.892%, and interest rates on fixed rate Loans ranged from 0.640% 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, 2024, 234 Loans in the aggregate principal amount of \$960 million were outstanding to 101 different Participants located in nine counties. Loans to Delaware County accounted for 28.614% 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.

A schedule of the Loan principal outstanding as of December 31, 2024, is shown below.

Loans Outstanding on December 31, 2024

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
Principal outstanding	\$ 5,601,000	\$ 108,437,000	\$ 106,608,000	\$ 739,815,600	\$ 960,461,600
Less current amount	<u>(4,058,000)</u>	<u>(37,506,000)</u>	<u>(6,805,000)</u>	<u>(49,360,900)</u>	<u>(97,729,900)</u>
Net amount	<u>\$ 1,543,000</u>	<u>\$ 70,931,000</u>	<u>\$ 99,803,000</u>	<u>\$ 690,454,700</u>	<u>\$ 862,731,700</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.

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Loan Principal Amortization Schedule

<u>Year</u>	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series</u>	<u>Total</u>
2025	\$ 4,058,000	\$ 37,506,000	\$ 6,805,000	\$ 49,360,900	\$ 97,729,900
2026	880,000	24,923,000	13,114,000	49,613,100	88,530,100
2027	663,000	24,670,000	12,237,000	48,602,300	86,172,300
2028	-	21,338,000	12,417,000	44,897,600	78,652,600
2029	-	-	19,798,000	39,762,700	59,560,700
2030 to 2034	-	-	42,237,000	211,718,000	253,955,000
2035 to 2039	-	-	-	184,083,000	184,083,000
2040 to 2044	-	-	-	81,007,000	81,007,000
2045 to 2049	-	-	-	23,479,000	23,479,000
2050 to 2054	-	-	-	7,292,000	7,292,000
Total	<u>\$ 5,601,000</u>	<u>\$ 108,437,000</u>	<u>\$ 106,608,000</u>	<u>\$ 739,815,600</u>	<u>\$ 960,461,600</u>

Covenant Agreement

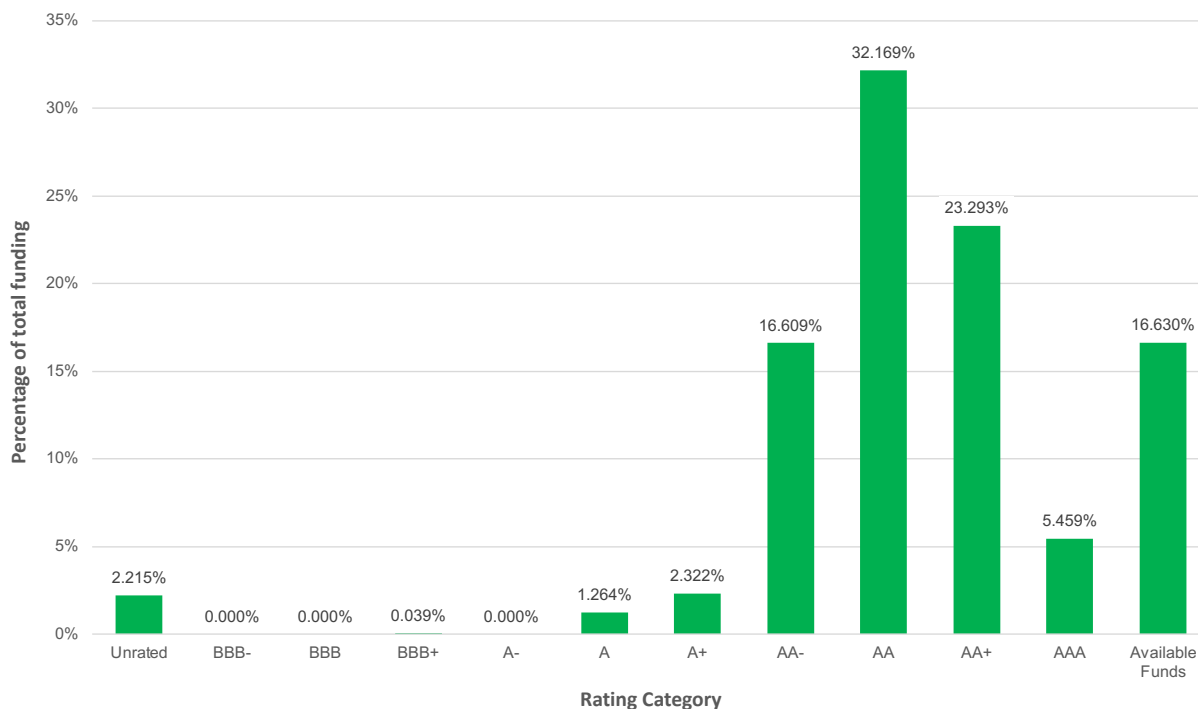
DelVal adopted the Covenant Agreement in 2001 to improve the security of the bondholders of the DelVal Series. Under the terms of the Covenant Agreement, DelVal pledged to use any Excess Funds to cure any deficiency in any trust estate. Excess Funds can only be used for the Loan Program as long as any 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”) and Build America Mutual Corp. (“BAM”) have issued financial guaranty policies with DelVal as the beneficiary, for the repayment of 13.71% of the Loan principal outstanding as of December 31, 2024. AGM merged into its affiliate Assured Guaranty Inc. (“AG”) on August 1, 2024, and the policies issued by AGM were assumed by AG. AG 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.

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, 2024, 2.704% 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.

Ratings Test as of December 31, 2024



4. BONDS PAYABLE

DelVal has issued bonds periodically to provide funds to: (i) lend to Participants to finance and refinance the costs of projects; (ii) fund Debt Service Reserve Funds; and (iii) 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 Indenture Series (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 estates consist of the assets and revenues derived from proceeds of the bonds, Loans, interest rate swap transactions, and investments held under each Indenture Series. The Covenant Agreement and the Indenture provides additional security by pledging any Excess Funds to cure any deficiency of any DelVal Series.

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. Eight series outstanding as of December 31, 2024, 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 A Series was issued under the Fifth Supplemental Indenture on June 27, 2018; the 2020 D Series was issued under the Seventh Supplemental Indenture on November 2, 2020; the 2021 A 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; the 2023 A Series was issued under the Eleventh Supplemental Indenture on February 22, 2023, and the 2024 AB Series was issued under the Twelfth Supplemental Indenture on September 3, 2024.

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 DeIVal Series.

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

Net Amounts of DeIVal Series Outstanding on December 31, 2024

	<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	\$ 11,660,000	\$ 179,885,000	\$ 125,000,000	\$ 810,100,000	\$ 1,126,645,000
Unamortized amounts					
Insurance premium	(61,329)	(155,613)	-	-	(216,942)
Original issue premium	<u>141,718</u>	<u>1,885,396</u>	<u>1,854,616</u>	<u>14,928,675</u>	<u>18,810,405</u>
Net amount	<u>\$ 11,740,389</u>	<u>\$ 181,614,783</u>	<u>\$ 126,854,616</u>	<u>\$ 825,028,675</u>	<u>\$ 1,145,238,463</u>

DeIVal exercised Extraordinary Mandatory Redemptions of \$5,155,000 of the 1997 B Series on July 1, 2024, and \$39,650,000 of the 1998 Series on August 1, 2024, from: (i) deposits in their respective Recycling Funds, (ii) deposits in their respective Debt Service Reserve Funds, and (iii) and other available funds. DeIVal optionally redeemed the \$30,000,000 Local Government Revenue Bonds, 2018 Series D (the “2018 D Series”) and the \$75,000,000 Local Government Revenue Bonds, 2018 Series E (the “2018 E Series”) on September 3, 2024, from: (i) proceeds from the acquisition of Loans by the 2024 AB Series, (ii) proceeds from the acquisition of Loans by other DeIVal Series, (iii) deposits in the Master Series Debt Service Reserve Fund, and (iv) other available funds. The \$50,000,000 Local Government Revenue Bonds, 2020 Series B (the “2020 B Series”) matured on November 1, 2024, and the 2020 B Bonds were redeemed from: (i) deposits in the Master Series Recycling Fund, (ii) deposits in the Master Series Debt Service Reserve Fund, and (iii) other available funds.

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

Beginning and Ending Net Amounts of DelVal 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	\$ 16,949,129	\$ 221,934,317	\$ 127,139,882	\$ 720,742,759	\$ 1,086,766,087
Beginning current amounts					
Bonds payable	-	-	-	80,000,000 (1)	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
Amounts amortized					
Bond insurance premium	41,111	60,397	-	-	101,508
Original issue premium	(94,997)	(731,766)	(286,047)	(3,659,820)	(4,772,630)
New debt issued					
Par amount	-	-	-	177,070,000 (2)	177,070,000
Original issue premium	-	-	-	4,523,262	4,523,262
Bonds redeemed	(5,155,000)	(39,650,000)	-	(155,000,000) (3)	(199,805,000)
Ending current amounts					
Bonds payable*	-	-	-	-	-
Bond insurance premium	40,998	60,232	-	-	101,230
Original issue premium	(94,738)	(729,766)	(285,266)	(2,160,725)	(3,270,495)
Ending Bonds net amount	<u>\$ 11,740,389</u>	<u>\$ 181,614,783</u>	<u>\$ 126,854,616</u>	<u>\$ 825,028,675</u>	<u>\$ 1,145,238,463</u>

(1) Mandatory Purchase Date of the \$30,000,000 2018 D Series on September 1, 2024, and maturity of the \$50,000,000 2020 B Series on November 1, 2024

(2) The issuance of the 2024 AB Series.

(3) Redemption of the \$30,000,000 2018 D Series and \$75,000,000 2018 E Series on September 3, 2024, and maturity of the \$50,000,000 2020 B Series on November 1, 2024.

The DelVal 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 DelVal Series outstanding as of December 31, 2024, are shown in the following schedule. Estimates of the interest payments on the variable rate bonds are based on the final rate resets in 2024. 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, 2024**

Year	1997 Series		1998 Series		2002 Series		Master Series (1)		Total Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	\$ -	\$ 869,620	\$ -	\$ 9,893,675	\$ -	\$ 7,187,500	\$ -	\$ 30,331,339	\$ -	\$ 48,282,134	\$ 48,282,134
2026	-	869,620	-	9,893,675	-	7,187,500	-	30,347,355	-	48,298,150	48,298,150
2027	11,660,000	869,620	-	9,893,675	-	7,187,500	-	30,347,355	11,660,000	48,298,150	59,958,150
2028	-	-	179,885,000	9,893,675	-	7,187,500	-	30,347,355	179,885,000	47,428,530	227,313,530
2029	-	-	-	-	-	7,187,500	67,000,000	29,897,355	67,000,000	37,084,855	104,084,855
2030 to 2034	-	-	-	-	125,000,000	21,562,500	163,100,000	133,218,775	288,100,000	154,781,275	442,881,275
2035 to 2039	-	-	-	-	-	-	125,000,000	90,716,950	125,000,000	90,716,950	215,716,950
2040 to 2044	-	-	-	-	-	-	50,000,000	79,304,625	50,000,000	79,304,625	129,304,625
2045 to 2049	-	-	-	-	-	-	-	74,842,125	-	74,842,125	74,842,125
2050 to 2054	-	-	-	-	-	-	75,000,000	67,417,125	75,000,000	67,417,125	142,417,125
2055 to 2059	-	-	-	-	-	-	<u>330,000,000</u>	<u>31,983,956</u>	<u>330,000,000</u>	<u>31,983,956</u>	<u>361,983,956</u>
Total	<u>\$ 11,660,000</u>	<u>\$ 2,608,860</u>	<u>\$ 179,885,000</u>	<u>\$ 39,574,700</u>	<u>\$ 125,000,000</u>	<u>\$ 57,500,000</u>	<u>\$ 810,100,000</u>	<u>\$ 628,754,316</u>	<u>\$ 1,126,645,000</u>	<u>\$ 728,437,876</u>	<u>\$ 1,855,082,876</u>

(1) Variable interest rates in 2025 and thereafter are based on the last rate resets in 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 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 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, 2024, 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 1997 Series 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 1997 Series Indenture.

The consent of Ambac for the funding of Loans from the 1997 Series is a requirement of the 1998 Series Indenture. To date, Ambac has cooperated in providing consents when necessary to fund loans from the 1997 Series; however, Ambac has been in run-off 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 1997 Series 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 restricts the ability of DelVal to utilize deposits in the Recycling Fund of the 1997 Series accumulated from Loan repayments. 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, and on July 1, 2024, \$5,155,000 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. See "Note 6. Derivative Financial Instruments" for additional information.

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, 2024, 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 1998 Series 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 1998 Series Indenture.

The consent of Ambac for the funding of Loans from the 1998 Series is a requirement of the 1998 Series Indenture. To date, Ambac has cooperated in providing consents when necessary to fund loans from the 1998 Series; however, Ambac has been in run-off 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 1998 Series 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 restricts 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 a master interest rate swap agreement related to the 1998 Series and executed 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. See “Note 6. Derivative Financial Instruments” for additional information.

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, 2024.

The 2002 Series is not subject to optional or mandatory redemption. Under certain circumstances defined in the 2002 Series 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 2002 Series Indenture.

DelVal entered into a master interest rate swap agreement related to the 2002 Series and executed interest rate swap transactions related to each maturity of the 2002 Series. The transactions terminate on the respective maturity dates of the related 2002 Series. The interest rate swap transactions allow DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

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 First Supplemental 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 weekly VRDB, 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 the VRDB’s is paid monthly on the first business day. Holders of the 2007 B Series may, with seven days of notice, tender the bonds to the remarketing agent 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 due to 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, and the DelVal Board amended the First Supplemental Indenture to use 3-Month Term SOFR published by the CME Group Benchmark Administration (“CME”) to replace 3-Month LIBOR. 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, 2024. 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, 2024.

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 related to the 2007 A Series and floating rate payments related to the 2007 C Series. The interest rate swap transactions allow DelVal to hedge its exposure to basis risk and to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

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, 2024.

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. See “Note 6. Derivative Financial Instruments” for additional information. The 2018 A 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.

The \$50,000,000 Local Government Revenue Bonds, 2018 Series B (the “2018 B Series”) and the \$50,000,000 Local Government Revenue Bonds, 2018 Series C (the “2018 C Series”) were issued at variable interest rates set at a spread over the SIFMA Index with mandatory purchase dates of September 1, 2022, and September 1, 2023, respectively, and a nominal maturity date of September 1, 2048. 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 A 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 Local Government Revenue Bonds, 2018 Series D (the “2018 D Series”) and the \$75,000,000 Local Government Revenue Bonds, 2018 Series E (the “2018 E Series”) were issued at variable interest rates indexed to 1-Month LIBOR (converted to 1-Month Term SOFR published by CME effective June 30, 2023) with mandatory purchase dates of September 1, 2024, and September 1, 2025, respectively, and a nominal maturity date of September 1, 2048. On September 3, 2024, proceeds from the acquisition of Loans by the 2024 AB Series, together with proceeds from the acquisition of Loans by other

DelVal Series and other available funds, were used to redeem the 2018 D Series and optionally redeem the 2018 E Series.

2020 Series

The Local Government Revenue Bonds, 2020 Series B, C, and D (collectively 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, proceeds of the acquisition of Loans by other DelVal Series, and other available funds.

The \$50,000,000 Local Government Revenue Bonds, 2020 Series B (the “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 received a fixed rate and paid the SIFMA Index. The 2020 B Series was redeemed on November 1, 2024, from deposits in the Master Series Recycling Fund, deposits in the Master Series Debt Service Reserve Fund, and other available funds.

The \$50,000,000 Local Government Revenue Bonds, 2020 Series C (the “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 on any date, 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, proceeds from the acquisition of Loans by 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 or purchase on any date, in whole or part, at par. The 2020 D Series are also subject to mandatory redemption and purchase at par if the rating of the bonds is reduced due to the substitution of the letter of credit. As of December 31, 2024, the 2020 D Series was assigned ratings of “A1/VMIG 1” by Moody’s and “AA+/A-1” by S&P. 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 to the remarketing agent at par.

2021 A Series

On February 3, 2021, DelVal issued the 2021 A Series under the Master Indenture and the Eighth Supplemental Indenture in the principal amount of \$45,000,000. The 2021 A 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 A 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. See “Note 6. Derivative Financial Instruments” for additional information.

The 2021 A 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 A Series was assigned ratings of “A1” by Moody’s and “A+” by S&P as of December 31, 2024.

2022 ABC Series

The 2022 ABC Series was 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 DelVal Series, (iii) fund a deposit to the Debt Service Reserve Fund, and (iv) pay the costs of issuance. On February 10, 2022, the \$50,000,000 2007 C Series and the \$50,000,000 2018 B Series were optionally redeemed from the proceeds of the acquisition of Loans by the 2022 ABC Series, the acquisition of Loans by 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, 2024.

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. See “Note 6. Derivative Financial Instruments” for additional information.

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 subject to mandatory purchase 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. See “Note 6. Derivative Financial Instruments” for additional information.

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, proceeds of the acquisition of Loans by other DelVal Series and other available funds. As of December 31, 2024, 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 “A1/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. See “Note 6. Derivative Financial Instruments” for additional information.

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 due to 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 to the remarketing agent 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 A Series

On February 22, 2023, DelVal issued the 2023 A 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 A Series was used to acquire Loans from the 2018 Series and Local Government Revenue Bonds, Series 2020 A (the “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 A Series were also used to fund a deposit to the Debt Service Reserve Fund and pay the costs of issuance. As of December 31, 2024, the 2023 A Series was assigned ratings of “A1” by Moody’s and “A+” by S&P.

The 2023 A 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. See “Note 6. Derivative Financial Instruments” for additional information.

The 2023 A 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.

2024 AB Series

On September 3, 2024, DelVal issued the 2024 AB Series under the Master Indenture and the Twelfth Supplemental Indenture in the principal amount of \$177,070,000. A portion of the proceeds of the 2024 AB Series was used to acquire Loans from the 2018 Series which together with proceeds from the acquisition of Loans by other DelVal Series and other available funds, were used to redeem the \$30,000,000 2018 D Series and optionally redeem the \$75,000,000 2018 E Series on September 3, 2024. Proceeds of the 2024 A Series were also used to: (i) fund a deposit to the Recycling Fund for the origination of new Loans, (ii) fund a deposit to the Debt Service Reserve Fund, and (iii) pay the costs of issuance.

The \$72,070,000 2024 A Series was issued with three maturities: \$15,000,000 with a coupon of 4.00% at a yield of 3.16% to the maturity date of September 1, 2033, \$27,070,000 with a coupon of 4.00% at a yield of 3.23% to the maturity date of September 1, 2034, and \$30,000,000 with a coupon of 4.00% at a yield of 3.30% to the maturity date of September 1, 2035. The original issue premium was \$4,523,262. Interest is payable semiannually, and the bonds are subject to optional redemption on or after September 1, 2034. 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. See “Note 6. Derivative Financial Instruments” for additional information. As of December 31, 2024, the 2024 A Series was assigned ratings of “A1” by Moody’s and “A+” by S&P.

The 2024 A Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Twelfth Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Twelfth Supplemental Indenture.

The \$105,000,000 2024 B Series was issued as a daily VRDB maturing on September 1, 2059, 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 2024 B Series, resets the interest rates daily. The 2024 B Series are subject to optional redemption on any date, in whole or part, at par. The 2024 B Series are also subject to mandatory redemption and purchase at par if the rating of the bonds is reduced due to the substitution of the letter of credit. See “Note 5. Credit Facilities” for additional information.

Interest on the 2024 B Series is paid monthly on the first business day. The interest rates of the 2024 B 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 Twelfth Supplemental Indenture, is 15%. Holders of the 2024 B Series may daily tender the bonds to the remarketing agent at par.

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, 2024, Moody's, S&P, and Fitch had all withdrawn their ratings of Ambac.

2007 B Series

DelVal, as required by the First Supplemental 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 2024, DelVal paid \$152,774 to PNC for facility fees and \$3,000 for draw fees. As of December 31, 2024, 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 D Series

Pursuant to the Seventh Supplemental 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 2024, DelVal paid \$198,606 of facility fees and \$3,000 of draw fees to TD. On October 18, 2024, S&P downgraded TD's credit rating from "AA-/A-1+" to "A+/A-1". Moody's downgraded TD's rating from "Aa3/P-1" to "A1-P-1" on October 30, 2024.

2022 E Series

Pursuant to the Tenth Supplemental 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 2024, DelVal paid \$213,884 of facility fees and \$3,000 of draw fees to TD. On October 18, 2024, S&P downgraded TD's credit rating from "AA-/A-1+" to "A+/A-1". Moody's downgraded TD's rating from "Aa3/P-1" to "A1-P-1" on October 30, 2024.

2024 B Series

Pursuant to the Twelfth Supplemental Indenture, a direct draw letter of credit in the amount of \$106,941,781 secures the payment of principal of and accrued interest on the 2024 B Series. DelVal entered into an agreement with TD Bank, N.A. as of September 3, 2024, to provide the requisite letter of credit. The scheduled termination date of the TD letter of credit is September 4, 2029. During 2024, DelVal paid \$91,163 of facility fees and \$750 of draw fees to TD. Bank counsel fees and an issuance fee of \$30,580 were paid from proceeds of the bonds at closing. On October 18, 2024, S&P downgraded TD's credit rating from "AA-/A-1+" to "A+/A-1". Moody's downgraded TD's rating from "Aa3/P-1" to "A1-P-1" on October 30, 2024.

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, 2024, approximately 13.09% of the Loan principal outstanding, approximately \$131.7 million, was insured by AG or BAM. As of December 31, 2024, AG 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.

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6. DERIVATIVE FINANCIAL INSTRUMENTS

One of the primary objectives of the DelVal Loan Program is to provide variable rate and fixed rate Loans with interest rates competitive with private placement and public sale options under any market conditions. To achieve this goal, DelVal began hedging the interest rate and basis risks of the DelVal Series by executing Bonds Swap transactions under which DelVal receives a payment with the same basis as the related DelVal Series, and DelVal pays the SIFMA Index. In addition to hedging interest rate and basis risks, the use of Bond Swaps allowed DelVal to diversify the types of fixed and floating rate debt it could issue and to select the type of debt that minimized its net cost of funds. The result is a cost of funds equal to the SIFMA Index plus a spread that is comparable to the cost of funds DelVal realizes with the weekly VRDB DelVal Series.

The use of Bond Swaps also enabled DelVal to provide a competitive fixed rate Loan to Participants. By executing Loan Swaps, under which DelVal pays a fixed rate and receives the SIFMA Index, DelVal could hedge the interest rate risk of providing a fixed rate Loan.

DelVal has also used Investment Swap transactions to eliminate the basis risk of restricted investments 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.

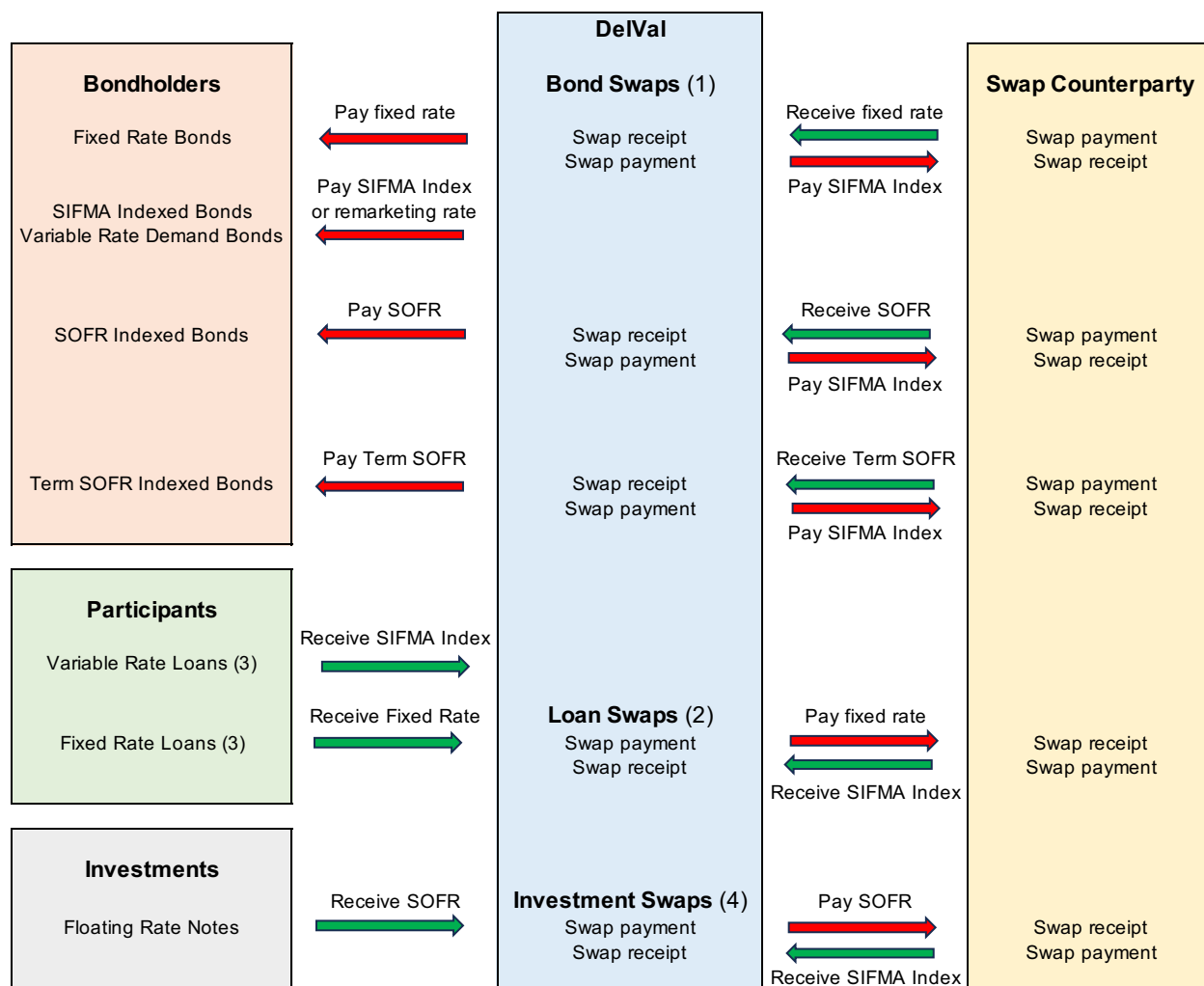
DelVal has executed Master Agreements (collectively, the "Swap Agreement") with six Counterparties. All the Master Agreements are secured on a parity basis with bondholders. A listing of the Counterparties is shown below.

- 1) Bank of America, N.A. ("BANA"),
- 2) Citibank, N.A. ("Citibank"),
- 3) Barclays Bank PLC ("Barclays"),
- 4) PNC Bank, National Association ("PNC"),
- 5) The Toronto-Dominion Bank ("T-D"), and
- 6) The Royal Bank of Canada ("RBC").

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 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.

As of December 31, 2024, Bond Swap transactions in the notional amount of \$901,695,000, Loan Swap transactions in the notional amount of \$943,302,600, 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, 2024, is set forth below.

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

	<i>Notional Amount</i>	<i>Carrying Value</i>	<i>Fair Value 31-Dec-24</i>
1997 Series			
Bond Swaps	\$ 11,660,000	\$ 673,161	\$ 673,161
Loan Swaps	5,366,000	47,209	47,209
1998 Series			
Bond Swaps	179,885,000	10,389,743	10,389,743
Unamortized prepaid swap expense	-	2,084,647	2,961,647
Loan Swaps	107,352,000	2,867,757	2,867,757
2002 Series			
Bond Swaps	125,000,000	11,491,128	11,491,128
Loan Swaps	106,608,000	4,434,470	4,434,470
Master Series			
Bond Swaps	585,150,000	(11,404,990)	(11,404,990)
Loan Swaps	723,976,600	72,799,730	72,799,730
Investment swaps	<u>21,700,000</u>	<u>(374,053)</u>	<u>(374,053)</u>
Total	<u>\$ 1,866,697,600</u>	<u>\$ 93,008,802</u>	<u>\$ 93,885,802</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 weekly VRDB.

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Below is a summary of the Bond Swap receipts and payments and the related debt service payments in 2024.

**Net Bond Swap Receipts and Debt Service Payments of
the Related DelVal Series in 2024**

<u>Debt Service</u>	<u>Net Bond Swap Receipts</u>	<u>Amortization of Original Issue Premium</u>	<u>Net Payment</u>	<u>Net Cost of Funds (1)</u>	<u>Spread over SIFMA Index (2)</u>
\$ 39,737,745	\$ (4,005,433)	\$ (4,772,630)	\$ 30,959,683	3.505%	0.149%

(1) Weighted funding in 2024: \$ 883,369,722

(2) Average annual SIFMA Index: 3.356%

The comparable spread over the SIFMA Index (including letter of credit and remarketing fees) of the DelVal VRDB's outstanding as of December 31, 2024, ranged from approximately 0.33% to 0.40%.

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>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029 and Thereafter</u>
Bond interest payments	\$ 34,103,370	\$ 34,103,370	\$ 34,103,370	\$ 30,610,025	\$ 20,716,350
Less amortization of					
Original Issue Premium	(3,272,495)	(3,272,494)	(3,225,127)	(2,872,856)	(2,445,995)
Swap payments	32,089,008	32,089,008	32,089,008	23,176,916	17,554,430
Less swap receipts	<u>(32,696,739)</u>	<u>(32,696,739)</u>	<u>(32,696,739)</u>	<u>(24,157,413)</u>	<u>(15,600,284)</u>
Net payments	<u>\$ 30,223,144</u>	<u>\$ 30,223,145</u>	<u>\$ 30,270,512</u>	<u>\$ 26,756,673</u>	<u>\$ 20,224,501</u>
Weighted funding	\$ 796,638,250	\$ 796,638,250	\$ 796,638,250	\$ 709,978,250	\$ 530,093,250
Net cost of funds	3.794%	3.794%	3.800%	3.769%	3.815%
Assumed SIFMA Index	3.620%	3.620%	3.620%	3.620%	3.620%
Spread over the SIFMA Index	0.174%	0.174%	0.180%	0.149%	0.195%

* Assumes variable rates are set at the last rate in 2024.

As of December 31, 2024, 253 Loan Swap transactions in the notional amount of \$943,302,600 were executed with BANA, Barclays, PNC, RBC, and T-D to provide fixed rate loans to 101 Participants. These Loan Swaps were effective hedges under both the consistent critical terms and the quantitative standards of GASB 53:

- 1) The transactions allow DelVal to provide fixed rate Loans without incurring the costs of issuance to remarket a series of fixed rate bonds.
- 2) The 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, the related Loan Swap receipts and payments, and the related Bond Swap payments in 2024.

**Loan Swap Receipts and Payments Related to
Fixed Rate Loans in 2024**

<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>	
\$ 21,320,013	\$(17,382,905)	\$(32,048,760)	\$ 32,048,760	\$ 3,937,108

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 in 2024.

Investment Swap Receipts and Payments in 2024

<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>			
\$ 1,292,722	\$ (1,141,785)	\$ 765,128	\$ 916,065	4.221%	0.866%

*Average SIFMA Index in 2024 was 3.356%.

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 costs of funds will not be competitive with financing options in the future. If DeVal issued fixed rate bonds to fund the Loan Program, the risk would be that fixed rates could decline making DeVal's cost of funds uncompetitive with other financing options. DeVal has executed swap transactions for all DeVal Series that are fixed rate to receive a fixed rate and to pay the SIFMA Index. DeVal's cost of funds moves with the benchmark SIFMA Index and is always aligned with the current market conditions. This allows DeVal to offer variable rate loans at market levels. By entering into Loan Swap transactions, under which DeVal pays a fixed rate and receives the SIFMA Index, DeVal 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 DeVal 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 DeVal's cost of funds uncompetitive. DeVal has executed swap transactions for all DeVal 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 DeVal to execute 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 its Loan before the termination or option date of the Loan Swap transaction executed to hedge the 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-24</i>
	<i>Moody's</i>	<i>S&P</i>		
Bank of America*	Aa1	A+	\$ 959,111,200	\$ 71,370,510
Barclays Bank PLC	A1	A+	20,192,000	1,208,427
Citibank	Aa3	A+	110,050,000	50,655
PNC Bank	A1	A	376,949,000	16,947,690
Royal Bank of Canada	Aa1	AA-	400,114,400	4,304,390
Toronto-Dominion Bank	Aa2	A+	281,000	4,130
Total			<u>\$ 1,866,697,600</u>	<u>\$ 93,885,802</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.

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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, 2024. 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.

Restricted Investments at Fair Value as of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Floating rate notes	\$ -	\$ 21,752,814	\$ -	\$ 21,752,814

8. PENDING ACCOUNTING PRINCIPLES

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets* are effective for 2024. None of these Statement were applicable to the financial statements of DelVal.

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

- 1) Statement No. 102, *Certain Risk Disclosures*, and
- 2) 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 2024 appears on pages 44 and 45. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional information on pages 84 through 86 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 auditing standards generally accepted in the United States of America. 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, 2025

**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING BALANCE SHEET INFORMATION
DECEMBER 31, 2024**

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	\$ 4,936,802	\$ 65,407,696	\$ 34,213,317	\$ 50,987,650	\$ 155,545,465
Restricted cash equivalents	1,166,000	17,988,500	12,500,000	19,431,000	51,085,500
Accrued interest receivable:					
Loans	2,635	40,238	43,829	324,045	410,747
Interest rate swaps	2,050	4,191,324	37,270	2,079,934	6,310,578
Cash equivalents and investments	4,336	57,956	30,568	322,601	415,461
Prepaid expenses	6,250	77,283	6,250	59,917	149,700
Loans to local governments	<u>4,058,000</u>	<u>37,506,000</u>	<u>6,805,000</u>	<u>49,360,900</u>	<u>97,729,900</u>
Total current assets	<u>10,176,073</u>	<u>125,268,997</u>	<u>53,636,234</u>	<u>122,566,047</u>	<u>311,647,351</u>
NONCURRENT ASSETS:					
Restricted investments	-	-	-	21,752,814	21,752,814
Loans to local governments	1,543,000	70,931,000	99,803,000	690,454,700	862,731,700
Unamortized prepaid interest rate swap expense	-	1,502,922	-	-	1,502,922
Fair value of derivative transactions	<u>720,370</u>	<u>13,257,500</u>	<u>15,925,598</u>	<u>61,020,687</u>	<u>90,924,155</u>
Total noncurrent assets	<u>2,263,370</u>	<u>85,691,422</u>	<u>115,728,598</u>	<u>773,228,201</u>	<u>976,911,591</u>
TOTAL	<u>\$ 12,439,443</u>	<u>\$ 210,960,419</u>	<u>\$ 169,364,832</u>	<u>\$ 895,794,248</u>	<u>\$ 1,288,558,942</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES:					
Accrued expenses	\$ -	\$ -	\$ -	\$ 35,833	\$ 35,833
Estimated rebate liability	-	-	-	200,000	200,000
Accrued interest payable:					
Interest rate swaps	28,912	385,601	320,287	31,611	766,411
Bonds	<u>488,550</u>	<u>4,791,899</u>	<u>3,879,016</u>	<u>7,080,360</u>	<u>16,239,825</u>
Total current liabilities	<u>517,462</u>	<u>5,177,500</u>	<u>4,199,303</u>	<u>7,347,804</u>	<u>17,242,069</u>
LONG TERM LIABILITIES:					
Bonds payable, net	11,740,389	181,614,783	126,854,616	825,028,675	1,145,238,463
Estimated rebate liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Total long term liabilities	<u>11,740,389</u>	<u>181,614,783</u>	<u>126,854,616</u>	<u>825,428,675</u>	<u>1,145,638,463</u>
DEFERRED INFLOWS OF RESOURCES:					
Accumulated increase in fair value of hedging derivatives	<u>720,370</u>	<u>13,257,500</u>	<u>15,925,598</u>	<u>61,020,687</u>	<u>90,924,155</u>
Total liabilities and deferred inflows of resources	12,978,221	200,049,783	146,979,517	893,797,166	1,253,804,687
NET POSITION	<u>(538,778)</u>	<u>10,910,636</u>	<u>22,385,315</u>	<u>1,997,082</u>	<u>34,754,255</u>
TOTAL	<u>\$ 12,439,443</u>	<u>\$ 210,960,419</u>	<u>\$ 169,364,832</u>	<u>\$ 895,794,248</u>	<u>\$ 1,288,558,942</u>

* All other outstanding DelVal Series were issued under the Master Indenture. These Series are equally and ratably secured by all the assetsheld under the Master Indenture.

**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION INFORMATION
YEAR ENDED DECEMBER 31, 2024**

	<u>1997 Series</u>	<u>1998 Series</u>	<u>2002 Series</u>	<u>Master Series*</u>	<u>Total</u>
Revenues:					
Loan interest	\$ 121,044	\$ 2,748,411	\$ 2,461,601	\$ 16,700,278	\$ 22,031,334
Interest rate swap	1,139,522	15,064,701	7,260,324	16,827,355	40,291,902
Interest on investments and cash equivalents	<u>447,963</u>	<u>3,978,930</u>	<u>2,297,560</u>	<u>4,008,735</u>	<u>10,733,188</u>
Total revenues	<u>1,708,529</u>	<u>21,792,042</u>	<u>12,019,485</u>	<u>37,536,368</u>	<u>73,056,424</u>
Expenses:					
Interest expense:					
Bonds	962,652	12,351,220	6,901,453	26,980,755	47,196,080
Interest rate swaps	479,426	6,405,006	4,194,639	7,900,904	18,979,975
Costs of issuance	-	-	-	1,257,099	1,257,099
Credit or liquidity facility fees	-	-	-	666,177	666,177
Administrative expenses	<u>12,500</u>	<u>1,029,006</u>	<u>12,500</u>	<u>310,845</u>	<u>1,364,851</u>
Total expenses	<u>1,454,578</u>	<u>19,785,232</u>	<u>11,108,592</u>	<u>37,115,780</u>	<u>69,464,182</u>
Revenues over expenses	<u>253,951</u>	<u>2,006,810</u>	<u>910,893</u>	<u>420,588</u>	<u>3,592,242</u>
Other changes:					
Transfers in (out)	(656,750)	5,247,966	(4,569,304)	(21,912)	-
Increase of estimated rebate liability	-	-	-	(200,000)	(200,000)
Unrealized gain on restricted investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,514</u>	<u>186,514</u>
Total other changes, net	<u>(656,750)</u>	<u>5,247,966</u>	<u>(4,569,304)</u>	<u>(35,398)</u>	<u>(13,486)</u>
Increase (decrease) in net position	(402,799)	7,254,776	(3,658,411)	385,190	3,578,756
Net position, beginning	<u>(135,979)</u>	<u>3,655,860</u>	<u>26,043,726</u>	<u>1,611,892</u>	<u>31,175,499</u>
Net position, ending	<u>\$ (538,778)</u>	<u>\$ 10,910,636</u>	<u>\$ 22,385,315</u>	<u>\$ 1,997,082</u>	<u>\$ 34,754,255</u>

* All other outstanding DelVal Series were issued under the Master Indenture. These Series are equally and ratably secured by all the assetsheld under the Master Indenture.

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING STATEMENT OF CASH FLOWS INFORMATION
YEAR ENDED DECEMBER 31, 2024

	<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	\$ 1,265,193	\$ 18,643,748	\$ 9,725,018	\$ 32,825,409	\$ 62,459,368
Payment of interest on bonds and interest rate swap agreements	(1,665,309)	(19,945,413)	(11,443,496)	(38,459,946)	(71,514,164)
Loans to local governments	-	-	(13,797,000)	(69,382,000)	(83,179,000)
Repayments of loan principal from local governments	4,066,000	37,817,000	5,013,000	50,959,700	97,855,700
Administrative expenses paid	(12,500)	(1,033,635)	(12,500)	(304,111)	(1,362,746)
Interest received on investments and cash equivalents	449,366	3,982,579	2,308,103	3,935,928	10,675,976
Credit or liquidity facility fees paid	-	-	-	(666,177)	(666,177)
Transfers among Series	(656,750)	5,247,966	(4,569,304)	(21,912)	-
Acquisition of Loans	49,000	(49,000)	(198,000)	198,000	-
Proceeds of bond issues, including original issue premium				181,593,262	181,593,262
Bond issuance costs				(1,257,099)	(1,257,099)
Payment of bond principal	<u>(5,155,000)</u>	<u>(39,650,000)</u>	<u>-</u>	<u>(155,000,000)</u>	<u>(199,805,000)</u>
Net cash provided by (used in) operating activities and increase (decrease) in cash and cash equivalents	(1,660,000)	5,013,245	(12,974,179)	4,421,054	(5,199,880)
Cash and cash equivalents and restricted cash and cash equivalents, beginning	<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>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 6,102,802</u>	<u>\$ 83,396,196</u>	<u>\$ 46,713,317</u>	<u>\$ 70,418,650</u>	<u>\$ 206,630,965</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET					
Cash and cash equivalents, ending	\$ 4,936,802	\$ 65,407,696	\$ 34,213,317	\$ 50,987,650	\$ 155,545,465
Restricted cash and cash equivalents, ending	<u>1,166,000</u>	<u>17,988,500</u>	<u>12,500,000</u>	<u>19,431,000</u>	<u>51,085,500</u>
Cash and cash equivalents and restricted cash and cash equivalents, ending	<u>\$ 6,102,802</u>	<u>\$ 83,396,196</u>	<u>\$ 46,713,317</u>	<u>\$ 70,418,650</u>	<u>\$ 206,630,965</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Change in net position	\$ (402,799)	\$ 7,254,776	\$ (3,658,411)	\$ 385,190	\$ 3,578,756
Adjustments for other revenues, expenses, and transfers					
Increase of estimated rebate liability	-	-	-	200,000	200,000
Amortization of prepaid interest rate swap expense	-	581,725	-	-	581,725
Adjustments for changes in assets and liabilities					
Decrease (increase) in:					
Restricted investments	-	-	-	(186,514)	(186,514)
Accrued interest receivable:					
Loans	2,168	14,550	(6,851)	(46,489)	(36,622)
Interest rate swaps	2,459	817,679	9,944	(655,735)	174,347
Cash equivalents and investments	1,403	3,649	10,543	(72,807)	(57,212)
Prepaid expenses	-	(4,629)	-	(3,243)	(7,872)
Loans to local governments	4,115,000	37,768,000	(8,982,000)	(18,224,300)	14,676,700
Increase (decrease) in:					
Accrued expenses	-	-	-	9,977	9,977
Accrued interest payable:					
Interest rate swaps	(22,427)	(192,490)	(61,357)	(6,649)	(282,923)
Bonds	(147,064)	(910,481)	(781)	(1,264,292)	(2,322,618)
Bonds payable	<u>(5,208,740)</u>	<u>(40,319,534)</u>	<u>(285,266)</u>	<u>24,285,916</u>	<u>(21,527,624)</u>
Total adjustments	<u>(1,257,201)</u>	<u>(2,241,531)</u>	<u>(9,315,768)</u>	<u>4,035,864</u>	<u>(8,778,636)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,660,000)</u>	<u>\$ 5,013,245</u>	<u>\$ (12,974,179)</u>	<u>\$ 4,421,054</u>	<u>\$ (5,199,880)</u>

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