



**DELAWARE VALLEY REGIONAL
FINANCE AUTHORITY**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025

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

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

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

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Flourtown, Pennsylvania
Administrator

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REQUIRED SUPPLEMENTARY INFORMATION



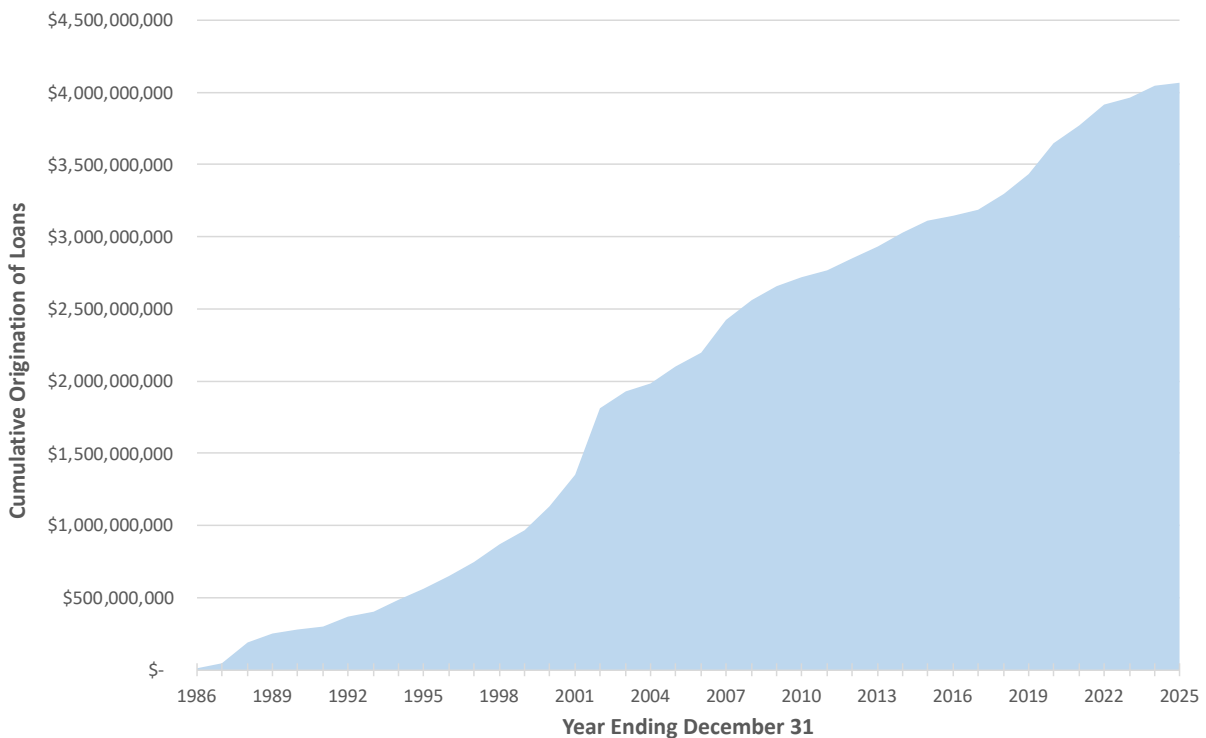
DELAWARE VALLEY REGIONAL FINANCE AUTHORITY

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 (each a “Loan”) 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. As of December 31, 2025, DelVal had originated 639 Loans with an aggregate principal amount of \$4.07 billion to 216 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*”). DeIVal 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 DeIVal as the beneficiary, issued by an insurer (each a “Participant Credit Enhancer”) rated “AA-” or higher by S&P Global Ratings (“S&P”) or “Aa3” or higher by Moody’s Investors Service (“Moody’s”).

Each Loan to an Authority or other Political Subdivision must meet at least one of the following conditions: (i) 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, (ii) secured by a Participant Credit Enhancement, (iii) 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, or (iv) rated “Aa3” or higher by Moody’s or “AA-” or higher by S&P. In addition, any Loan to an Authority or other Political Subdivision based solely on its rating 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. DeIVal has covenanted to restrict Loans to Authorities or other Political Subdivisions that are secured solely by their ratings to an aggregate principal amount not in excess of 20% of the total funding for Loan origination at the time such Loans are 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 DeIVal 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> |
|------------------------|---------------------|---------------------|----------------------|
| David E. Landau | Chairman | Delaware County | 2031 |
| Anand Solanki | Vice Chairman | Chester County | 2028 |
| David A. Nasatir, Esq. | Secretary | Montgomery County | 2029 |
| Robert J. Harvie | Treasurer | Bucks County | 2030 |
| Dr. Monica Taylor | Secretary/Treasurer | Delaware County | 2027 |

*Terms expire on the second Monday of January.

Source: Calhoun Baker Inc.

The Board oversees the operations of DeIVal and appoints the Administrator, the Solicitor, the Bond Counsel, and the trustees (collectively, the “Trustee”) of the DeIVal 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 DeIVal’s funds, the calculation of the Loan rates, the management of debt issuance, and the execution of interest rate swap transactions. The Solicitor, Clarke Gallagher Barbiero Amuso & Glassman Law, directs DeIVal’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 (“Computershare”), as co-Trustee, invoices and collects the Loan repayments, principally through Automated Clearing House (“ACH”) debits of the Participants’ demand deposit accounts. TD Bank, N.A. as co-Trustee (“TD Wealth” and, together with “Computershare”, the “Trustee”) holds all DeIVal 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 healthcare or higher education institutions. The Board of DelVal and the Administrator must approve any new Loan. Generally, the Administrator requires any Participant, Guarantor, or Security Provider 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 to obtain 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 (each a “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. Twelve series issued by DelVal, in the aggregate par amount of \$1,156,450,000, were outstanding as of December 31, 2025.

DelVal has entered into interest rate swap agreements (each, a “Swap Agreement”) with six different counterparties (each a “Counterparty”). DelVal executes interest rate swap transactions under the Swap Agreement to hedge the interest rate and basis risks of the DelVal Series, fixed rate Loans, and investments.

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

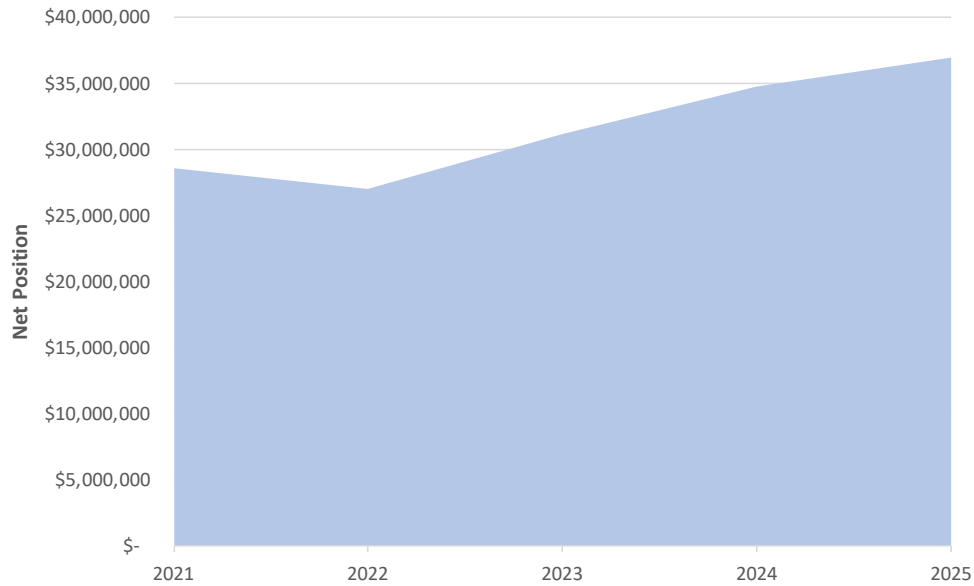
- 1) Debt service payments on the DelVal Series,
- 2) Net payments due under the Swap Agreements, and
- 3) Administrative costs and liquidity requirements necessary for the operation of the Loan Program.

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SUMMARIES OF THE 2025 FINANCIAL STATEMENTS

The net position of DeIVal increased by \$2.19 million to \$36.95 million in 2025. Revenues and expenses declined 18.04% and 16.82%, respectively from 2024 levels. The excess of revenues over expenses was approximately \$2.10 million.

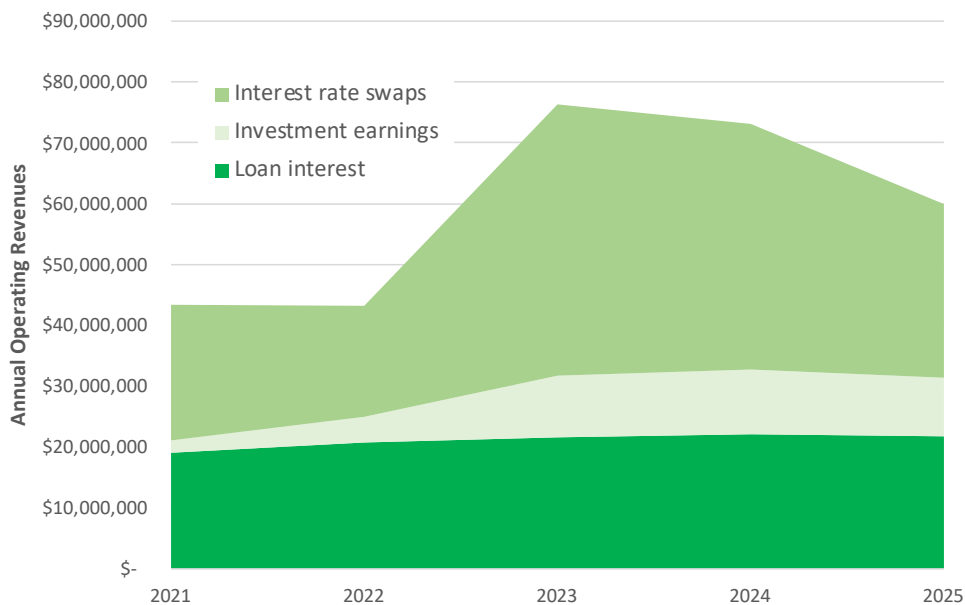
Trend of Net Position



Source: Calhoun Baker Inc.

Loan interest revenues decreased by 1.63% due to a reduction of the Loans outstanding. Investment earnings declined by 9.25% due to lower interest rates. Interest rate swap revenues decreased by 29.35% due to lower interest rates and reductions of the notional amounts of interest rate swap transactions.

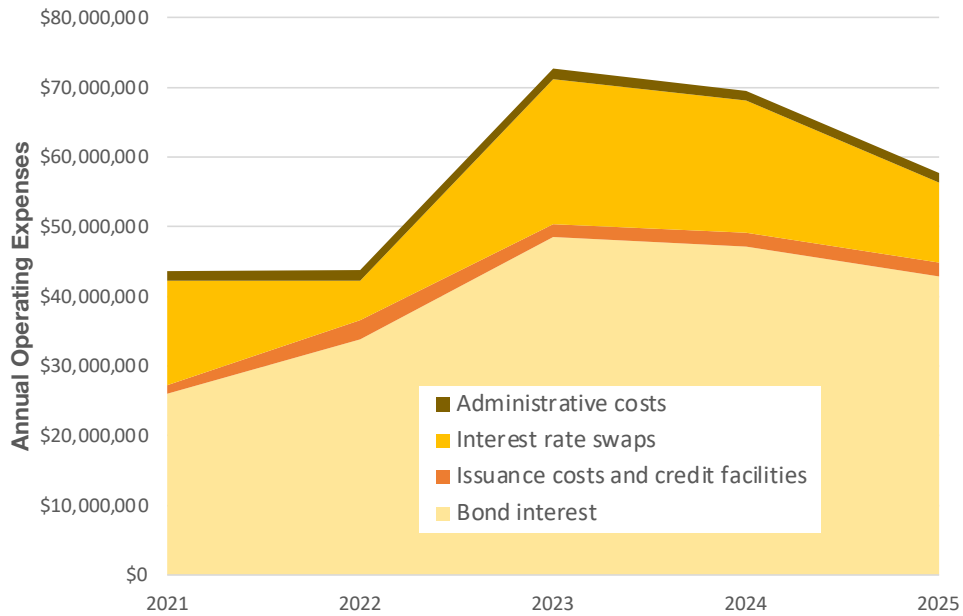
Trend of Operating Revenues



Source: Calhoun Baker Inc.

Bond interest expenses declined by 9.34% due to bond redemptions and lower interest rates. Interest rate swap expenses decreased by 40.05% due to lower interest rates and reductions of the notional amounts of interest rate swap transactions. Issuance costs and credit facility fees increased by 8.76% due to the issuance of the 2025 A and B Series and the credit facility expenses of the 2024 B Series. Administrative costs increased by 6.37% due to remarketing expenses of the 2024 B Series and higher rating fees.

Trend of Operating 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>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues: | | | | | |
| Loan interest | \$ 19,083,168 | \$ 20,742,238 | \$ 21,576,207 | \$ 22,031,334 | \$ 21,673,003 |
| Interest rate swaps | 22,156,246 | 18,308,247 | 44,550,979 | 40,291,902 | 28,465,900 |
| Interest on investments and cash equivalents | <u>2,046,366</u> | <u>4,148,042</u> | <u>10,102,445</u> | <u>10,733,188</u> | <u>9,740,623</u> |
| Total revenues | <u>43,285,780</u> | <u>43,198,527</u> | <u>76,229,631</u> | <u>73,056,424</u> | <u>59,879,526</u> |
| Expenses: | | | | | |
| Interest expense: | | | | | |
| Bonds | 25,966,172 | 33,851,795 | 48,514,454 | 47,196,080 | 42,786,805 |
| Interest rate swaps | 15,016,371 | 5,727,235 | 20,933,399 | 18,979,975 | 11,377,721 |
| Costs of issuance | 442,750 | 1,806,840 | 1,153,525 | 1,257,099 | 1,243,981 |
| Credit or liquidity facility fees | 877,515 | 916,941 | 627,099 | 666,177 | 847,861 |
| Rebate expense | - | - | 29,018 | - | 71,134 |
| Administrative expenses | <u>1,336,623</u> | <u>1,404,808</u> | <u>1,448,793</u> | <u>1,364,851</u> | <u>1,451,762</u> |
| Total expenses | <u>43,639,431</u> | <u>43,707,619</u> | <u>72,706,288</u> | <u>69,464,182</u> | <u>57,779,264</u> |
| Revenues over (under) expenses | <u>(353,651)</u> | <u>(509,092)</u> | <u>3,523,343</u> | <u>3,592,242</u> | <u>2,100,262</u> |
| Other changes: | | | | | |
| Decrease (Increase) of estimated rebate liability | (50,000) | (200,000) | - | (200,000) | 100,000 |
| Class action settlements | - | 18,530 | - | - | 134 |
| Unrealized gain (loss) on investments and restricted investments | <u>(193,291)</u> | <u>(938,918)</u> | <u>672,721</u> | <u>186,514</u> | <u>(9,005)</u> |
| Total other changes, net | <u>(243,291)</u> | <u>(1,120,388)</u> | <u>672,721</u> | <u>(13,486)</u> | <u>91,129</u> |
| Increase (decrease) in net position | (596,942) | (1,629,480) | 4,196,064 | 3,578,756 | 2,191,391 |
| Net position, beginning | <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> |
| Net position, ending | <u>\$ 28,608,915</u> | <u>\$ 26,979,435</u> | <u>\$ 31,175,499</u> | <u>\$ 34,754,255</u> | <u>\$ 36,945,646</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, floating rate bonds with mandatory purchase dates, and scheduled termination dates of credit facilities.

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

| | <u>2021</u> | <u>2022*</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| ASSETS | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | \$ 52,947,186 | \$ 121,111,001 | \$ 158,507,845 | \$ 155,545,465 | \$ 262,762,243 |
| Restricted cash equivalents | 55,706,000 | 57,622,000 | 53,323,000 | 51,085,500 | 52,622,000 |
| Accrued interest receivable: | | | | | |
| Loans | 340,788 | 1,087,379 | 374,125 | 410,747 | 393,341 |
| Interest rate swaps | 5,735,730 | 6,545,766 | 6,484,925 | 6,310,578 | 5,385,668 |
| Cash equivalents and investments | 40,896 | 255,686 | 358,249 | 415,461 | 346,380 |
| Prepaid expenses | 92,733 | 180,952 | 141,828 | 149,700 | 174,879 |
| Loans to local governments | <u>100,003,200</u> | <u>105,098,500</u> | <u>96,238,700</u> | <u>97,729,900</u> | <u>88,725,100</u> |
| Total current assets | <u>236,810,320</u> | <u>291,901,284</u> | <u>315,428,672</u> | <u>311,647,351</u> | <u>410,409,611</u> |
| NONCURRENT ASSETS: | | | | | |
| Restricted investments | - | 20,893,580 | 21,566,300 | 21,752,814 | 21,743,809 |
| Loans to local governments | 916,164,800 | 943,472,300 | 878,899,600 | 862,731,700 | 795,180,600 |
| Unamortized prepaid interest rate swap expense | 3,249,690 | 2,667,965 | 2,084,647 | 1,502,922 | 921,197 |
| Fair value of derivative transactions | <u>91,562,935</u> | <u>124,640,844</u> | <u>90,911,515</u> | <u>90,924,155</u> | <u>72,147,422</u> |
| Total noncurrent assets | <u>1,010,977,425</u> | <u>1,091,674,689</u> | <u>993,462,062</u> | <u>976,911,591</u> | <u>889,993,028</u> |
| TOTAL | <u>\$1,247,787,745</u> | <u>\$1,383,575,973</u> | <u>\$1,308,890,734</u> | <u>\$1,288,558,942</u> | <u>\$1,300,402,639</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | | | |
| CURRENT LIABILITIES: | | | | | |
| Accrued expenses | \$ 11,472 | \$ 37,555 | \$ 25,856 | \$ 35,833 | \$ 69,271 |
| Bond principal payable | 100,000,000 | 50,000,000 | 80,000,000 | - | - |
| Estimated rebate liability | - | 300,000 | - | 200,000 | 100,000 |
| Accrued interest payable: | | | | | |
| Interest rate swaps | 43,844 | 1,364,417 | 1,049,334 | 766,411 | 930,298 |
| Bonds | <u>14,905,494</u> | <u>17,265,614</u> | <u>18,562,443</u> | <u>16,239,825</u> | <u>15,917,001</u> |
| Total current liabilities | <u>114,960,810</u> | <u>68,967,586</u> | <u>99,637,633</u> | <u>17,242,069</u> | <u>17,016,570</u> |
| LONG TERM LIABILITIES: | | | | | |
| Bonds payable, net | 1,012,455,085 | 1,162,888,108 | 1,086,766,087 | 1,145,238,463 | 1,173,893,001 |
| Estimated rebate liability | <u>200,000</u> | <u>100,000</u> | <u>400,000</u> | <u>400,000</u> | <u>400,000</u> |
| Total long term liabilities | <u>1,012,655,085</u> | <u>1,162,988,108</u> | <u>1,087,166,087</u> | <u>1,145,638,463</u> | <u>1,174,293,001</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Accumulated increase in fair value of hedging derivatives | <u>91,562,935</u> | <u>124,640,844</u> | <u>90,911,515</u> | <u>90,924,155</u> | <u>72,147,422</u> |
| Total liabilities and deferred inflows of resources | 1,219,178,830 | 1,356,596,538 | 1,277,715,235 | 1,253,804,687 | 1,263,456,993 |
| NET POSITION | <u>28,608,915</u> | <u>26,979,435</u> | <u>31,175,499</u> | <u>34,754,255</u> | <u>36,945,646</u> |
| TOTAL | <u>\$1,247,787,745</u> | <u>\$1,383,575,973</u> | <u>\$1,308,890,734</u> | <u>\$1,288,558,942</u> | <u>\$1,300,402,639</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>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Cash flows from operating activities | | | | | |
| Interest received on loans to local governments and interest rate swap agreements | \$ 41,251,320 | \$ 37,493,858 | \$ 58,729,330 | \$ 62,459,368 | \$ 51,081,219 |
| Payment of interest on bonds and interest rate swap agreements | (43,908,099) | (39,525,419) | (65,011,083) | (71,514,164) | (57,108,000) |
| Loans to local governments | (126,267,000) | (142,833,000) | (47,414,000) | (83,179,000) | (23,903,000) |
| Repayments of loan principal from local governments | 83,102,500 | 110,430,200 | 120,846,500 | 97,855,700 | 100,458,900 |
| Administrative expenses paid | (1,383,393) | (1,466,944) | (1,421,368) | (1,362,746) | (1,459,911) |
| Interest received on investments and cash equivalents | 2,073,791 | 3,933,252 | 9,999,882 | 10,675,976 | 9,809,704 |
| Credit or liquidity facility fees paid | (877,515) | (916,941) | (627,099) | (666,177) | (831,453) |
| Rebate payment | - | - | (29,018) | - | (71,134) |
| Proceeds of bond issues | 47,382,750 | 254,641,830 | 150,828,225 | 181,593,262 | 202,215,800 |
| Class action settlement | - | 18,530 | - | - | 134 |
| Bond issuance costs | (442,750) | (1,806,840) | (1,153,525) | (1,257,099) | (1,243,981) |
| Redemption (purchase) of investments and restricted investments | 12,000,000 | 111,289 | - | - | - |
| Payment of bond principal | - | (150,000,000) | (191,650,000) | (199,805,000) | (170,195,000) |
| Net cash provided by (used in) operating activities and increase (decrease) in cash and cash equivalents | 12,931,604 | 70,079,815 | 33,097,844 | (5,199,880) | 108,753,278 |
| Cash and cash equivalents and restricted cash and cash equivalents, beginning | 95,721,582 | 108,653,186 | 178,733,001 | 211,830,845 | 206,630,965 |
| Cash and cash equivalents and restricted cash and cash equivalents, ending | <u>\$ 108,653,186</u> | <u>\$ 178,733,001</u> | <u>\$ 211,830,845</u> | <u>\$ 206,630,965</u> | <u>\$ 315,384,243</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET | | | | | |
| Cash and cash equivalents, ending | \$ 52,947,186 | \$ 121,111,001 | \$ 158,507,845 | \$ 155,545,465 | \$ 262,762,243 |
| Restricted cash and cash equivalents, ending | 55,706,000 | 57,622,000 | 53,323,000 | 51,085,500 | 52,622,000 |
| Cash and cash equivalents and restricted cash and cash equivalents, ending | <u>\$ 108,653,186</u> | <u>\$ 178,733,001</u> | <u>\$ 211,830,845</u> | <u>\$ 206,630,965</u> | <u>\$ 315,384,243</u> |
| RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | |
| Change in net position | \$ (596,942) | \$ (1,629,480) | \$ 4,196,064 | \$ 3,578,756 | \$ 2,191,391 |
| Adjustments for other revenues, expenses, and transfers | | | | | |
| Increase (decrease) of estimated rebate liability | 50,000 | 200,000 | - | 200,000 | (100,000) |
| Amortization of prepaid interest rate swap expense | 581,725 | 581,725 | 583,318 | 581,725 | 581,725 |
| Adjustments for changes in assets and liabilities | | | | | |
| Decrease (increase) in: | | | | | |
| Investments | (1,247,212) | 1,247,212 | - | - | - |
| Restricted investments | 13,440,503 | (197,005) | (672,720) | (186,514) | 9,005 |
| Accrued interest receivable: | | | | | |
| Loans | (1,131) | (746,591) | 713,254 | (36,622) | 17,406 |
| Interest rate swaps | 13,036 | 145,617 | (316,721) | 174,347 | 924,910 |
| Cash equivalents and investments | 27,424 | (214,790) | (102,563) | (57,212) | 69,081 |
| Prepaid expenses | (14,769) | (88,219) | 39,124 | (7,872) | (25,179) |
| Loans to local governments | (43,164,500) | (32,402,800) | 73,432,500 | 14,676,700 | 76,555,900 |
| Increase (decrease) in: | | | | | |
| Accrued expenses | (32,001) | 26,083 | (11,699) | 9,977 | 33,438 |
| Accrued interest payable: | | | | | |
| Interest rate swaps | (139,934) | 364,920 | 62,479 | (282,923) | 163,887 |
| Bonds | 493,044 | 2,360,120 | 1,296,829 | (2,322,618) | (322,824) |
| Bonds payable | 43,522,361 | 100,433,023 | (46,122,021) | (21,527,624) | 28,654,538 |
| Total adjustments | <u>13,528,546</u> | <u>71,709,295</u> | <u>28,901,780</u> | <u>(8,778,636)</u> | <u>106,561,887</u> |
| Net cash provided by (used in) operating activities | <u>\$ 12,931,604</u> | <u>\$ 70,079,815</u> | <u>\$ 33,097,844</u> | <u>\$ (5,199,880)</u> | <u>\$ 108,753,278</u> |

Source: Calhoun Baker Inc.

FINANCING ACTIVITIES

DelVal accesses the capital markets periodically to fund the Loan Program. DelVal's objective with each issuance is to create a pool of funds with a net cost to DelVal that is comparable to the cost of a weekly variable rate demand bond (a "Weekly VRDB"). If DelVal cannot achieve that cost, it will not issue. The DelVal 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.

DelVal has outstanding issues of: (i) fixed rate bonds, (ii) floating rate bonds indexed to the Secured Overnight Financing Rate ("SOFR") published by the New York Federal Reserve Bank, and 3-Month Term SOFR published by the CME Group Benchmark Administration ("CME"), (iii) Weekly VRDB's, and (iv) daily variable rate demand bonds ("Daily VRDB's"). Twelve DelVal Series in the aggregate par amount of \$1,156,450,000 are currently outstanding:

- 1) \$6,550,000 Local Government Revenue Bonds, 1997 Series C (the "1997 C Series"),
- 2) \$139,800,000 Local Government Revenue Bonds, 1998 Series A (the "1998 A Series"),
- 3) \$125,000,000 Local Government Revenue Bonds, 2002 Series C (the "2002 C Series"),
- 4) \$60,000,000 Local Government Revenue Bonds, 2007 Series A and C (the "2007 A Series" and "2007 C Series", respectively),
- 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) \$80,000,000 Local Government Revenue Bonds, 2022 Series A and C (the "2022 A Series" and "2022 C Series", respectively),
- 9) \$97,000,000 Local Government Revenue Bonds, 2022 Series D and E (the "2022 D Series" and "2022 E Series", respectively),
- 10) \$141,030,000 Local Government Revenue Bonds, 2023 Series A (the "2023 A Series"),
- 11) \$177,070,000 Local Government Revenue Bonds, 2024 Series A and B (the "2024 A Series" and "2024 B Series", respectively), and
- 12) \$200,000,000 Local Government Revenue Bonds, 2025 Series A and B (the "2025 A Series" and "2025 B Series", respectively).

The 1997 C Series, 1998 A Series, and 2002 C 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 ("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. See "COVENANT AGREEMENT" for more information.

All DelVal Series issued since 2007 and all parity debt that may 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.

Below is a summary of the uses of proceeds, ratings, option dates, maturities, mandatory purchase dates, and Letter-of-Credit termination dates of the DelVal Series that are currently outstanding.

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DeIVal Series Outstanding as of December 31, 2025

| Series | Par | Over | Total | Debt Service | Funding to | Ratings | | Option | Purchase or | Termination | Maturity | Basis |
|-------------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|------------|----------|-----------|------------------|---------------------|----------|--------------|
| | Amount | Collateralization | Funding | Reserve Fund (1) (3) | Originate Loans | Moody's | S&P | Date (2) | Remarketing Date | of Letter of Credit | Date | Rate |
| Indenture Series | | | | | | | | | | | | |
| 1997 C Series | \$ 6,550,000 | \$ - | \$ 6,550,000 | \$ 655,000 | \$ 5,895,000 | A1 | --- | No option | --- | --- | 1-Jul-27 | 7.75% |
| 1998 A Series | 139,800,000 | - | 139,800,000 | 13,980,000 | 125,820,000 | A1 | --- | No option | --- | --- | 1-Aug-28 | 5.50% |
| 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> | A1 | A+ | No option | --- | --- | 1-Jul-32 | 5.75% |
| Subtotal | <u>271,350,000</u> | <u>28,159,000</u> | <u>299,509,000</u> | <u>27,135,000</u> | <u>272,374,000</u> | | | | | | | |
| Master Series | | | | | | | | | | | | |
| 2007 A Series | 10,000,000 | 59,250 | 10,059,250 | 583,000 | 9,476,250 | A1 | A+ | No option | --- | --- | 1-Jun-37 | 5.50% |
| 2007 C Series | 50,000,000 | - | 50,000,000 | 2,675,000 | 47,325,000 | A1 | A+ | 1-Jun-17 | --- | --- | 1-Jun-37 | 3M Term SOFR |
| 2018 A Series | 10,000,000 | 343,000 | 10,343,000 | 495,000 | 9,848,000 | A1 | A+ | No option | --- | --- | 1-Sep-33 | 5.00% |
| 2020 D Series | 75,000,000 | 7,538,000 | 82,538,000 | 3,280,000 | 79,258,000 | A1/VMIG 1 | AA+/A-1 | Any date | Weekly | 1-Dec-28 | 1-Nov-55 | Weekly rate |
| 2021 A Series | 45,000,000 | 1,940,000 | 46,940,000 | 1,731,000 | 45,209,000 | A1 | A+ | No option | --- | --- | 1-Oct-29 | 2.00% |
| 2022 A Series | 5,000,000 | 50,000 | 5,050,000 | 216,000 | 4,834,000 | A1 | A+ | No option | --- | --- | 1-Mar-30 | 5.00% |
| 2022 C Series | 75,000,000 | - | 75,000,000 | 3,117,000 | 71,883,000 | A1 | A+ | 1-Mar-26 | 1-Mar-27 | --- | 1-Mar-57 | SOFR Index |
| 2022 D Series a | 20,000,000 | - | 20,000,000 | 800,000 | 19,200,000 | A1 | A+ | No option | --- | --- | 1-Mar-29 | 4.00% |
| 2022 D Series b | 2,000,000 | - | 2,000,000 | 82,000 | 1,918,000 | A1 | A+ | No option | --- | --- | 1-Mar-29 | 5.00% |
| 2022 E Series | 75,000,000 | - | 75,000,000 | 3,225,000 | 71,775,000 | A1/VMIG 1 | AA+/A-1 | Any date | Weekly | 14-Jul-27 | 1-Mar-52 | Weekly rate |
| 2023 A Series a | 50,000,000 | 3,693,843 | 53,693,843 | 2,303,000 | 51,390,843 | A1 | A+ | 1-Sep-32 | --- | --- | 1-Mar-33 | 4.00% |
| 2023 A Series b | 41,030,000 | 2,499,833 | 43,529,833 | 1,949,000 | 41,580,833 | A1 | A+ | 1-Sep-33 | --- | --- | 1-Mar-34 | 4.00% |
| 2023 A Series c | 50,000,000 | 2,445,324 | 52,445,324 | 2,446,000 | 49,999,324 | A1 | A+ | 1-Sep-34 | --- | --- | 1-Mar-35 | 4.00% |
| 2024 A Series a | 15,000,000 | 707,135 | 15,707,135 | 702,000 | 15,005,135 | A1 | A+ | No option | --- | --- | 1-Sep-33 | 4.00% |
| 2024 A Series b | 27,070,000 | 1,276,338 | 28,346,338 | 1,305,000 | 27,041,338 | A1 | A+ | No option | --- | --- | 1-Sep-34 | 4.00% |
| 2024 A Series c | 30,000,000 | 1,281,527 | 31,281,527 | 1,489,000 | 29,792,527 | A1 | A+ | 1-Sep-34 | --- | --- | 1-Sep-35 | 4.00% |
| 2024 B Series | 105,000,000 | - | 105,000,000 | 7,868,000 | 97,132,000 | A1/VMIG 1 | AA+/A-1 | Any date | Daily | 4-Sep-29 | 1-Sep-59 | Daily rate |
| 2025 A Series a | 25,000,000 | 505,000 | 25,505,000 | 1,286,000 | 24,219,000 | A1 | A+ | Any date | --- | --- | 1-Dec-36 | 4.00% |
| 2025 A Series b | 10,000,000 | 165,000 | 10,165,000 | 529,000 | 9,636,000 | A1 | A+ | Any date | --- | --- | 1-Dec-37 | 4.00% |
| 2025 A Series c | 25,000,000 | 301,000 | 25,301,000 | 1,357,000 | 23,944,000 | A1 | A+ | Any date | --- | --- | 1-Dec-38 | 4.00% |
| 2025 B Series | <u>140,000,000</u> | <u>-</u> | <u>140,000,000</u> | <u>9,749,000</u> | <u>130,251,000</u> | Aa2/VMIG 1 | AA+/A-1+ | Any date | Weekly | 1-Dec-30 | 1-Dec-60 | Weekly rate |
| Subtotal | <u>885,100,000</u> | <u>22,805,250</u> | <u>907,905,250</u> | <u>47,187,000</u> | <u>860,718,250</u> | | | | | | | |
| Total | <u>\$ 1,156,450,000</u> | <u>\$ 50,964,250</u> | <u>\$ 1,207,414,250</u> | <u>\$ 74,322,000</u> | <u>\$ 1,133,092,250</u> | | | | | | | |

(1) The Debt Service Reserve Funds are the least of: (i) 10% of the par amount, (ii) the maximum annual debt service payment, and (iii) 125% of average annual debt service.

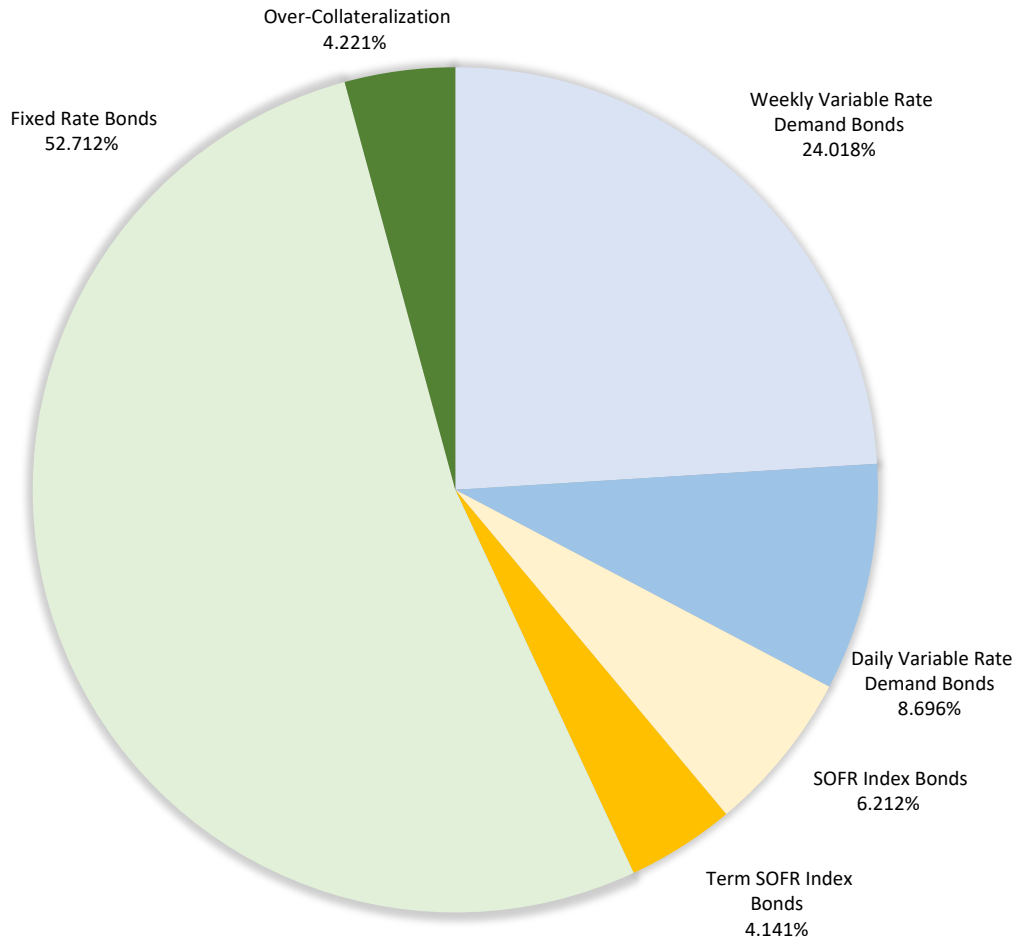
(2) Options can be exercised at a price of 100% of the principal amount, plus accrued interest. Exercise of the option to redeem or remarket requires 15 to 30 days of notice to Bondholders.

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

Source: Calhoun Baker Inc.

A chart of the composition of the funding is shown below.

Composition of the Funding of the DeVal Loan Program as of December 31, 2025



Source: Calhoun Baker Inc.

All DeVal Series are subject to Extraordinary Mandatory Redemption under certain circumstances. The principal reasons for an Extraordinary Mandatory Redemption would be the inability of DeVal to lend proceeds or the necessity to comply with Treasury regulations. DeVal extraordinarily redeemed all \$1,660,000 of the outstanding Local Government Revenue Bonds, 1997 B Series (the “1997 B Series”) and \$3,450,000 of the 1997 C Series on July 1, 2025, and DeVal extraordinarily redeemed \$40,085,000 of the 1998 A Series on August 1, 2025. See “EXTRAORDINARY MANDATORY REDEMPTIONS OF THE 1997 SERIES AND 1998 SERIES” for more information.

The 1997 C Series, 1998 A Series, 2002 C Series, 2007 A Series, 2018 A Series, 2021 A Series, 2022 A Series, 2022 D Series, and 2025 A Series are all fixed rate bonds that are not subject to optional redemption. The 2023 A 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 DeVal Series are rated “A1” by Moody’s with a stable outlook. The 1997 C Series and 1998 A 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 DeVal 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” with a stable outlook by Moody’s and “A+” with a stable outlook by S&P.

DelVal optionally redeemed the \$50,000,000 Local Government Revenue Bonds, 2007 Series B (the “2007 B Series”) on December 17, 2025, with: (i) proceeds from the acquisition of Loans from the 2007 B Series with proceeds of the 2025 A and B Series and (ii) other available funds. The 2007 B Series was remarketed as a Weekly VRDB, secured by a Letter-of-credit issued by PNC Bank, National Association.

The \$75 million 2020 D Series and \$75 million 2022 E Series are remarketed by TD Securities (USA) LLC (“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, originally scheduled to terminate on June 1, 2026, was amended as of December 1, 2025, and the scheduled termination date was extended to December 1, 2028. 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. The 2020 D Series, 2022 E Series, and 2024 B Series are rated “A1/VMIG 1” by Moody’s and “AA+/A-1” by S&P. The short-term ratings are based solely on TD Bank’s short-term ratings. The Moody’s long-term ratings are based solely on TD Bank’s long-term rating. The S&P long-term ratings are based on the joint probability of a default by both DelVal and TD Bank.

The \$140 million 2025 B Series is remarketed by BofA Securities, Inc. (“BofA Securities”) as a Weekly VRDB, secured by a letter-of-credit issued by Bank of America, National Association (the “BANA LOC”). The BANA LOC is scheduled to terminate on December 1, 2030. The 2025 B Series is rated “AA+/A-1+” by S&P and “Aa2/VMIG 1” by Moody’s. The short-term ratings were all based solely on Bank of America’s short-term ratings. The long-term rating of Moody’s is also based solely on the long-term ratings of Bank of America. The S&P long-term rating was based on the joint probability of a default by both DelVal and Bank of America.

DelVal optionally redeemed the \$75,000,000 Local Government Revenue Bonds, 2022 Series B (the “2022 B Series”) on December 17, 2025, with: (i) proceeds from the acquisition of Loans from the 2022 B Series with proceeds from the 2025 A and B Series and (ii) other available funds. The interest rates on the 2022 B Series were set at spreads to the SIFMA Index, adjusted and payable monthly.

The 2022 C Series are floating rate bonds with rates are set at spreads to 67% of weighted average SOFR, payable monthly. The 2022 C Series is subject to mandatory purchase on March 1, 2027, and may be optionally redeemed at par on or after March 1, 2026. The 2022 C Series is rated “A1” with a stable outlook by Moody’s and “A+” with a stable outlook by S&P.

The estimated debt service payments of the DelVal Series outstanding on December 31, 2025, are shown on the following page. Interest rates on variable rate debt are assumed to be the levels as of December 31, 2025.

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Estimated Debt Service Payments

| Fiscal Year | 1997 C Series | | 1998 A Series | | 2002 C Series | | Master Series | | Total Debt Service | | |
|----------------|--------------------|--------------------|----------------------|---------------------|----------------------|---------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Total |
| 2026 | \$ - | \$ 507,625 | \$ - | \$ 7,689,000 | \$ - | \$ 7,187,500 | \$ - | \$ 27,320,333 | \$ - | \$ 42,704,458 | \$ 42,704,458 |
| 2027 | 6,550,000 | 507,625 | - | 7,689,000 | - | 7,187,500 | 75,000,000 | 25,834,619 | 81,550,000 | 41,218,744 | 122,768,744 |
| 2028 | - | - | 139,800,000 | 7,689,000 | - | 7,187,500 | - | 25,256,575 | 139,800,000 | 40,133,075 | 179,933,075 |
| 2029 | - | - | - | - | - | 7,187,500 | 67,000,000 | 24,806,575 | 67,000,000 | 31,994,075 | 98,994,075 |
| 2030 | - | - | - | - | - | 7,187,500 | 5,000,000 | 23,331,575 | 5,000,000 | 30,519,075 | 35,519,075 |
| 2031 | - | - | - | - | - | 7,187,500 | - | 23,206,575 | - | 30,394,075 | 30,394,075 |
| 2032 | - | - | - | - | 125,000,000 | 7,187,500 | - | 23,206,575 | 125,000,000 | 30,394,075 | 155,394,075 |
| 2033 | - | - | - | - | - | - | 75,000,000 | 22,206,575 | 75,000,000 | 22,206,575 | 97,206,575 |
| 2034 | - | - | - | - | - | - | 68,100,000 | 19,285,975 | 68,100,000 | 19,285,975 | 87,385,975 |
| 2035 | - | - | - | - | - | - | 80,000,000 | 16,382,575 | 80,000,000 | 16,382,575 | 96,382,575 |
| 2036 | - | - | - | - | - | - | 25,000,000 | 14,182,575 | 25,000,000 | 14,182,575 | 39,182,575 |
| 2037 | - | - | - | - | - | - | 70,000,000 | 12,041,038 | 70,000,000 | 12,041,038 | 82,041,038 |
| 2038 | - | - | - | - | - | - | 25,000,000 | 10,499,500 | 25,000,000 | 10,499,500 | 35,499,500 |
| 2039 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2040 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2041 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2042 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2043 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2044 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2045 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2046 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2047 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2048 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2049 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2050 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2051 | - | - | - | - | - | - | - | 9,499,500 | - | 9,499,500 | 9,499,500 |
| 2052 | - | - | - | - | - | - | 75,000,000 | 8,177,625 | 75,000,000 | 8,177,625 | 83,177,625 |
| 2053 | - | - | - | - | - | - | - | 7,737,000 | - | 7,737,000 | 7,737,000 |
| 2054 | - | - | - | - | - | - | - | 7,737,000 | - | 7,737,000 | 7,737,000 |
| 2055 | - | - | - | - | - | - | 75,000,000 | 7,590,125 | 75,000,000 | 7,590,125 | 82,590,125 |
| 2056 | - | - | - | - | - | - | - | 5,974,500 | - | 5,974,500 | 5,974,500 |
| 2057 | - | - | - | - | - | - | - | 5,974,500 | - | 5,974,500 | 5,974,500 |
| 2058 | - | - | - | - | - | - | - | 5,974,500 | - | 5,974,500 | 5,974,500 |
| 2059 | - | - | - | - | - | - | 105,000,000 | 4,045,125 | 105,000,000 | 4,045,125 | 109,045,125 |
| 2060 | - | - | - | - | - | - | 140,000,000 | 3,402,000 | 140,000,000 | 3,402,000 | 143,402,000 |
| Total | \$6,550,000 | \$1,015,250 | \$139,800,000 | \$23,067,000 | \$125,000,000 | \$50,312,500 | \$885,100,000 | \$447,666,940 | \$1,156,450,000 | \$522,061,690 | \$1,678,511,690 |

Source: Calhoun Baker Inc.

EXTRAORDINARY MANDATORY REDEMPTIONS OF THE 1997 C SERIES AND 1998 A SERIES

The 1997 C Series and 1998 A Series are both insured by Ambac, and Ambac is currently in run-off operations. Under the terms of the 1997 C Series and 1998 A Series indentures and the respective bond insurance policies, Ambac, in its sole discretion, must consent to the use of any proceeds from the 1997 C Series and the 1998 A 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 with proceeds of the 1997 Series or 1998 Series 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 longer maturity dates. The maturity constraints of the 1997 Series and the 1998 Series have made origination or acquisition difficult. The 1997 C Series Indenture and the 1998 A Series Indenture provide that if DelVal does not have a reasonable expectation to use funds that have been deposited in the Recycling Accounts for more than one year, those funds must be used for an Extraordinary Mandatory Redemption.

The DelVal Board of Directors authorized the Extraordinary Mandatory Redemptions of the 1997 B and C Series and 1998 A Series, as required by their respective Indentures, on May 12, 2025. DelVal redeemed all of the outstanding \$1,660,000 1997 B Series and \$3,450,000 of the 1997 C Series on July 1, 2025, and DelVal redeemed \$40,085,000 of the 1998 A Series on August 1, 2025.

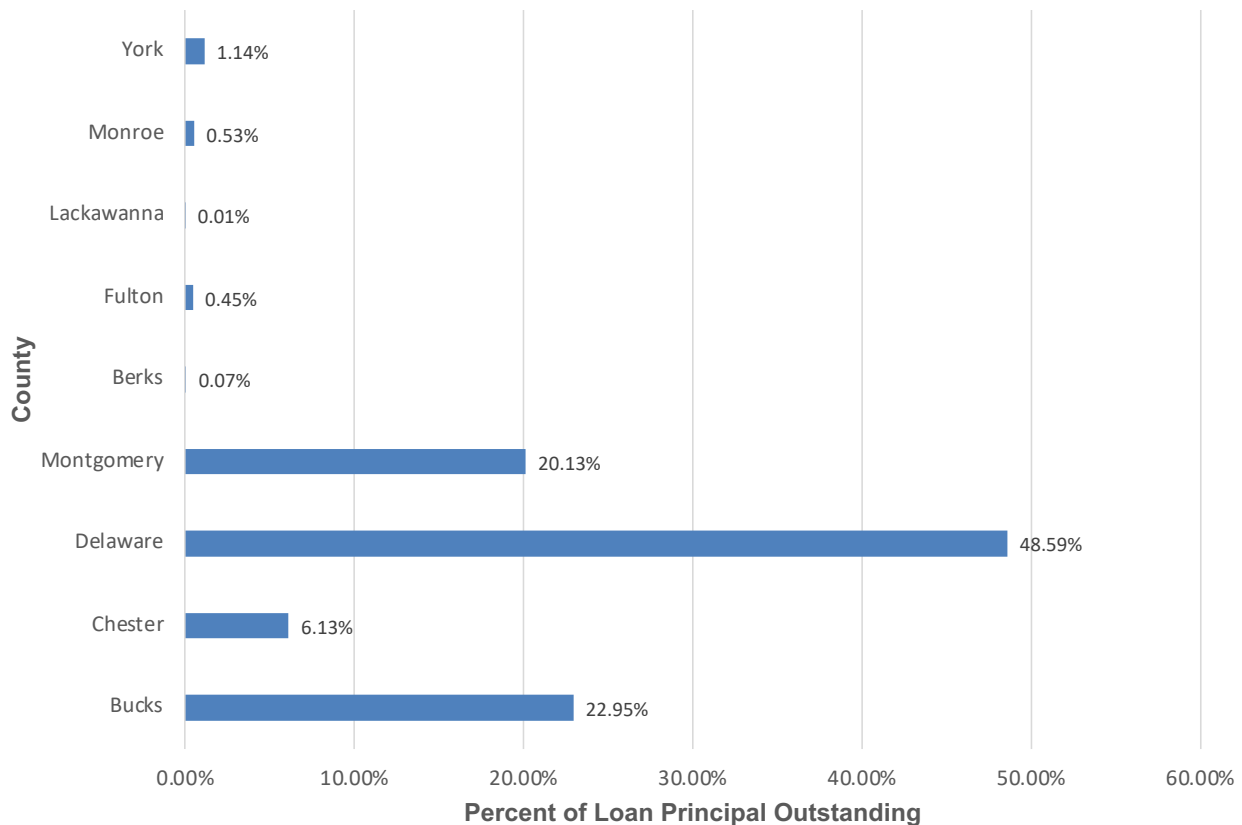
ADDITIONAL EXTRAORDINARY MANDATORY REDEMPTIONS OF THE 1997 C SERIES AND THE 1998 A SERIES THAT REMAIN OUTSTANDING MAY OCCUR IN THE FUTURE; HOWEVER, NO ASSURANCE CAN BE GIVEN AS TO THE AMOUNT, IF ANY, AND THE TIMING OF ANY FUTURE REDEMPTION. THE EXTRAORDINARY MANDATORY REDEMPTION PRICES OF THE 1997 C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

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LOAN PORTFOLIO

DelVal has been most active lending within Bucks, Chester, Delaware, and Montgomery 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, 2025, 221 Loans, in the aggregate principal amount of approximately \$884 million, were outstanding to 98 Participants located in nine different counties. Approximately, 97.80% 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, 2025



Source: Calhoun Baker Inc.

DelVal is the beneficiary of Participant Credit Enhancements issued by Assured Guaranty Inc. (“AG”) and Build America Mutual Company (“BAM”) that secured 13.92% of the Loan principal outstanding as of December 31, 2025. 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.

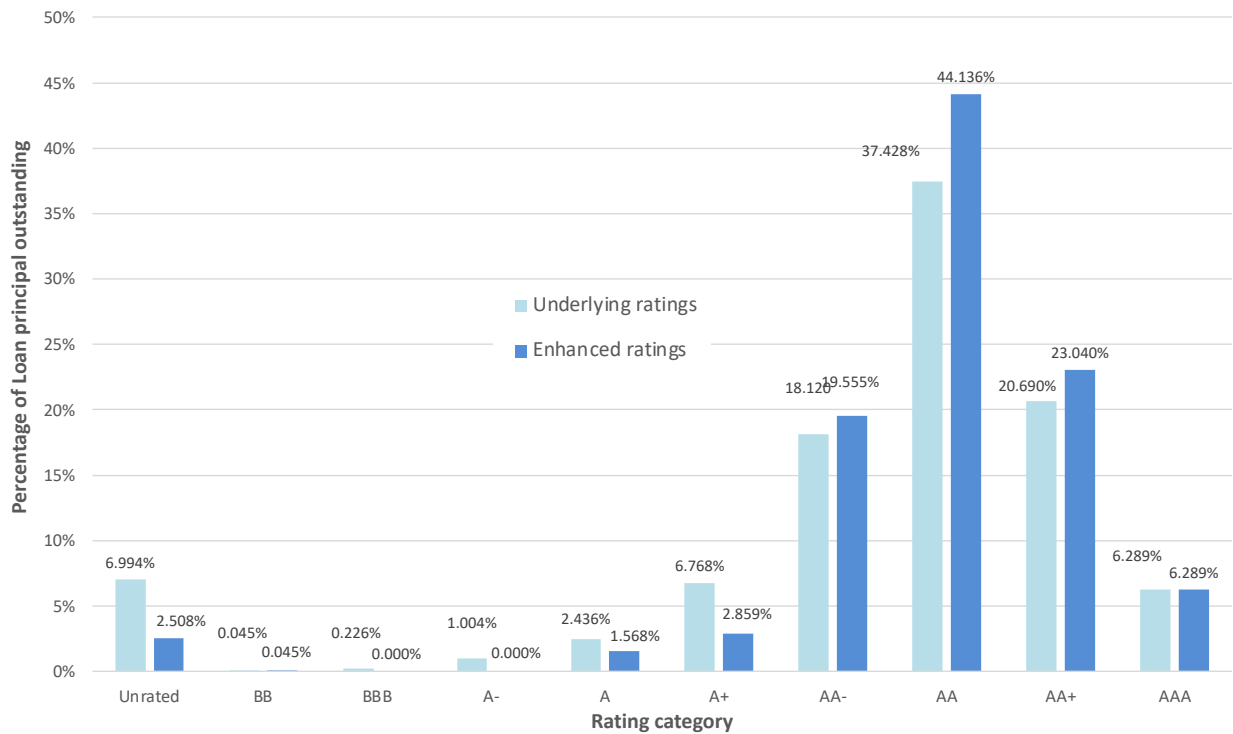
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Loans to school districts benefit from the provisions of the *Public School Code* and the *Debt Act* that authorize an intercept of state funding (the “Intercept”) if any school district fails to make its required debt service payments. The Secretary 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 that is subject to the Intercept.

As of December 31, 2025, approximately 6.994% of the principal of the Loans outstanding was originated to Participants that had no published underlying ratings, and 0.271% of the principal of the Loans outstanding was originated to Participants with published underlying ratings below “A3” or “A-”. Approximately, 82.527% of the Loan principal was originated to Participants with published underlying ratings of “Aa3”, “AA-”, or higher. The median underlying rating was “Aa2/AA”.

As of December 31, 2025, taking into consideration the Participant Credit Enhancements and the Intercept, 2.508% of the Loan principal outstanding was unenhanced and unrated, 0.045% was rated below “A3/A-”, and 93.020% 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, 2025

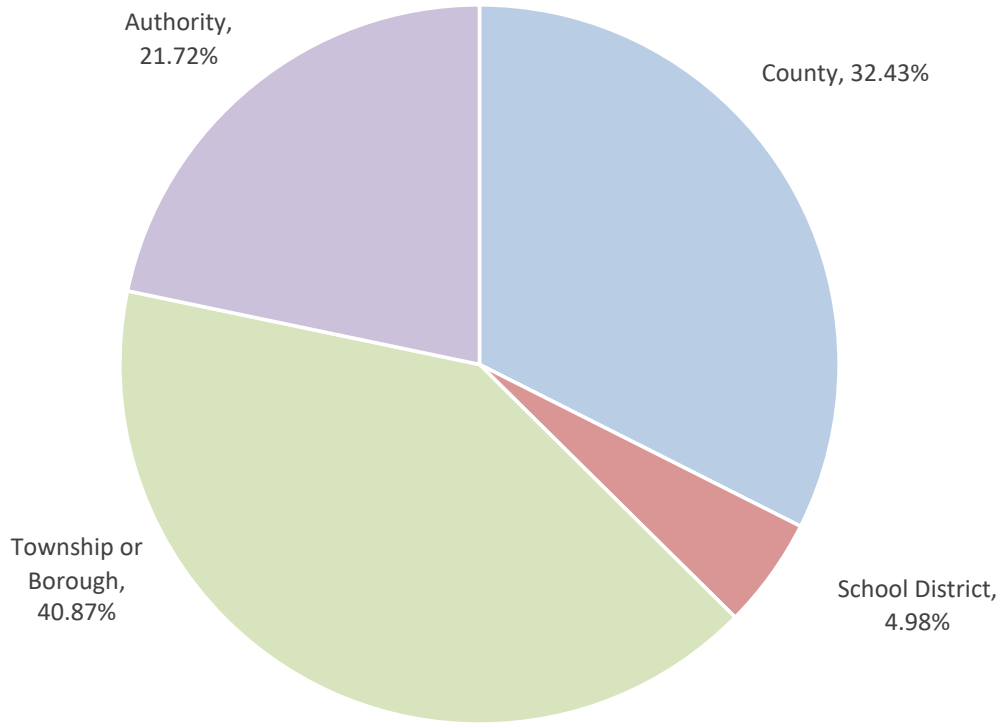


Source: Calhoun Baker Inc.

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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, 2025**



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 of 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, 2025

| <u>Year</u> | <u>1997 Series</u> | <u>1998 Series</u> | <u>2002 Series</u> | <u>Master Series</u> | <u>Total</u> |
|---------------------------------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|
| 2026 | \$ 880,000 | \$ 24,923,000 | \$ 13,115,000 | \$ 49,807,100 | \$ 88,725,100 |
| 2027 | 663,000 | 24,670,000 | 12,237,000 | 48,947,300 | 86,517,300 |
| 2028 | - | 21,338,000 | 12,417,000 | 45,432,600 | 79,187,600 |
| 2029 | - | - | 19,798,000 | 40,316,700 | 60,114,700 |
| 2030 | - | - | 19,941,000 | 41,160,000 | 61,101,000 |
| 2031 | - | - | 13,850,000 | 40,967,000 | 54,817,000 |
| 2032 | - | - | 8,445,000 | 43,665,000 | 52,110,000 |
| 2033 | - | - | - | 46,238,000 | 46,238,000 |
| 2034 | - | - | - | 42,711,000 | 42,711,000 |
| 2035 | - | - | - | 42,483,000 | 42,483,000 |
| 2036 | - | - | - | 39,221,000 | 39,221,000 |
| 2037 | - | - | - | 38,621,000 | 38,621,000 |
| 2038 | - | - | - | 37,481,000 | 37,481,000 |
| 2039 | - | - | - | 32,313,000 | 32,313,000 |
| 2040 | - | - | - | 25,087,000 | 25,087,000 |
| 2041 | - | - | - | 20,850,000 | 20,850,000 |
| 2042 | - | - | - | 17,179,000 | 17,179,000 |
| 2043 | - | - | - | 13,943,000 | 13,943,000 |
| 2044 | - | - | - | 10,723,000 | 10,723,000 |
| 2045 | - | - | - | 8,768,000 | 8,768,000 |
| 2046 | - | - | - | 6,075,000 | 6,075,000 |
| 2047 | - | - | - | 5,854,000 | 5,854,000 |
| 2048 | - | - | - | 2,764,000 | 2,764,000 |
| 2049 | - | - | - | 2,711,000 | 2,711,000 |
| 2050 | - | - | - | 2,673,000 | 2,673,000 |
| 2051 | - | - | - | 2,270,000 | 2,270,000 |
| 2052 | - | - | - | 1,680,000 | 1,680,000 |
| 2053 | - | - | - | 1,326,000 | 1,326,000 |
| 2054 | - | - | - | 179,000 | 179,000 |
| 2055 | - | - | - | 183,000 | 183,000 |
| Total | \$ 1,543,000 | \$ 70,931,000 | \$ 99,803,000 | \$ 711,628,700 | \$ 883,905,700 |
| 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 28.165% of the Loan principal outstanding, and the ten highest comprise 64.901% of the Loan principal outstanding. A complete listing of the Loans outstanding is attached as “EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2025”.

**Ten Participants with the Highest Concentration of Loans
as of December 31, 2025**

| <u>No.</u> | <u>Borrower</u> | <u>County</u> | <u>Participant or Guarantor Ratings</u> | | <u>Total Outstanding 31-Dec-25</u> | <u>Insured (1) Loan Principal</u> | <u>Concentration</u> | |
|------------|---|---------------|---|----------------|------------------------------------|-----------------------------------|----------------------|-------------------|
| | | | <u>Moody's</u> | <u>S&P</u> | | | <u>Borrower</u> | <u>Cumulative</u> |
| 1 | Delaware County | Delaware | Aa2 | AA+ | \$ 248,954,000 | \$ - | 28.165% | 28.165% |
| 2 | Bristol Township | Bucks | Aa3 | --- | 54,240,000 | - | 6.136% | 34.302% |
| 3 | Bucks County Water and Sewer Authority | Bucks | --- | A+ | 48,341,000 | 48,341,000 | 5.469% | 39.771% |
| 4 | Upper Dublin Township | Montgomery | Aa2 | --- | 43,461,000 | - | 4.917% | 44.688% |
| 5 | Bucks County | Bucks | Aa1 | AAA | 37,497,700 | - | 4.242% | 48.930% |
| 6 | Delaware County Solid Waste Authority | Delaware | Aa2 | AA+ | 37,125,000 | 620,000 | 4.200% | 53.130% |
| 7 | Lower Perkiomen Valley Regional Sewer Authority | Montgomery | --- | AA- | 36,241,000 | - | 4.100% | 57.230% |
| 8 | Aston Township | Delaware | --- | AA- | 23,417,000 | - | 2.649% | 59.879% |
| 9 | Hatfield Township | Montgomery | --- | AA | 22,916,000 | - | 2.593% | 62.472% |
| 10 | Marple Township | Delaware | --- | AA | 21,472,000 | - | 2.429% | 64.901% |

(1) 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 DeVal Series. Under the terms of the Covenant Agreement, DeVal 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 DeVal Series and Loans are shown at their par amounts. The Recycling Funds, the funds held by DeVal to originate new Loans, are over-collateralized by approximately \$51.0 million. The fair market values of DeVal’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>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|----------------------|-----------------------|----------------------|----------------------|----------------------|
| <i>Assets</i> | | | | | |
| Cash and cash equivalents | \$ 52,947,186 | \$ 121,111,001 | \$ 158,507,845 | \$ 155,545,465 | \$ 262,762,243 |
| Restricted cash and cash equivalents | 55,706,000 | 57,622,000 | 53,323,000 | 51,085,500 | 52,622,000 |
| Investments | 1,247,212 | - | - | - | - |
| Restricted investments | 20,696,575 | 20,893,580 | 21,566,300 | 21,752,814 | 21,743,809 |
| Loan interest receivable | 340,788 | 1,087,379 | 374,125 | 410,747 | 393,341 |
| Interest rate swaps receivable | 5,154,005 | 5,964,041 | 5,901,607 | 5,728,853 | 4,803,943 |
| Investment earnings receivable | 40,896 | 255,686 | 358,249 | 415,461 | 346,380 |
| Prepaid expenses | 92,733 | 180,952 | 141,828 | 149,700 | 174,879 |
| Loans to local governments | <u>1,016,168,000</u> | <u>1,048,570,800</u> | <u>975,138,300</u> | <u>960,461,600</u> | <u>883,905,700</u> |
| Total assets | <u>1,152,393,395</u> | <u>1,255,685,439</u> | <u>1,215,311,254</u> | <u>1,195,550,140</u> | <u>1,226,752,295</u> |
| <i>Liabilities and Deductions</i> | | | | | |
| Accrued expenses | 11,472 | 37,555 | 25,856 | 35,833 | 69,271 |
| Estimated rebate liability | 200,000 | 400,000 | 400,000 | 600,000 | 500,000 |
| Interest rate swaps payable | 43,844 | 1,364,417 | 1,049,334 | 766,411 | 930,298 |
| Bond interest payable | 11,295,759 | 13,287,699 | 14,037,942 | 13,070,560 | 12,558,112 |
| Bonds payable | <u>1,098,000,000</u> | <u>1,200,000,000</u> | <u>1,149,380,000</u> | <u>1,126,645,000</u> | <u>1,156,450,000</u> |
| Total liabilities | <u>1,109,551,075</u> | <u>1,215,089,671</u> | <u>1,164,893,132</u> | <u>1,141,117,804</u> | <u>1,170,507,681</u> |
| <i>Excess Funds</i> | <u>\$ 42,842,320</u> | <u>\$ 40,595,768</u> | <u>\$ 50,418,122</u> | <u>\$ 54,432,336</u> | <u>\$ 56,244,614</u> |
| <i>Fair Market Value of Interest Rate Swap Transactions*</i> | | | | | |
| | <u>\$ 99,334,725</u> | <u>\$ 130,802,459</u> | <u>\$ 95,496,833</u> | <u>\$ 93,885,802</u> | <u>\$ 73,856,474</u> |

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

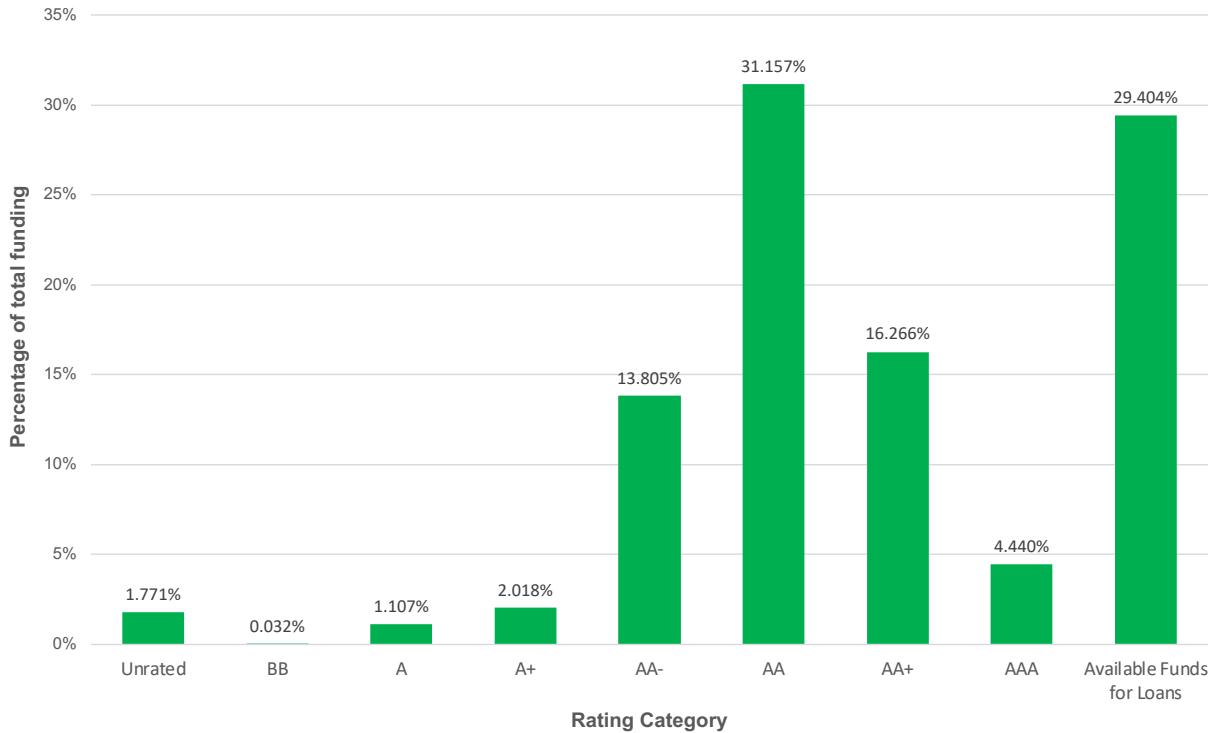
Source: Calhoun Baker Inc.

The Covenant Agreement requires the Participant (or its Guarantor or Surety Provider) 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 and unrated Loans outstanding plus the principal amounts of Loans to Participants (or their Guarantors or Surety Providers) 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, Guarantor, or Surety Provider 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, Guarantor, or Surety Provider.

Below is a chart that shows the Ratings Test as of December 31, 2025. The chart shows the percentage of the Loan principal outstanding in each rating category. Approximately 1.803% 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 or to redeem bonds.

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Covenant Agreement Ratings Test of the Loan Portfolio as of December 31, 2025



Source: Calhoun Baker Inc.

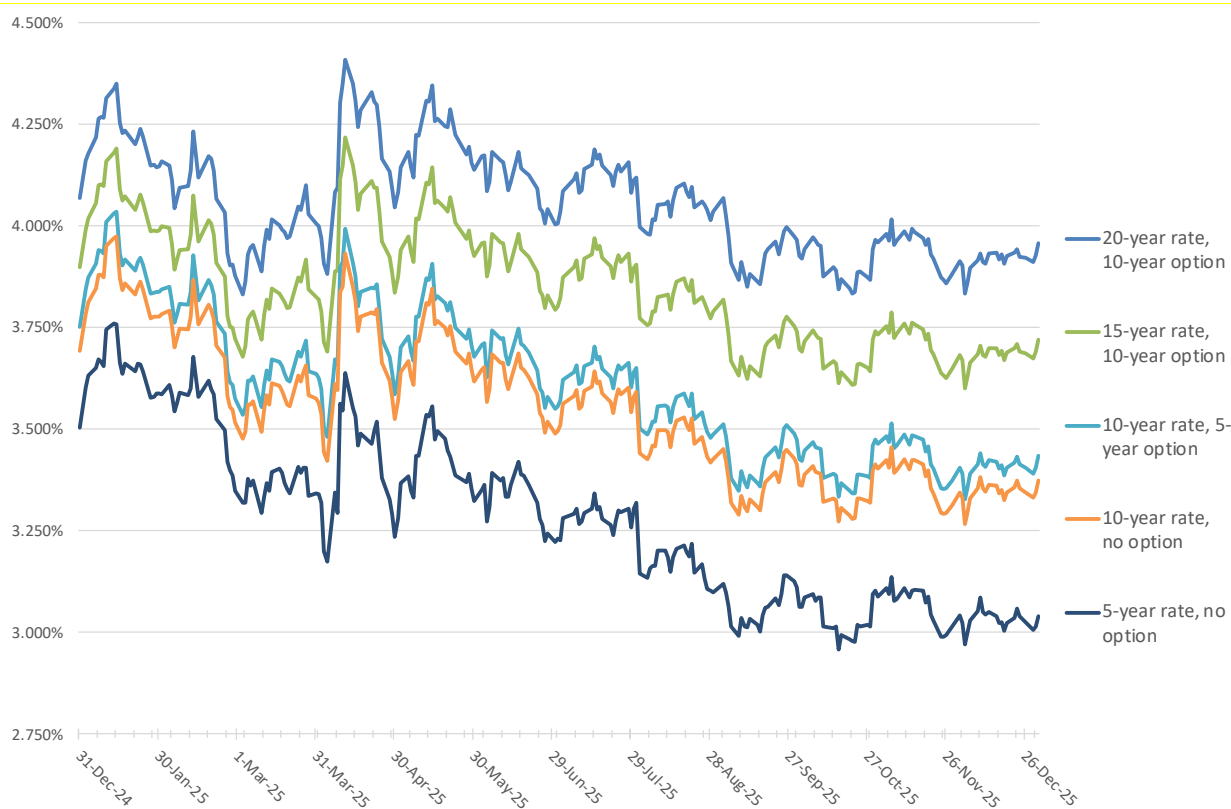
Generally, the Administrator requires a published rating at or above the Rating Threshold or a Participant Credit Enhancement for any new Loan of \$1 million or more, even if the Ratings Test is satisfied. DeVal does not normally require a rating or Participant Credit Enhancement for a Loan less than \$1 million or for a Loan that will be repaid from grant reimbursements if the Ratings Test is satisfied and the credit is approved by the Administrator.

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ECONOMICS OF THE LOAN PROGRAM

The DeIVal Loan Program has been successful due to the low cost of funds and the flexibility of the Loan Program. DeIVal utilizes interest rate swap transactions to hedge its risk of providing fixed rate Loans. This ability to hedge allows DeIVal 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 DeIVal fixed rates for level-debt amortization over the past year is shown below.

**Trend of DeIVal Loan Rates with a Level Debt Amortization
for the Year Ended December 31, 2025**



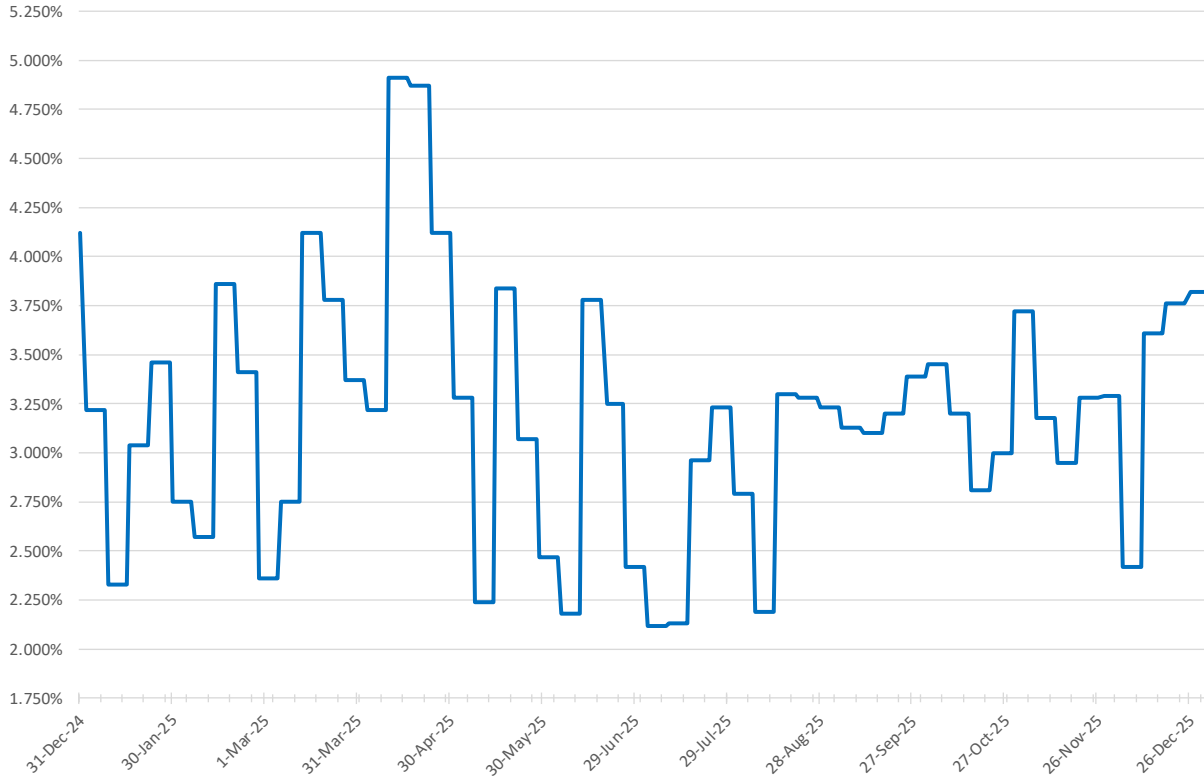
| <u>Loan Option</u> | <u>Average in 2025</u> | <u>Rate as of 31-Dec-25</u> |
|------------------------------|----------------------------|---------------------------------|
| 20-year rate, 10-year option | 4.05% | 3.96% |
| 15-year rate, 10-year option | 3.85% | 3.72% |
| 10-year rate, 5-year option | 3.61% | 3.44% |
| 10-year rate, no option | 3.55% | 3.37% |
| 5-year rate, no option | 3.28% | 3.04% |

Source: Calhoun Baker Inc.

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The DelVal Loan variable rate is linked to the SIFMA Index. In normal markets, the variable rate is the lowest of the Loan rates. 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. The variable rate has been extremely volatile since 2023. As of December 31, 2025, 2.62% of the Loan principal outstanding was variable rate. Most of these Loans were essentially grant anticipation notes that will be prepaid when reimbursements from grants are received. A chart of the trend of the variable rate in 2025 is shown below.

Trend of the DelVal Variable Loan Rate for the Year Ended December 31, 2025



Average variable rate for the past year: 3.18%
 Variable rate as of December 31, 2025: 3.82%

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 does not consider the additional costs of issuance that the bond issuers would pay to issue refunding bonds, approximately 1.5% 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. The DeVal advantage throughout this period is due to both the lower costs of issuance and lower interest rates.

**Comparison of Bond Issues Sold in DeVal’s Market Area to
DeVal Loans on the Date of the Sale for the Years Ended December 31**

| <u>Bond issues in the Market Area*</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|-------------------|---------------------|-------------------|-------------------|---------------------|
| Total par amount | \$ 2,972,060,000 | \$ 1,884,440,000 | \$ 1,690,620,000 | \$ 2,358,560,000 | \$ 2,900,965,000 |
| Number of issues | 194 | 95 | 95 | 132 | 130 |
| Average par amount | \$ 15,319,897 | \$ 19,836,211 | \$ 17,796,000 | \$ 17,867,879 | \$ 22,315,115 |
| Weighted average rating | AA | AA | AA | AA | AA |
| Weighted average maturity (years) | 12.39 | 14.74 | 14.60 | 14.48 | 15.03 |
| Costs of issuance (% of par amount)** | | | | | |
| Bond issues | 1.538% | 1.442% | 1.564% | 1.557% | 1.482% |
| Comparable DeVal Loans*** | <u>0.657%</u> | <u>0.652%</u> | <u>0.639%</u> | <u>0.619%</u> | <u>0.623%</u> |
| Over comparable DeVal Loan | 0.881% | 0.790% | 0.925% | 0.938% | 0.859% |
| All-In True Interest Cost** | | | | | |
| Bond issues | 2.372% | 3.750% | 4.434% | 4.228% | 4.564% |
| Comparable DeVal Loans*** | <u>2.004%</u> | <u>3.263%</u> | <u>4.130%</u> | <u>4.026%</u> | <u>4.333%</u> |
| Over comparable DeVal Loan | 0.368% | 0.487% | 0.304% | 0.202% | 0.231% |
| Average debt service costs** | | | | | |
| Bond issues | \$ 21,418,197 | \$ 31,892,269 | \$ 29,970,768 | \$ 29,764,793 | \$ 38,351,739 |
| Comparable DeVal Loans*** | <u>20,609,115</u> | <u>30,274,900</u> | <u>29,046,784</u> | <u>28,998,703</u> | <u>37,164,113</u> |
| Over comparable DeVal Loan | <u>\$ 809,082</u> | <u>\$ 1,617,369</u> | <u>\$ 923,985</u> | <u>\$ 766,090</u> | <u>\$ 1,187,626</u> |

* Some official statements may have been missed inadvertently.

**Weighted averages.

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

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

Source: Calhoun Baker Inc.

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Bonds rated in the “AA” categories constituted approximately 89% of the number and 87% of the par amount of the bond issues sold in the Market Area for the year ended December 31, 2025. A pro forma comparison of the All-In TIC of a 20-year level debt structure with a 10-year option for the past year of a DelVal Loan and the average of all “AA” rated bond issues sold in the Market Area (the “Average “AA” Bond”), is shown in the chart below. The Average “AA” Bond is based on actual sales of bonds in the Market Area 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 DelVal Loan includes a 10-year option and is based on actual end-of-day rates and costs of issuance.

Pro Forma Comparison of the All-In True Interest Costs of the Average “AA” Bond Issue in the Market Area with a DelVal Loan for a 20-Year Level Debt Amortization for the Year Ended December 31, 2025



*Based on actual weighted average spreads to "AAA" indices and actual issuance costs.

**Based on actual rates and issuance costs.

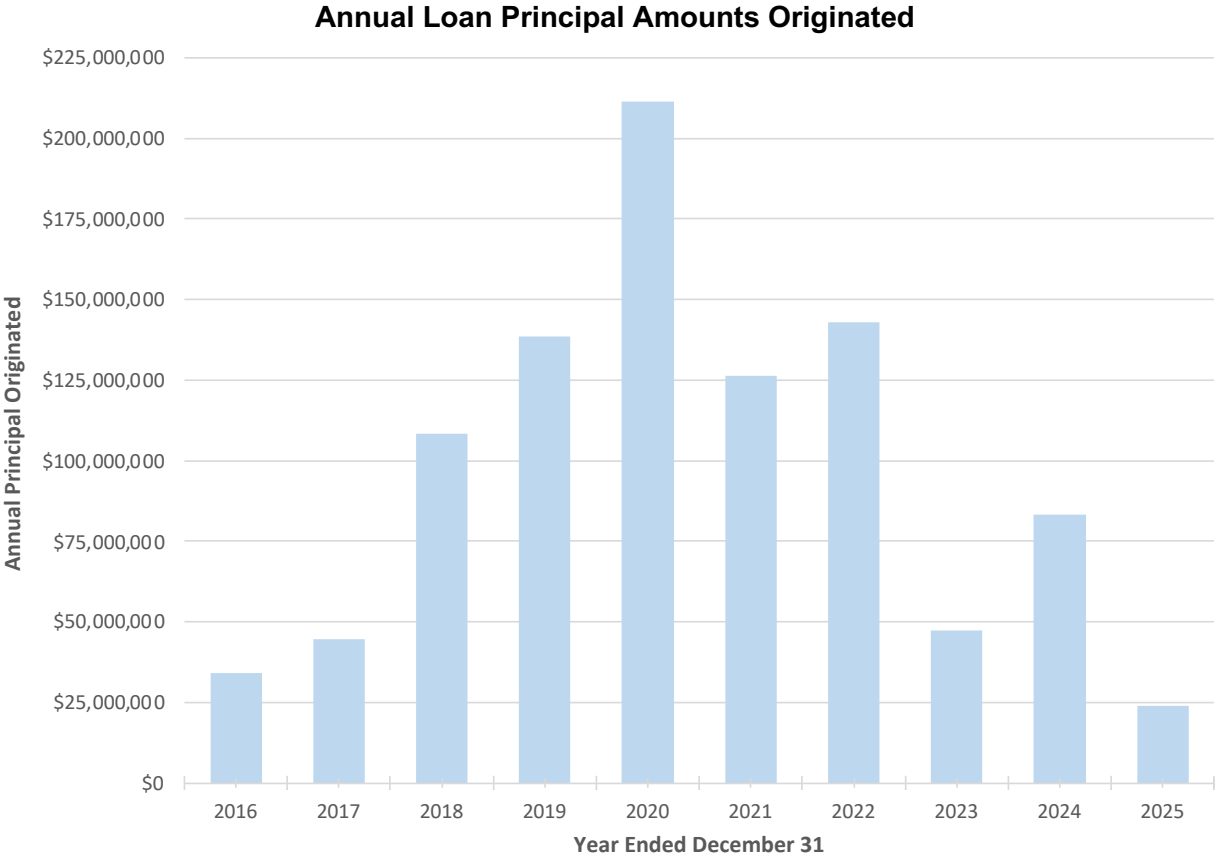
Past results are not a predictor of future spreads and costs.

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 2016 to 2025. 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 DeIVal 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 outbreak and the Federal Reserve Bank’s quantitative easing program to restore liquidity to the repurchase agreement, leveraged loan, and collateralized loan markets. Origination declined sharply beginning in 2023 due to: (i) inflation that increased construction and acquisition costs, (ii) higher interest rates, and (iii) the availability of grants from the \$2.2 trillion *Coronavirus Aid, Relief and Economic Security Act* (“*CARES*”) and the \$1.9 trillion *American Rescue Plan Act* (“*ARPA*”).



Source: Calhoun Baker Inc.

Loan origination has averaged approximately \$96 million per year over the past decade. Historically, origination has averaged approximately \$102 million per year. Origination has fluctuated from year-to-year due to economic conditions and the availability of funds for new Loans.

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During the year ending December 31, 2025, DelVal originated eight Loans with an aggregate principal amount of approximately \$24 million. As of December 31, 2025, one additional Loan was in process to close.

Loans Originated and in Process for the Year Ending December 31, 2025

| <u>No.</u> | <u>Participant</u> | <u>County</u> | <u>Underlying or Guarantor Rating</u> | | <u>Amount</u> | <u>Closing</u> |
|------------|---|---------------|---|----------------|-----------------------------|----------------|
| | | | <u>Moody's</u> | <u>S&P</u> | | |
| 1 | Brookhaven Borough | Delaware | --- | AA- | \$ 1,000,000 | 6-Feb-25 |
| 2 | Upper Dublin Township | Montgomery | Aa2 | --- | 11,400,000 | 11-Apr-25 |
| 3 | Chadds Ford Township Sewer Authority | Delaware | --- | --- | 300,000 | 17-Apr-25 |
| 4 | Morrisville Borough | Bucks | --- | AA | 1,625,000 | 16-May-25 |
| 5 | Chalfont Borough | Bucks | --- | --- | 350,000 | 13-Jun-25 |
| 6 | Marlborough Township | Montgomery | --- | --- | 4,228,000 | 10-Nov-25 |
| 7 | Aston Ambulance Authority | Delaware | --- | AA- | 2,000,000 | 18-Nov-25 |
| 8 | Aston Township | Delaware | --- | AA- | <u>3,000,000</u> | 19-Dec-25 |
| | Loans closed in 2025 | | | | 23,903,000 | |
| 9 | Upper Providence Township | Delaware | --- | AA | <u>5,000,000</u> | 11-Feb-26 |
| | Total closed and in process | | | | <u><u>\$ 28,903,000</u></u> | |

Source: Calhoun Baker Inc.

The Administrator annually conducts surveillance interviews with the Participants to discuss market conditions, the option provisions of their Loans, their obligations under their Participant Continuing Disclosure Agreements, and their capital improvement programs. As of December 31, 2025, the Administrator interviewed 44 Participants who account for 91.65% of the outstanding Loan principal. The Participants who were interviewed project capital expenditures of more than \$200 million in 2026 and 2027. Based on the experience of the Loan Program, some of these expenditures may be delayed to following years, some of these expenditures may be partially funded with grants, and some Participants may choose to finance with public bond issues or bank loans.

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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, 2025.

- 1) Financing Plan: New DelVal Series are issued to permit DelVal to originate new Loans over the next decade. The DelVal Series are redeemed on their maturity or mandatory purchase dates.
- 2) Scheduled Maturities: DelVal Series are repaid on their respective maturity or mandatory purchase dates. New DelVal Series are not issued; and new Loans are originated consistent with the scheduled maturities and mandatory purchase dates 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. 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 has averaged approximately 2.681% for the year ending December 31, 2025. For these scenarios, the SIFMA Index is assumed to average 2.35% in 2026. The average SIFMA Index is assumed to change in straight line increments from 2026 to 2035 and to remain constant thereafter. 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, but coverage is robust under all permutations of the three scenarios. The projections show that coverage of debt service is not sensitive to changes in the interest rate assumptions. The coverage results reflect that: (i) the Loan Program is over-collateralized by approximately \$51 million, (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 Indenture and the Covenant Agreement. If sufficient funds would not be available for principal repayments of a DelVal Series after origination of a new Loan, the new Loan would not be originated.

The principal circumstances under which coverage would be inadequate would be: (i) a cataclysmic market failure that would cause DelVal's swap or investment counterparties to default on their obligations for a prolonged period or (ii) a cataclysmic economic disruption in Pennsylvania that would cause a large number of Participants to 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 rises to 3.00% in 2035. 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.

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**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 | | Coverage Percentage if SIFMA Index in 2035 Equals: | | | |
|-------|----------------------------------|--------------------|----------------------|---------------|------------------|------------------|------------------|----------------------------------|---------------------|--|-------|-------|--|
| | Revenue Fund (1) | Recycling Fund (2) | Debt Service Reserve | Total | Principal | Interest (3) | Total | Amount in Excess of Debt Service | Coverage Percentage | 1.50% | 5.00% | 8.00% | |
| | | | | | | | | | | | | | |
| 2026 | \$45,940,438 | \$337,911,650 | \$74,322,000 | \$458,174,088 | \$ - | \$ 44,007,750 | \$ 44,007,750 | \$414,166,338 | 1041% | 1041% | 1041% | 1041% | |
| 2027 | 45,087,747 | 398,963,950 | 74,322,000 | 518,373,697 | 81,550,000 | 42,691,181 | 124,241,181 | 394,132,516 | 417% | 419% | 415% | 411% | |
| 2028 | 44,533,271 | 379,590,550 | 75,550,000 | 499,673,821 | 139,800,000 | 44,788,200 | 184,588,200 | 315,085,621 | 271% | 272% | 269% | 266% | |
| 2029 | 39,829,869 | 297,936,250 | 66,570,000 | 404,336,119 | 67,000,000 | 39,988,450 | 106,988,450 | 297,347,669 | 378% | 386% | 368% | 354% | |
| 2030 | 42,900,109 | 283,693,250 | 68,957,000 | 395,550,359 | 5,000,000 | 41,996,700 | 46,996,700 | 348,553,659 | 842% | 927% | 752% | 652% | |
| 2031 | 46,918,736 | 327,923,250 | 73,741,000 | 448,582,986 | - | 42,408,950 | 42,408,950 | 406,174,036 | 1058% | 1217% | 906% | 752% | |
| 2032 | 50,371,486 | 379,551,250 | 78,741,000 | 508,663,736 | 125,000,000 | 49,270,200 | 174,270,200 | 334,393,536 | 292% | 302% | 280% | 264% | |
| 2033 | 47,508,001 | 318,301,250 | 71,241,000 | 437,050,251 | 75,000,000 | 44,997,950 | 119,997,950 | 317,052,301 | 364% | 393% | 334% | 300% | |
| 2034 | 47,541,433 | 205,294,548 | 72,643,702 | 325,479,683 | 68,100,000 | 46,136,600 | 114,236,600 | 211,243,083 | 285% | 312% | 258% | 230% | |
| 2035 | 45,799,542 | 137,773,326 | 69,381,924 | 252,954,793 | 80,000,000 | 44,083,700 | 124,083,700 | 128,871,093 | 204% | 219% | 189% | 173% | |
| 2036 | 43,123,118 | 136,400,250 | 65,552,000 | 245,075,368 | 25,000,000 | 41,883,700 | 66,883,700 | 178,191,668 | 366% | 457% | 299% | 245% | |
| 2037 | 41,243,151 | 139,612,917 | 64,230,333 | 245,086,401 | 70,000,000 | 39,647,350 | 109,647,350 | 135,439,051 | 224% | 245% | 203% | 183% | |
| 2038 | 39,565,919 | 140,976,583 | 60,443,667 | 240,986,169 | 25,000,000 | 38,011,000 | 63,011,000 | 177,975,169 | 382% | 480% | 311% | 253% | |
| 2039 | 39,194,359 | 139,987,250 | 59,122,000 | 238,303,609 | - | 37,011,000 | 37,011,000 | 201,292,609 | 644% | 1073% | 444% | 323% | |
| 2040 | 39,192,287 | 137,905,250 | 59,122,000 | 236,219,537 | - | 37,011,000 | 37,011,000 | 199,208,537 | 638% | 1063% | 440% | 320% | |
| 2041 | 39,243,273 | 138,896,250 | 59,122,000 | 237,261,523 | - | 37,011,000 | 37,011,000 | 200,250,523 | 641% | 1068% | 442% | 322% | |
| 2042 | 39,072,440 | 140,662,250 | 59,122,000 | 238,856,690 | - | 37,011,000 | 37,011,000 | 201,845,690 | 645% | 1076% | 445% | 323% | |
| 2043 | 39,124,883 | 143,105,250 | 59,122,000 | 241,352,133 | - | 37,011,000 | 37,011,000 | 204,341,133 | 652% | 1088% | 449% | 326% | |
| 2044 | 39,177,607 | 145,834,250 | 59,122,000 | 244,133,857 | - | 37,011,000 | 37,011,000 | 207,122,857 | 660% | 1102% | 454% | 329% | |
| 2045 | 39,231,894 | 150,121,250 | 59,122,000 | 248,475,144 | - | 37,011,000 | 37,011,000 | 211,464,144 | 671% | 1123% | 461% | 334% | |
| 2046 | 39,285,806 | 154,030,250 | 59,122,000 | 252,438,056 | - | 37,011,000 | 37,011,000 | 215,427,056 | 682% | 1142% | 468% | 338% | |
| 2047 | 39,333,944 | 152,170,250 | 59,122,000 | 250,626,194 | - | 37,011,000 | 37,011,000 | 213,615,194 | 677% | 1133% | 465% | 336% | |
| 2048 | 39,329,092 | 147,319,250 | 59,122,000 | 245,770,342 | - | 37,011,000 | 37,011,000 | 208,759,342 | 664% | 1110% | 456% | 331% | |
| 2049 | 39,327,044 | 145,271,250 | 59,122,000 | 243,720,294 | - | 37,011,000 | 37,011,000 | 206,709,294 | 659% | 1100% | 453% | 329% | |
| 2050 | 39,325,124 | 143,349,250 | 59,122,000 | 241,796,374 | - | 37,011,000 | 37,011,000 | 204,785,374 | 653% | 1090% | 450% | 326% | |
| 2051 | 39,322,966 | 141,192,250 | 59,122,000 | 239,637,216 | - | 37,011,000 | 37,011,000 | 202,626,216 | 647% | 1080% | 446% | 324% | |
| 2052 | 37,936,913 | 138,999,250 | 59,122,000 | 236,058,163 | 75,000,000 | 35,109,750 | 110,109,750 | 125,948,413 | 214% | 232% | 197% | 180% | |
| 2053 | 36,790,093 | 133,723,250 | 55,897,000 | 226,410,343 | - | 34,476,000 | 34,476,000 | 191,934,343 | 657% | 1096% | 452% | 328% | |
| 2054 | 36,787,610 | 131,240,250 | 55,897,000 | 223,924,860 | - | 34,476,000 | 34,476,000 | 189,448,860 | 650% | 1083% | 447% | 325% | |
| 2055 | 35,487,501 | 132,472,250 | 55,897,000 | 223,856,751 | 75,000,000 | 34,264,750 | 109,264,750 | 114,592,001 | 205% | 221% | 189% | 173% | |
| 2056 | 34,265,577 | 134,817,250 | 52,617,000 | 221,699,827 | - | 31,941,000 | 31,941,000 | 189,758,827 | 694% | 1163% | 476% | 343% | |
| 2057 | 34,270,027 | 139,267,250 | 52,617,000 | 226,154,277 | - | 31,941,000 | 31,941,000 | 194,213,277 | 708% | 1188% | 484% | 349% | |
| 2058 | 34,316,967 | 147,537,250 | 52,617,000 | 234,471,217 | - | 31,941,000 | 31,941,000 | 202,530,217 | 734% | 1235% | 501% | 360% | |
| 2059 | 32,606,977 | 189,939,250 | 52,617,000 | 275,163,227 | 105,000,000 | 31,053,750 | 136,053,750 | 139,109,477 | 202% | 213% | 191% | 177% | |
| 2060 | 27,412,054 | 181,343,250 | 44,749,000 | 253,504,304 | 140,000,000 | 28,392,000 | 168,392,000 | 85,112,304 | 151% | 162% | 138% | 123% | |
| 2061 | 25,174,583 | 147,360,250 | 35,000,000 | 207,534,833 | - | 23,660,000 | 23,660,000 | 183,874,833 | 877% | 1561% | 559% | 366% | |
| 2062 | 23,890,298 | 240,443,250 | 35,000,000 | 299,333,548 | 100,000,000 | 23,660,000 | 123,660,000 | 175,673,548 | 242% | 262% | 220% | 195% | |
| 2063 | 20,642,866 | 235,112,250 | 30,000,000 | 285,755,116 | 100,000,000 | 20,280,000 | 120,280,000 | 165,475,116 | 238% | 254% | 219% | 196% | |
| 2064 | 17,375,873 | 226,082,250 | 25,000,000 | 268,458,123 | 100,000,000 | 16,900,000 | 116,900,000 | 151,558,123 | 230% | 243% | 214% | 195% | |
| 2065 | 14,087,681 | 213,042,250 | 20,000,000 | 247,129,931 | 100,000,000 | 13,520,000 | 113,520,000 | 133,609,931 | 218% | 228% | 206% | 191% | |
| 2066 | 10,776,237 | 195,557,250 | 15,000,000 | 221,333,487 | 100,000,000 | 10,140,000 | 110,140,000 | 111,193,487 | 201% | 208% | 193% | 182% | |
| 2067 | 7,389,199 | 173,210,250 | 10,000,000 | 190,599,449 | 100,000,000 | 6,760,000 | 106,760,000 | 83,839,449 | 179% | 182% | 174% | 168% | |
| 2068 | 3,975,318 | 145,964,250 | 5,000,000 | 154,939,568 | 100,000,000 | 3,380,000 | 103,380,000 | 51,559,568 | 150% | 151% | 149% | 147% | |
| Total | | | | | \$ 1,856,450,000 | \$ 1,452,949,981 | \$ 3,309,399,981 | | | | | | |

(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: \$ 50,964,250

(3) Includes Letter of Credit and remarketing fees.

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 | | Coverage Percentage if SIFMA Index in 2035 Equals: | | |
|-------|----------------------------------|--------------------|----------------------|---------------|-------------------------|-----------------------|-------------------------|----------------------------------|---------------------|--|-------|-------|
| | Revenue Fund (1) | Recycling Fund (2) | Debt Service Reserve | Total | Principal | Interest (3) | Total | Amount in Excess of Debt Service | Coverage Percentage | 1.50% | 5.00% | 8.00% |
| | | | | | | | | | | | | |
| 2026 | \$46,419,493 | \$337,911,650 | \$74,322,000 | \$458,653,143 | \$ - | \$ 44,007,750 | \$ 44,007,750 | \$414,645,393 | 1042% | 1042% | 1042% | 1042% |
| 2027 | 44,032,853 | 328,056,950 | 74,322,000 | 446,411,803 | 81,550,000 | 42,691,181 | 124,241,181 | 322,170,622 | 359% | 361% | 357% | 354% |
| 2028 | 40,102,779 | 236,840,550 | 70,550,000 | 347,493,329 | 139,800,000 | 41,914,200 | 181,714,200 | 165,779,129 | 191% | 192% | 190% | 189% |
| 2029 | 32,266,085 | 119,943,250 | 56,570,000 | 208,779,335 | 67,000,000 | 34,096,450 | 101,096,450 | 107,682,885 | 207% | 209% | 204% | 200% |
| 2030 | 32,212,741 | 126,804,250 | 53,957,000 | 212,973,991 | 5,000,000 | 32,942,700 | 37,942,700 | 175,031,291 | 561% | 599% | 519% | 469% |
| 2031 | 32,850,211 | 147,449,250 | 53,741,000 | 234,040,461 | - | 33,138,950 | 33,138,950 | 200,901,511 | 706% | 781% | 629% | 545% |
| 2032 | 32,946,834 | 211,925,250 | 53,741,000 | 298,613,084 | 125,000,000 | 33,460,200 | 158,460,200 | 140,152,884 | 188% | 191% | 186% | 182% |
| 2033 | 26,544,604 | 158,431,250 | 41,241,000 | 226,216,854 | 75,000,000 | 25,593,950 | 100,593,950 | 125,622,904 | 225% | 231% | 218% | 209% |
| 2034 | 24,702,814 | 142,922,548 | 37,643,702 | 205,269,064 | 68,100,000 | 22,994,600 | 91,094,600 | 114,174,464 | 225% | 233% | 217% | 206% |
| 2035 | 22,687,076 | 134,178,326 | 34,381,924 | 191,247,326 | 80,000,000 | 20,423,700 | 100,423,700 | 90,823,626 | 190% | 196% | 185% | 177% |
| 2036 | 19,926,218 | 111,283,250 | 30,552,000 | 161,761,468 | 25,000,000 | 18,223,700 | 43,223,700 | 118,537,768 | 374% | 423% | 329% | 285% |
| 2037 | 18,033,590 | 117,100,917 | 29,230,333 | 164,364,840 | 70,000,000 | 15,987,350 | 85,987,350 | 78,377,490 | 191% | 197% | 184% | 176% |
| 2038 | 16,292,644 | 104,269,583 | 25,443,667 | 146,005,894 | 25,000,000 | 14,351,000 | 39,351,000 | 106,654,894 | 371% | 417% | 328% | 285% |
| 2039 | 15,914,226 | 99,842,250 | 24,122,000 | 139,878,476 | - | 13,351,000 | 13,351,000 | 126,527,476 | 1048% | 1792% | 701% | 491% |
| 2040 | 15,909,369 | 94,993,250 | 24,122,000 | 135,024,619 | - | 13,351,000 | 13,351,000 | 121,673,619 | 1011% | 1726% | 678% | 477% |
| 2041 | 15,907,401 | 93,031,250 | 24,122,000 | 133,060,651 | - | 13,351,000 | 13,351,000 | 119,709,651 | 997% | 1700% | 669% | 471% |
| 2042 | 15,683,535 | 91,757,250 | 24,122,000 | 131,562,785 | - | 13,351,000 | 13,351,000 | 118,211,785 | 985% | 1680% | 662% | 466% |
| 2043 | 15,682,841 | 91,064,250 | 24,122,000 | 130,869,091 | - | 13,351,000 | 13,351,000 | 117,518,091 | 980% | 1670% | 659% | 464% |
| 2044 | 15,682,346 | 90,572,250 | 24,122,000 | 130,376,596 | - | 13,351,000 | 13,351,000 | 117,025,596 | 977% | 1664% | 656% | 463% |
| 2045 | 15,683,341 | 91,564,250 | 24,122,000 | 131,369,591 | - | 13,351,000 | 13,351,000 | 118,018,591 | 984% | 1677% | 661% | 466% |
| 2046 | 15,683,980 | 92,209,250 | 24,122,000 | 132,015,230 | - | 13,351,000 | 13,351,000 | 118,664,230 | 989% | 1686% | 664% | 468% |
| 2047 | 15,680,559 | 88,786,250 | 24,122,000 | 128,588,809 | - | 13,351,000 | 13,351,000 | 115,237,809 | 963% | 1640% | 648% | 457% |
| 2048 | 15,674,165 | 82,387,250 | 24,122,000 | 122,183,415 | - | 13,351,000 | 13,351,000 | 108,832,415 | 915% | 1553% | 618% | 438% |
| 2049 | 15,673,156 | 81,379,250 | 24,122,000 | 121,174,406 | - | 13,351,000 | 13,351,000 | 107,823,406 | 908% | 1540% | 613% | 435% |
| 2050 | 15,683,063 | 84,703,250 | 24,122,000 | 124,508,313 | - | 13,351,000 | 13,351,000 | 111,157,313 | 933% | 1585% | 629% | 445% |
| 2051 | 15,738,066 | 91,558,250 | 24,122,000 | 131,418,316 | - | 13,351,000 | 13,351,000 | 118,067,316 | 984% | 1678% | 661% | 466% |
| 2052 | 14,423,070 | 126,909,250 | 24,122,000 | 165,454,320 | 75,000,000 | 11,449,750 | 86,449,750 | 79,004,570 | 191% | 196% | 186% | 180% |
| 2053 | 13,167,773 | 91,133,250 | 20,897,000 | 125,198,023 | - | 10,816,000 | 10,816,000 | 114,382,023 | 1158% | 1986% | 771% | 538% |
| 2054 | 13,199,114 | 91,372,250 | 20,897,000 | 125,468,364 | - | 10,816,000 | 10,816,000 | 114,652,364 | 1160% | 1991% | 773% | 539% |
| 2055 | 11,993,919 | 133,934,250 | 20,897,000 | 166,825,169 | 75,000,000 | 10,604,750 | 85,604,750 | 81,220,419 | 195% | 200% | 189% | 182% |
| 2056 | 10,699,304 | 105,811,250 | 17,617,000 | 134,127,554 | - | 8,281,000 | 8,281,000 | 125,846,554 | 1620% | 2812% | 1064% | 728% |
| 2057 | 10,872,840 | 148,982,250 | 17,617,000 | 177,472,090 | - | 8,281,000 | 8,281,000 | 169,191,090 | 2143% | 3753% | 1393% | 939% |
| 2058 | 11,047,996 | 193,389,250 | 17,617,000 | 222,054,246 | - | 8,281,000 | 8,281,000 | 213,773,246 | 2681% | 4721% | 1731% | 1156% |
| 2059 | 9,303,710 | 236,966,250 | 17,617,000 | 263,886,960 | 105,000,000 | 7,393,750 | 112,393,750 | 151,493,210 | 235% | 238% | 230% | 224% |
| 2060 | 4,898,075 | 181,215,250 | 9,749,000 | 195,862,325 | 140,000,000 | 4,732,000 | 144,732,000 | 51,130,325 | 135% | 136% | 134% | 133% |
| Total | | | | | <u>\$ 1,156,450,000</u> | <u>\$ 634,043,981</u> | <u>\$ 1,790,493,981</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: \$ 50,964,250

(3) Includes Letter of Credit and remarketing fees.

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 | | Coverage Percentage if SIFMA Index in 2035 Equals: | | |
|-------|----------------------------------|--------------------|----------------------|----------------|-------------------------|-----------------------|-------------------------|----------------------------------|---------------------|--|-------|-------|
| | Revenue Fund (1) | Recycling Fund (2) | Debt Service Reserve | Total | Principal | Interest (3) | Total | Amount in Excess of Debt Service | Coverage Percentage | 1.50% | 5.00% | 8.00% |
| 2026 | \$ 45,169,055 | \$ 337,911,650 | \$ 74,322,000 | \$ 457,402,705 | \$ 146,350,000 | \$ 44,007,750 | \$ 190,357,750 | \$ 267,044,955 | 240% | 240% | 240% | 240% |
| 2027 | 33,661,407 | 292,713,950 | 59,687,000 | 386,062,357 | 200,000,000 | 33,507,156 | 233,507,156 | 152,555,201 | 165% | 165% | 165% | 165% |
| 2028 | 28,194,310 | 180,973,550 | 50,615,000 | 259,782,860 | 75,000,000 | 28,791,675 | 103,791,675 | 155,991,185 | 250% | 251% | 249% | 247% |
| 2029 | 26,771,027 | 169,313,250 | 47,390,000 | 243,474,277 | 67,000,000 | 27,979,200 | 94,979,200 | 148,495,077 | 256% | 258% | 254% | 251% |
| 2030 | 25,700,830 | 166,027,250 | 44,777,000 | 236,505,080 | 55,000,000 | 26,303,350 | 81,303,350 | 155,201,730 | 291% | 294% | 287% | 281% |
| 2031 | 25,282,976 | 169,806,917 | 40,814,333 | 235,904,226 | - | 25,187,000 | 25,187,000 | 210,717,226 | 937% | 992% | 873% | 794% |
| 2032 | 25,104,970 | 221,916,917 | 40,814,333 | 287,836,220 | 125,000,000 | 25,327,400 | 150,327,400 | 137,508,820 | 191% | 192% | 190% | 189% |
| 2033 | 18,425,063 | 155,654,917 | 28,314,333 | 202,394,312 | 75,000,000 | 17,280,300 | 92,280,300 | 110,114,012 | 219% | 221% | 217% | 213% |
| 2034 | 16,264,882 | 126,963,215 | 24,717,035 | 167,945,131 | 68,100,000 | 14,500,100 | 82,600,100 | 85,345,031 | 203% | 205% | 201% | 197% |
| 2035 | 13,957,652 | 104,607,993 | 21,455,257 | 140,020,902 | 80,000,000 | 11,741,000 | 91,741,000 | 48,279,902 | 153% | 153% | 152% | 152% |
| 2036 | 11,142,664 | 67,658,917 | 17,625,333 | 96,426,914 | 25,000,000 | 9,541,000 | 34,541,000 | 61,885,914 | 279% | 293% | 264% | 245% |
| 2037 | 10,405,699 | 82,601,583 | 16,303,667 | 109,310,949 | 20,000,000 | 8,266,000 | 28,266,000 | 81,044,949 | 387% | 416% | 355% | 321% |
| 2038 | 9,706,559 | 101,194,250 | 15,192,000 | 126,092,809 | 25,000,000 | 7,591,000 | 32,591,000 | 93,501,809 | 387% | 413% | 359% | 327% |
| 2039 | 8,307,353 | 109,828,917 | 13,870,333 | 132,006,603 | 55,000,000 | 6,126,250 | 61,126,250 | 70,880,353 | 216% | 220% | 211% | 204% |
| 2040 | 6,379,960 | 84,037,250 | 9,749,000 | 100,166,210 | 50,000,000 | 4,732,000 | 54,732,000 | 45,434,210 | 183% | 185% | 180% | 177% |
| 2041 | 4,969,533 | 58,369,036 | 6,267,214 | 69,605,783 | 25,000,000 | 3,042,000 | 28,042,000 | 41,563,783 | 248% | 253% | 243% | 235% |
| 2042 | 3,923,764 | 52,288,929 | 4,526,321 | 60,739,014 | 25,000,000 | 2,197,000 | 27,197,000 | 33,542,014 | 223% | 225% | 221% | 218% |
| 2043 | 3,036,008 | 42,972,821 | 2,785,429 | 48,794,259 | 25,000,000 | 1,352,000 | 26,352,000 | 22,442,259 | 185% | 184% | 186% | 188% |
| 2044 | 2,312,110 | 30,436,714 | 1,044,536 | 33,793,360 | 15,000,000 | 507,000 | 15,507,000 | 18,286,360 | 218% | 214% | 223% | 229% |
| Total | | | | | <u>\$ 1,156,450,000</u> | <u>\$ 297,979,181</u> | <u>\$ 1,454,429,181</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: \$ 50,964,250

(3) Includes Letter of Credit and remarketing fees.

Source: Calhoun Baker Inc.

INVESTMENTS

The funds held by DelVal are invested in Guaranteed Investment Contracts (each a “GIC”), floating rate notes indexed to SOFR, Weekly VRDB’s, and Treasury money market funds that satisfy the rating requirements of the respective Indentures. DelVal’s long-term investments are restricted to instruments with ratings of “Aa3” or higher from Moody’s or “AA-” or higher from S&P on the dates of purchase. DelVal’s short-term investments are generally restricted to instruments with ratings of “P-1” or higher from Moody’s or “A-1” or higher from S&P on the dates of purchase. Money market investments are restricted to “AAA” rated funds. GIC’s are restricted to providers or guarantors with ratings of “A1/P-1” or higher from Moody’s or “A+/A-1” or higher from S&P on the dates of execution. DelVal treats the GIC’s, Weekly VRDB’s, and money market deposits as cash equivalents because the interest rates adjust daily or weekly and DelVal can deposit or withdraw funds with no more than seven days of written notice.

DelVal had outstanding GIC’s as of December 31, 2025, with the following providers:

- 1) Natixis Funding Corp. (“NFC”), an affiliate of Natixis, a joint stock company with a board of directors (société anonyme conseil d’administration) organized under the laws of the Republic of France, guaranteed by Caisse des Dépôts et Consignations,
- 2) Bayerische Landesbank (“BayernLB”) guaranteed by the State of Bavaria and the Association of Bavarian Savings Banks,
- 3) Citigroup Financial Products Inc. (“CFPI”) guaranteed by Citigroup Inc., and
- 4) BayernLB.

DelVal executed a new GIC with NFC guaranteed by Natixis to invest \$69,073,000 of unrestricted proceeds of the 2025 A Series and 2025 B Series on March 31, 2026. The proceeds had previously been invested in a Treasury money market fund. The new NFC GIC will terminate on May 1, 2027.

DelVal may terminate a GIC or require collateralization of the GIC, if the provider or guarantor of the GIC is downgraded below certain rating thresholds. CFPI has posted collateral with the Bank of New York Mellon to secure its GIC since August 10, 2009, following the downgrade of Citigroup Inc. below “Aa3/AA-”.

DelVal expects to execute a new GIC to invest restricted funds of the Master Series to replace floating rate notes that will mature on June 4, 2026, and the BayernLB GIC that will terminate on July 1, 2026.

A summary of the cash equivalents and investments as of December 31, 2025, is shown on the following page.

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**Cash Equivalents, Restricted Cash Equivalents, Investments, and
Restricted Investments as of December 31, 2025**

| <i>Description</i> | <i>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>Floating rate notes (1)</i> | | | | | | | | | |
| National Australia Bank | Aa2 | AA- | 12-Jan-27 | 4.520% | \$ - | \$ - | \$ 4,716,779 | \$ 4,716,779 | 1.399% |
| Pacific Life Global Funding | Aa3 | AA- | 4-Jun-26 | 4.490% | - | - | 17,027,030 | 17,027,030 | 5.051% |
| Treasury Money Market | Aaa-mf | AAAm | *** | 3.600% | 89,920,500 (7) | 6,056,000 | - | 95,976,500 | 28.469% |
| <i>Variable Rate Demand Bonds</i> | | | | | | | | | |
| Harris County Cultural Education Facilities Finance Corporation | Aa1/VMIG 1 | AA+/A-1 | 1-Oct-45 | 2.350% | - | 12,180,000 | - | 12,180,000 | 3.613% |
| <i>GIC's (2)</i> | | | | | | | | | |
| Bayerische Landesbank | Aa3/P-1 | *** | 1-Jul-26 | 3.700% | - | 7,251,000 | - | 7,251,000 | 26.536% |
| Bayerische Landesbank (3) | Aaa/P-1 | *** | 27-Jul-28 | 4.950% | 68,231,220 | 13,980,000 | - | 82,211,220 | |
| Citigroup Financial Products Inc. (4) | A3/P-2 | BBB+/A-2 | 28-May-42 | 4.491% | 59,182,550 | - | - | 59,182,550 | 17.555% |
| Natixis Funding Corp. (5) | Aa3/P-1 | A+/A-1 | 28-Jun-27 | 4.870% | 4,372,483 | 655,000 | - | 5,027,483 | <u>17.377%</u> |
| Natixis Funding Corp. (5) | Aa3/P-1 | A+/A-1 | 28-Jun-32 | 4.490% | <u>41,055,490</u> | <u>12,500,000</u> | - | <u>53,555,490</u> | |
| Total | | | | | <u>\$ 262,762,243</u> | <u>\$ 52,622,000</u> | <u>\$ 21,743,809</u> | <u>\$ 337,128,052</u> | 100.000% |

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

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

(3) Obligations guaranteed by the State of Bavaria and the Association of Bavarian Savings Banks.

(4) Obligations are guaranteed by Citigroup Inc. and collateralized with securities held by the Bank of New York Mellon.

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

(6) Rate as of December 31, 2025.

(7) \$69,073.00 of the cash equivalents were invested in a new GIC with Natixis Funding Corp. on March 31, 2026.

Source: Calhoun Baker Inc.

INTEREST RATE SWAP TRANSACTIONS

DelVal executes interest rate swap transactions to hedge the interest rate and basis risks of the DelVal Series, fixed rate Loans, and investments. DelVal has entered into Swap Agreements with six different Counterparties:

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

As of December 31, 2025, DelVal was not executing new interest rate swap transactions with Barclays, Citibank, or PNC.

DelVal has executed interest rate swap transactions (each, a “Bond Swap”) 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 VRDB’s or Daily VRDB’s or that have interest rates based on the SIFMA Index.

DelVal utilizes interest rate swap transactions (each, a “Loan Swap”) 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 eliminates the risk that the Loan repayments will not be sufficient to cover DelVal’s cost of funds in a rising interest rate environment.

DelVal has also executed interest rate swap transactions (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 and DelVal’s cost of funds.

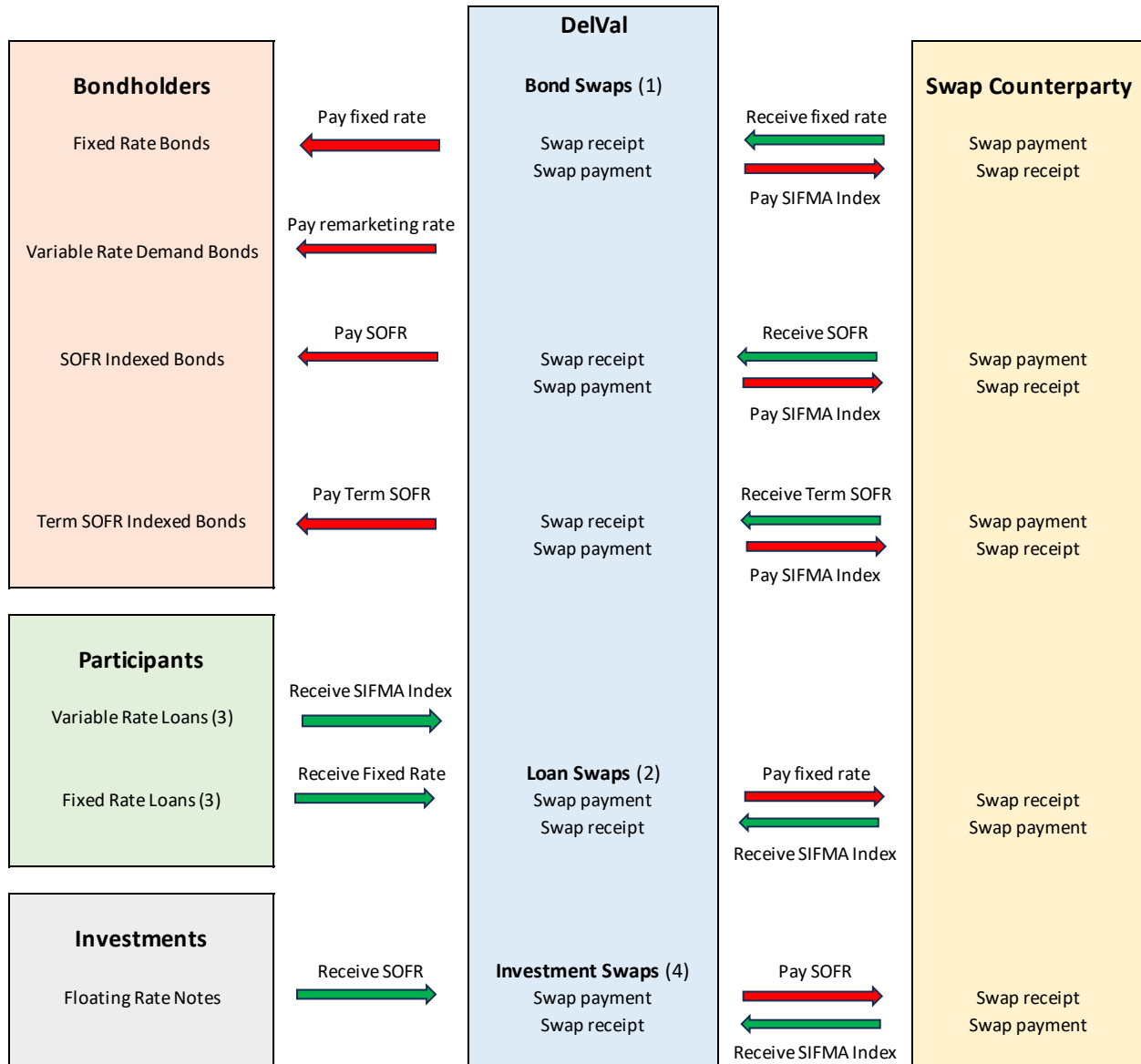
All the Bond Swaps, Loan Swaps, and Investment Swaps are effective hedges under the “consistent critical terms” and “quantitative methods” standards of the Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

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 compensation from 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 the Related Swap Transactions



- (1) Transactions executed to create a pool of funds with a net cost comparable to a Weekly VRDB and hedge long-term interest rate risk and basis risk.
- (2) Transactions executed to hedge the interest rate risk of providing fixed rate Loans.
- (3) Loan rates are set monthly by the Administrator at levels sufficient to pay (i) debt service on the DelVal Series, (ii) net payments on interest rate swap transactions, 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 by DelVal Series and Counterparty is shown below.

Interest Rate Swap Transactions as of December 31, 2025

| | <u>Rating</u> | | <u>Notional Amount</u> | <u>Market Value 31-Dec-25</u> |
|-------------------------|----------------|----------------|----------------------------|-----------------------------------|
| | <u>Moody's</u> | <u>S&P</u> | | |
| <i>Bond Swaps</i> | | | | |
| 1997 Series | A1 | *** | \$ 6,550,000 | \$ 295,795 |
| 1998 Series* | A1 | *** | 139,800,000 | 10,060,573 |
| 2002 Series | A1 | A+ | 125,000,000 | 13,865,122 |
| Master Series | A1 | A+ | <u>645,150,000</u> | <u>(1,624,308)</u> |
| Total Bond Swaps | | | <u>916,500,000</u> | <u>22,597,182</u> |
| <i>Loan swaps</i> | | | | |
| 1997 Series | A1 | *** | 1,515,000 | 6,408 |
| 1998 Series | A1 | *** | 70,196,000 | 862,484 |
| 2002 Series | A1 | A+ | 99,803,000 | 1,673,554 |
| Master Series | A1 | A+ | <u>689,209,700</u> | <u>48,870,652</u> |
| Total Loan Swaps | | | <u>860,723,700</u> | <u>51,413,098</u> |
| <i>Investment swaps</i> | | | <u>21,700,000</u> | <u>(153,806)</u> |
| TOTAL | | | <u>\$ 1,798,923,700</u> | <u>\$ 73,856,474</u> |
| <i>Counterparty</i> | | | | |
| Bank of America, N.A.* | Aa2/P-1 | A+/A-1 | \$ 880,536,000 | \$ 52,745,880 |
| Barclays Bank PLC | A1/P-1 | A+/A-1 | 17,465,000 | 684,185 |
| Citibank, N.A. | Aa3/P-1 | A+/A-1 | 110,050,000 | 767,112 |
| PNC Bank, N.A. | A1/P-1 | A/A-1 | 340,246,000 | 12,509,670 |
| Royal Bank of Canada | Aa1/P-1 | AA-/A-1 | 384,256,700 | 7,835,859 |
| Toronto-Dominion Bank | Aa1/P-1 | A+/A-1 | <u>66,370,000</u> | <u>(686,232)</u> |
| TOTAL | | | <u>\$ 1,798,923,700</u> | <u>\$ 73,856,474</u> |

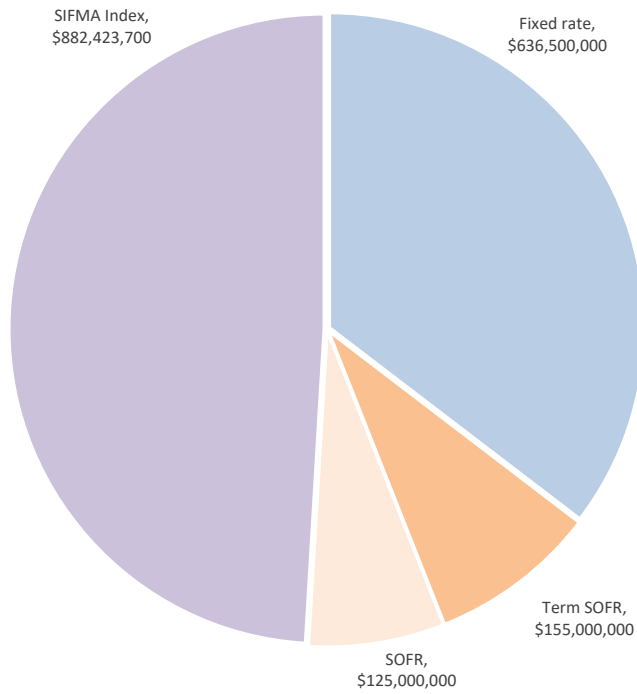
*Fair market value includes unamortized prepaid interest rate swap expense.

Source: Calhoun Baker Inc.

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

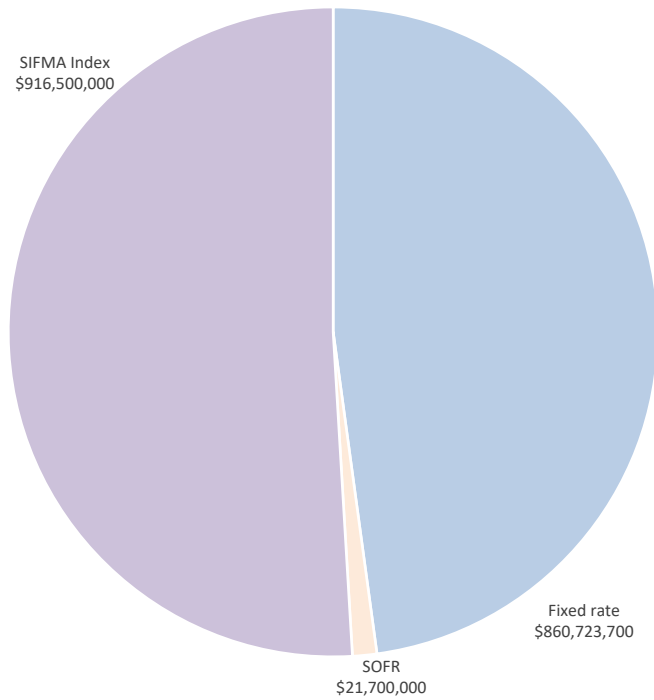
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**Notional Amount of Interest Rate Swap Receiver Rates
as of December 31, 2025**



Source: Calhoun Baker Inc.

**Notional Amount of Interest Rate Swap Payor Rates
as of December 31, 2025**



Source: Calhoun Baker Inc.

OUTLOOK

Demand has been constrained from 2023 to 2025 principally due to: (i) higher construction costs, (ii) higher interest rates, (iii) reduced refunding opportunities, and (iv) the \$4.1 trillion *CARES* and *ARPA* grant programs. DeVal expects interest rates to decline in 2026 and anticipates that the reduction of interest rates will create refunding opportunities and dampen resistance to new capital projects. Inflation of construction and acquisition costs will continue to be an impediment to new capital projects, but the rate of inflation should be lower than it has been for the past three years. The *CARES* and *ARPA* programs have ended, and future capital projects will now need to be financed through conventional means. These factors augur an increase in demand for Loans.

Interviews with Participants in the DeVal Loan Program show expectations of significant capital improvement programs within the inner ring of suburbs around Philadelphia to replace aging facilities and in the outer ring of suburbs to provide infrastructure for anticipated growth. DeVal has also increased its efforts to raise the visibility of the Loan Program in the rapidly growing counties in the ring around Bucks, Chester, Delaware, and Montgomery Counties. DeVal expects, but cannot give assurance, that Loan origination will return to its historic average over the next three years.

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 23, 2026

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2025

| No. | Borrower | County | Participant or Guarantor Ratings | | | Loans Outstanding | | | | Total Outstanding 31-Dec-25 | Insured (1) Loan Principal | Concentration | |
|-----|--|------------|----------------------------------|---------|-----|-------------------|-------------|-------------|---------------|-----------------------------|----------------------------|---------------|------------|
| | | | Kroll | Moody's | S&P | 1997 Series | 1998 Series | 2002 Series | Master Series | | | Borrower | Cumulative |
| 1 | Aldan Borough | Delaware | -- | -- | -- | \$ - | \$ - | \$ - | \$ 3,860,000 | \$ 3,860,000 | \$ 3,860,000 | 0.437% | 0.437% |
| 2 | Aston Ambulance Authority | Delaware | -- | -- | AA- | - | - | - | 2,000,000 | 2,000,000 | - | 0.226% | 0.663% |
| 3 | Aston Township | Delaware | -- | -- | AA- | - | - | 281,000 | 23,136,000 | 23,417,000 | - | 2.649% | 3.312% |
| 4 | Bensalem Township | Bucks | -- | Aa1 | -- | - | 6,017,000 | - | 5,293,000 | 11,310,000 | - | 1.280% | 4.592% |
| 5 | Benton Township | Lackawanna | -- | -- | -- | - | - | - | 127,000 | 127,000 | - | 0.014% | 4.606% |
| 6 | Bethel Township Sewer Authority | Delaware | A+ | -- | -- | - | - | - | 503,000 | 503,000 | - | 0.057% | 4.663% |
| 7 | Bridgeport Borough | Montgomery | -- | -- | -- | 99,000 | - | 1,498,000 | 1,334,000 | 2,931,000 | 2,436,000 | 0.332% | 4.995% |
| 8 | Bristol Borough School District | Bucks | -- | -- | A- | - | - | - | 8,877,000 | 8,877,000 | 8,877,000 | 1.004% | 5.999% |
| 9 | Bristol Township | Bucks | -- | Aa3 | -- | - | - | 940,000 | 53,300,000 | 54,240,000 | - | 6.136% | 12.135% |
| 10 | Brookhaven Borough | Delaware | -- | -- | AA- | - | - | 499,000 | 1,248,000 | 1,747,000 | - | 0.198% | 12.333% |
| 11 | Bucks County | Bucks | -- | Aa1 | AAA | - | 26,827,000 | 10,651,000 | 19,700 | 37,497,700 | - | 4.242% | 16.575% |
| 12 | Bucks County Airport Authority | Bucks | -- | Aa1 | AAA | - | - | - | 739,000 | 739,000 | - | 0.084% | 16.659% |
| 13 | Bucks County Community College Authority | Bucks | -- | Aa1 | AAA | - | 1,563,000 | - | - | 1,563,000 | - | 0.177% | 16.836% |
| 14 | Bucks County Water and Sewer Authority | Bucks | -- | -- | A+ | - | - | - | 48,341,000 | 48,341,000 | 48,341,000 | 5.469% | 22.305% |
| 15 | Caln Township | Chester | -- | -- | AA | - | - | - | 10,496,000 | 10,496,000 | - | 1.187% | 23.492% |
| 16 | Caln Township Municipal Authority | Chester | -- | -- | AA | - | - | - | 2,107,000 | 2,107,000 | - | 0.238% | 23.731% |
| 17 | Chadds Ford Township Sewer Authority | Delaware | -- | -- | -- | 28,000 | - | - | 1,740,000 | 1,768,000 | 1,440,000 | 0.200% | 23.931% |
| 18 | Chalfont Borough | Bucks | -- | A1 | -- | - | - | - | 2,395,000 | 2,395,000 | - | 0.271% | 24.202% |
| 19 | Chichester School District | Delaware | -- | A2 | A | - | - | - | 5,384,000 | 5,384,000 | - | 0.609% | 24.811% |
| 20 | Clifton Heights Borough | Delaware | -- | -- | -- | - | - | - | 2,475,000 | 2,475,000 | 2,475,000 | 0.280% | 25.091% |
| 21 | Collegeville Borough | Montgomery | -- | -- | -- | - | - | - | 48,000 | 48,000 | - | 0.005% | 25.096% |
| 22 | Concord Township | Delaware | -- | Aa1 | -- | - | - | - | 7,368,000 | 7,368,000 | - | 0.834% | 25.930% |
| 23 | Delaware County | Delaware | -- | Aa2 | AA+ | - | 22,209,000 | 55,005,000 | 171,740,000 | 248,954,000 | - | 28.165% | 54.095% |
| 24 | Delaware County Solid Waste Authority | Delaware | -- | Aa2 | AA+ | - | - | 15,922,000 | 21,203,000 | 37,125,000 | 620,000 | 4.200% | 58.295% |
| 25 | Doylestown Borough | Bucks | AA | -- | -- | - | - | - | 5,201,000 | 5,201,000 | - | 0.588% | 58.883% |
| 26 | East Bradford Township | Chester | -- | -- | AA | - | - | - | 6,095,000 | 6,095,000 | - | 0.690% | 59.573% |
| 27 | East Goshen Municipal Authority | Chester | AAA | Aaa | -- | - | - | 3,739,000 | 1,192,000 | 4,931,000 | 3,739,000 | 0.558% | 60.131% |
| 28 | Eddystone Borough | Delaware | -- | -- | -- | - | - | 1,303,000 | 3,298,000 | 4,601,000 | 3,298,000 | 0.521% | 60.651% |
| 29 | Folcroft Borough | Delaware | -- | -- | -- | - | - | - | 9,056,000 | 9,056,000 | 9,056,000 | 1.025% | 61.676% |
| 30 | Forbes Road School District | Fulton | -- | -- | -- | - | - | - | 4,007,000 | 4,007,000 | 3,609,000 | 0.453% | 62.129% |
| 31 | Franconia Sewer Authority | Montgomery | -- | -- | AA | - | - | - | 9,048,000 | 9,048,000 | 9,048,000 | 1.024% | 63.153% |
| 32 | Franconia Township | Montgomery | -- | -- | AA | 602,000 | - | 110,000 | 1,245,000 | 1,957,000 | 829,000 | 0.221% | 63.374% |
| 33 | Franklin Township | Chester | -- | A1 | -- | - | - | - | 2,124,000 | 2,124,000 | - | 0.240% | 63.615% |
| 34 | Gamet Valley School District | Delaware | -- | -- | AA | - | 1,765,000 | - | 1,591,000 | 3,356,000 | 1,765,000 | 0.380% | 63.994% |
| 35 | Glen Rock Sewer Authority | York | -- | -- | -- | - | - | - | 1,504,000 | 1,504,000 | 1,504,000 | 0.170% | 64.164% |

(1) 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.

(Continued on the next page)

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2025

| No. | Borrower | County | Participant or Guarantor Ratings | | | Loans Outstanding | | | | Total Outstanding 31-Dec-25 | Insured (1) Loan Principal | Concentration | |
|-----|---|------------|----------------------------------|---------|-----|-------------------|-------------|-------------|---------------|-----------------------------|----------------------------|---------------|------------|
| | | | Kroll | Moody's | S&P | 1997 Series | 1998 Series | 2002 Series | Master Series | | | Borrower | Cumulative |
| 36 | Hatfield Borough | Montgomery | -- | -- | -- | - | - | - | 3,140,000 | 3,140,000 | 2,475,000 | 0.355% | 64.520% |
| 37 | Hatfield Township | Montgomery | -- | -- | AA | 59,000 | 110,000 | 530,000 | 22,217,000 | 22,916,000 | - | 2.593% | 67.112% |
| 38 | Highland Township | Chester | -- | -- | -- | - | 170,000 | - | - | 170,000 | - | 0.019% | 67.131% |
| 39 | Kennett Square Borough | Chester | -- | A2 | AA- | - | - | - | 8,808,000 | 8,808,000 | 4,581,000 | 0.996% | 68.128% |
| 40 | Lansdowne Borough | Delaware | A+ | -- | -- | - | - | - | 1,283,000 | 1,283,000 | - | 0.145% | 68.273% |
| 41 | London Britain Township | Chester | -- | -- | -- | - | - | - | 172,000 | 172,000 | - | 0.019% | 68.293% |
| 42 | London Grove Township | Chester | -- | -- | AA | 33,000 | - | - | 4,399,000 | 4,432,000 | - | 0.501% | 68.794% |
| 43 | London Grove Township Municipal Authority | Chester | -- | -- | AA | - | - | 1,087,000 | 3,342,000 | 4,429,000 | - | 0.501% | 69.295% |
| 44 | Lower Oxford Township | Chester | -- | -- | AA | 129,000 | - | - | 380,000 | 509,000 | - | 0.058% | 69.353% |
| 45 | Lower Perkiomen Valley Regional Sewer Authority | Montgomery | -- | -- | AA- | - | 3,951,000 | - | 32,290,000 | 36,241,000 | - | 4.100% | 73.453% |
| 46 | Lower Pottsgrove Township Authority | Montgomery | -- | -- | AA | - | - | 3,378,000 | - | 3,378,000 | - | 0.382% | 73.835% |
| 47 | Lower Providence Township Sewer Authority | Montgomery | -- | Aa2 | -- | - | - | - | 9,095,000 | 9,095,000 | - | 1.029% | 74.864% |
| 48 | Lower Salford Township | Montgomery | -- | -- | -- | - | 502,000 | - | - | 502,000 | - | 0.057% | 74.921% |
| 49 | Marcus Hook Borough | Delaware | -- | -- | -- | - | 233,000 | - | 1,908,000 | 2,141,000 | - | 0.242% | 75.163% |
| 50 | Marlborough Township | Montgomery | -- | -- | -- | - | - | - | 4,228,000 | 4,228,000 | - | 0.478% | 75.641% |
| 51 | Marple Township | Delaware | -- | -- | AA | - | - | - | 21,472,000 | 21,472,000 | - | 2.429% | 78.070% |
| 52 | Montgomery County | Montgomery | -- | Aaa | -- | - | - | - | 151,000 | 151,000 | - | 0.017% | 78.087% |
| 53 | Montgomery Township | Montgomery | -- | -- | AAA | - | - | - | 20,014,000 | 20,014,000 | - | 2.264% | 80.352% |
| 54 | Morrisville Borough | Bucks | -- | -- | -- | - | - | - | 1,625,000 | 1,625,000 | 1,625,000 | 0.184% | 80.536% |
| 55 | Morton Borough | Delaware | -- | -- | -- | 36,000 | - | - | - | 36,000 | - | 0.004% | 80.540% |
| 56 | Nether Providence Township | Delaware | -- | -- | -- | - | - | 157,000 | 1,278,000 | 1,435,000 | 257,000 | 0.162% | 80.702% |
| 57 | Newtown Township | Delaware | -- | Aaa | -- | - | - | - | 9,015,000 | 9,015,000 | - | 1.020% | 81.722% |
| 58 | Norristown Municipality | Montgomery | -- | -- | A+ | - | - | - | 454,000 | 454,000 | - | 0.051% | 81.773% |
| 59 | North Coventry Township | Chester | -- | -- | AA | - | - | - | 450,000 | 450,000 | - | 0.051% | 81.824% |
| 60 | North Wales Borough | Montgomery | -- | -- | -- | - | - | - | 1,540,000 | 1,540,000 | - | 0.174% | 81.998% |
| 61 | Northeastern York County Sewer Authority | York | -- | -- | -- | - | - | 163,000 | 4,586,000 | 4,749,000 | 2,648,000 | 0.537% | 82.536% |
| 62 | Norwood Borough | Delaware | -- | -- | -- | - | - | - | 1,377,000 | 1,377,000 | - | 0.156% | 82.691% |
| 63 | Ontelaunee Township | Berks | -- | -- | AA- | - | - | - | 581,000 | 581,000 | 581,000 | 0.066% | 82.757% |
| 64 | Parquesburg Borough | Chester | -- | -- | -- | - | - | - | 2,567,000 | 2,567,000 | 2,567,000 | 0.290% | 83.048% |
| 65 | Pennndel Borough | Bucks | -- | -- | -- | - | - | - | 552,000 | 552,000 | - | 0.062% | 83.110% |
| 66 | Pennsbury Township | Chester | AA | -- | -- | - | - | - | 2,065,000 | 2,065,000 | - | 0.234% | 83.344% |
| 67 | Perkasie Borough | Bucks | -- | -- | -- | 140,000 | 42,000 | - | 731,000 | 913,000 | - | 0.103% | 83.447% |
| 68 | Pocopson Township | Chester | -- | Aa2 | -- | - | - | 546,000 | 121,000 | 667,000 | 121,000 | 0.075% | 83.522% |
| 69 | Prospect Park Borough | Delaware | -- | -- | -- | - | - | - | 1,024,000 | 1,024,000 | - | 0.116% | 83.638% |
| 70 | Red Lion Area School District | York | -- | Aa3 | -- | - | - | - | 3,035,000 | 3,035,000 | - | 0.343% | 83.982% |

(1) 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.

(Continued on the next page)

EXHIBIT I: LOANS OUTSTANDING AS OF DECEMBER 31, 2025

| No. | Borrower | County | Participant or Guarantor Ratings | | | Loans Outstanding | | | | Total Outstanding 31-Dec-25 | Insured (1) Loan Principal | Concentration | |
|-------------------------|--|------------|----------------------------------|---------|-----|---------------------|----------------------|----------------------|-----------------------|--------------------------------|----------------------------------|---------------|------------|
| | | | Kroll | Moody's | S&P | 1997 Series | 1998 Series | 2002 Series | Master Series | | | Borrower | Cumulative |
| 71 | Ridley School District | Delaware | -- | -- | BBB | - | - | - | 1,994,000 | 1,994,000 | - | 0.226% | 84.207% |
| 72 | Ridley Township | Delaware | -- | -- | AA- | 212,000 | - | - | 7,344,000 | 7,556,000 | - | 0.855% | 85.062% |
| 73 | Rutledge Borough | Delaware | -- | -- | -- | - | - | - | 96,000 | 96,000 | - | 0.011% | 85.073% |
| 74 | Solebury Township | Bucks | -- | Aa1 | -- | - | 467,000 | - | - | 467,000 | - | 0.053% | 85.126% |
| 75 | Southern Delaware County Authority | Delaware | -- | -- | -- | 92,000 | - | - | - | 92,000 | - | 0.010% | 85.136% |
| 76 | Springfield Township, York County, Sewer Authority | York | -- | -- | -- | - | - | 747,000 | - | 747,000 | 747,000 | 0.085% | 85.221% |
| 77 | Stroudsburg Area School District | Monroe | -- | A1 | A+ | - | 3,168,000 | - | 1,556,000 | 4,724,000 | 3,168,000 | 0.534% | 85.755% |
| 78 | Swarthmore Borough | Delaware | -- | -- | -- | - | 56,000 | - | 1,703,000 | 1,759,000 | 56,000 | 0.199% | 85.954% |
| 79 | Tinicum Township (Bucks) | Bucks | AA- | -- | -- | - | - | - | 4,900,000 | 4,900,000 | - | 0.554% | 86.509% |
| 80 | Tinicum Township (Delaware) | Delaware | -- | Aa3 | -- | - | 207,000 | - | 6,829,000 | 7,036,000 | 474,000 | 0.796% | 87.305% |
| 81 | Towamencin Municipal Authority | Montgomery | -- | -- | AA | - | - | - | 5,325,000 | 5,325,000 | - | 0.602% | 87.907% |
| 82 | Towamencin Township | Montgomery | -- | -- | AA | - | - | - | 6,679,000 | 6,679,000 | 1,608,000 | 0.756% | 88.663% |
| 83 | Upland Borough | Delaware | BB | -- | -- | - | - | - | 402,000 | 402,000 | - | 0.045% | 88.708% |
| 84 | Upper Dublin Township | Montgomery | -- | Aa2 | -- | - | 1,908,000 | - | 41,553,000 | 43,461,000 | - | 4.917% | 93.625% |
| 85 | Upper Dublin Township Municipal Authority | Montgomery | -- | Aa2 | -- | - | - | - | 4,705,000 | 4,705,000 | - | 0.532% | 94.157% |
| 86 | Upper Providence Township (Delaware) | Delaware | -- | -- | AA | - | - | - | 369,000 | 369,000 | - | 0.042% | 94.199% |
| 87 | Upper Providence Township Sewer Authority | Delaware | -- | -- | AA | - | 548,000 | - | 6,529,000 | 7,077,000 | - | 0.801% | 95.000% |
| 88 | Upper Salford Township | Montgomery | -- | -- | -- | - | - | - | 175,000 | 175,000 | - | 0.020% | 95.019% |
| 89 | Upper Southampton Township | Bucks | AA | -- | -- | - | 238,000 | - | 127,000 | 365,000 | - | 0.041% | 95.061% |
| 90 | Upper Southampton Municipal Authority | Bucks | AA | -- | -- | 113,000 | 27,000 | 3,247,000 | 8,740,000 | 12,127,000 | - | 1.372% | 96.433% |
| 91 | Wallingford-Swarthmore School District | Delaware | -- | -- | AA- | - | - | - | 12,628,000 | 12,628,000 | - | 1.429% | 97.861% |
| 92 | Warminster Township | Bucks | -- | -- | A | - | - | - | 11,746,000 | 11,746,000 | - | 1.329% | 99.190% |
| 93 | West Fallowfield Township | Chester | -- | -- | -- | - | 144,000 | - | - | 144,000 | - | 0.016% | 99.207% |
| 94 | West Goshen Township | Chester | AAA | -- | AA+ | - | - | - | 1,599,000 | 1,599,000 | - | 0.181% | 99.387% |
| 95 | West Pottsgrove Township | Montgomery | -- | -- | -- | - | - | - | 1,198,000 | 1,198,000 | 1,198,000 | 0.136% | 99.523% |
| 96 | West Vincent Township | Chester | -- | Aa3 | -- | - | - | - | 2,375,000 | 2,375,000 | - | 0.269% | 99.792% |
| 97 | Whitpain Township | Montgomery | -- | Aaa | -- | - | 779,000 | - | - | 779,000 | - | 0.088% | 99.880% |
| 98 | Yeadon Borough | Delaware | -- | -- | -- | - | - | - | 1,062,000 | 1,062,000 | - | 0.120% | 100.000% |
| Total Loans Outstanding | | | | | | <u>\$ 1,543,000</u> | <u>\$ 70,931,000</u> | <u>\$ 99,803,000</u> | <u>\$ 711,628,700</u> | <u>\$ 883,905,700</u> | <u>\$ 123,003,000</u> | 100.000% | |

(1) 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.

FINANCIAL STATEMENTS

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 (DelVal), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise DelVal'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 DelVal as of December 31, 2025, and the respective changes in financial position and cash flows thereof 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 DelVal 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 DelVal'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 DelVal'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 DelVal'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, on pages 1-42, 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 GAAS, 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 23, 2026

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
BALANCE SHEET
DECEMBER 31, 2025

| ASSETS | |
|---|--------------------------------|
| CURRENT ASSETS: | |
| Cash and cash equivalents | \$ 262,762,243 |
| Restricted cash equivalents | 52,622,000 |
| Accrued interest receivable: | |
| Loans | 393,341 |
| Interest rate swaps | 5,385,668 |
| Cash equivalents and investments | 346,380 |
| Prepaid expenses | 174,879 |
| Loans to local governments | <u>88,725,100</u> |
| Total current assets | <u>410,409,611</u> |
| NONCURRENT ASSETS: | |
| Restricted investments | 21,743,809 |
| Loans to local governments | 795,180,600 |
| Unamortized prepaid interest | |
| rate swap expense | 921,197 |
| Fair value of derivative transactions | <u>72,147,422</u> |
| Total noncurrent assets | <u>889,993,028</u> |
| TOTAL | <u><u>\$ 1,300,402,639</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | |
| CURRENT LIABILITIES: | |
| Accrued expenses | \$ 69,271 |
| Estimated rebate liability | 100,000 |
| Accrued interest payable: | |
| Interest rate swaps | 930,298 |
| Bonds | <u>15,917,001</u> |
| Total current liabilities | <u>17,016,570</u> |
| LONG TERM LIABILITIES: | |
| Bonds payable, net | 1,173,893,001 |
| Estimated rebate liability | <u>400,000</u> |
| Total long term liabilities | <u>1,174,293,001</u> |
| DEFERRED INFLOWS OF RESOURCES: | |
| Accumulated increase in fair | |
| value of hedging derivatives | <u>72,147,422</u> |
| Total liabilities and deferred | |
| inflows of resources | 1,263,456,993 |
| NET POSITION | <u>36,945,646</u> |
| TOTAL | <u><u>\$ 1,300,402,639</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, 2025

| | |
|---|----------------------|
| Revenues: | |
| Loan interest | \$ 21,673,003 |
| Interest rate swap | 28,465,900 |
| Interest on investments and cash equivalents | <u>9,740,623</u> |
| Total revenues | <u>59,879,526</u> |
| Expenses: | |
| Interest expense: | |
| Bonds | 42,786,805 |
| Interest rate swaps | 11,377,721 |
| Costs of issuance | 1,243,981 |
| Credit or liquidity facility fees | 847,861 |
| Rebate expense | 71,134 |
| Administrative expenses | <u>1,451,762</u> |
| Total expenses | <u>57,779,264</u> |
| Revenues over expenses | <u>2,100,262</u> |
| Other changes: | |
| Decrease of estimated rebate liability | 100,000 |
| Class action settlement | 134 |
| Unrealized loss on restricted investments | <u>(9,005)</u> |
| Total other changes, net | <u>91,129</u> |
| Increase in net position | 2,191,391 |
| Net position, beginning | <u>34,754,255</u> |
| Net position, ending | <u>\$ 36,945,646</u> |

See Notes to Financial Statements

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

| | |
|---|-----------------------|
| Cash flows from operating activities | |
| Interest received on loans to local governments and interest rate swap agreements | \$ 51,081,219 |
| Payment of interest on bonds and interest rate swap agreements | (57,108,000) |
| Loans to local governments | (23,903,000) |
| Repayments of loan principal from local governments | 100,458,900 |
| Administrative expenses paid | (1,459,911) |
| Interest received on investments and cash equivalents | 9,809,704 |
| Credit or liquidity facility fees paid | (831,453) |
| Rebate payment | (71,134) |
| Proceeds of bond issues | 202,215,800 |
| Class action settlement proceeds | 134 |
| Bond issuance costs | (1,243,981) |
| Payment of bond principal | <u>(170,195,000)</u> |
| Net cash provided by operating activities and increase in cash and cash equivalents | 108,753,278 |
| Cash and cash equivalents and restricted cash and cash equivalents, beginning | <u>206,630,965</u> |
| Cash and cash equivalents and restricted cash and cash equivalents, ending | <u>\$ 315,384,243</u> |

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

| | |
|--|-----------------------|
| Cash and cash equivalents, ending | \$ 262,762,243 |
| Restricted cash and cash equivalents, ending | <u>52,622,000</u> |
| Cash and cash equivalents and restricted cash and cash equivalents, ending | <u>\$ 315,384,243</u> |

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

| | |
|---|-----------------------|
| Change in net position | <u>\$ 2,191,391</u> |
| Adjustments for other revenues, expenses, and transfers | |
| Decrease of estimated rebate liability | (100,000) |
| Amortization of prepaid interest rate swap expense | 581,725 |
| Adjustments for changes in assets and liabilities | |
| Decrease (increase) in: | |
| Restricted investments | 9,005 |
| Accrued interest receivable: | |
| Loans | 17,406 |
| Interest rate swaps | 924,910 |
| Cash equivalents and investments | 69,081 |
| Prepaid expenses | (25,179) |
| Loans to local governments | 76,555,900 |
| Increase (decrease) in: | |
| Accrued expenses | 33,438 |
| Accrued interest payable: | |
| Interest rate swaps | 163,887 |
| Bonds | (322,824) |
| Bonds payable | <u>28,654,538</u> |
| Total adjustments | <u>106,561,887</u> |
| Net cash provided by operating activities | <u>\$ 108,753,278</u> |

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS, AS OF DECEMBER 31, 2025

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 639 loans (each a “Loan”) in the aggregate principal amount of approximately \$4.069 billion to 216 different Participants located in 16 counties of Pennsylvania. As of December 31, 2025, 221 Loans in the aggregate principal amount of approximately \$884 million were outstanding to 98 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, 2025, 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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Twelve series of bonds (each a “DelVal Series”) in the aggregate par amount of \$1,156,450,000 were outstanding to fund the Loan Program as of December 31, 2025:

- 1) \$6,550,000 Local Government Revenue Bonds, 1997 Series C (the “1997 C Series”),
- 2) \$139,800,000 Local Government Revenue Bonds, 1998 Series A (the “1998 A Series”),
- 3) \$125,000,000 Local Government Revenue Bonds, 2002 Series C (the “2002 C Series”),
- 4) \$60,000,000 Local Government Revenue Bonds, 2007 Series A and C (the “2007 A Series and “2007 C Series”, respectively),
- 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) \$80,000,000 Local Government Revenue Bonds, 2022 Series A and C (the “2022 A Series” and “2022 C Series”, respectively),
- 9) \$97,000,000 Local Government Revenue Bonds, 2022 Series D and E (the “2022 D Series” and “2022 E Series”, respectively),
- 10) \$141,030,000 Local Government Revenue Bonds, 2023 Series A (the “2023 A Series”),
- 11) \$177,070,000 Local Government Revenue Bonds, 2024 Series A and B (the “2024 A Series” and “2024 B Series”, respectively), and
- 12) \$200,000,000 Local Government Revenue Bonds, 2025 Series A and B (the “2025 A Series” and “2025 B Series”, respectively).

The 1997 C Series, 1998 A Series, and 2002 C 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 or “A-” by 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, 2025, DelVal has executed approximately \$1.8 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 (“Toronto-Dominion”), and
- 6) The Royal Bank of Canada (“Royal Bank of Canada”).

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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”).

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. A rebate payment of \$71,134 was paid in 2025. The estimated current rebate liability of the outstanding DelVal Series as of December 31, 2025, was \$100,000, 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, 2025, 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 investments permitted under the Indenture. Deposits in the money market fund are treated as cash equivalents because DelVal can withdraw deposits at par at any time. Investments in weekly variable rate demand bonds (“Weekly VRDB’s”) are treated as cash equivalents because DelVal can tender the Weekly 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 Weekly 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, 2025, are set forth below.

Cash Equivalents, Restricted Cash Equivalents, and Restricted Investments as of December 31, 2025

| | <u>1997 Series</u> | <u>1998 Series</u> | <u>2002 Series</u> | <u>Master Series</u> | <u>Total</u> |
|-----------------------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|
| Cash equivalents | <u>\$ 4,372,483</u> | <u>\$ 68,244,720</u> | <u>\$ 41,055,490</u> | <u>\$ 149,089,550</u> | <u>\$ 262,762,243</u> |
| Restricted cash equivalents | \$ 655,000 | \$ 13,980,000 | \$ 12,500,000 | \$ 25,487,000 | \$ 52,622,000 |
| Restricted investments (1) | - | - | - | 21,743,809 | 21,743,809 |
| Restricted total | <u>\$ 655,000</u> | <u>\$ 13,980,000</u> | <u>\$ 12,500,000</u> | <u>\$ 47,230,809</u> | <u>\$ 74,365,809</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, 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 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, 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 or guarantors with a rating of "A1/P-1" or higher from Moody's, "A+/A-1" or higher from S&P, or an equivalent rating by any other NRSRO, 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. ("NFC"), an affiliate of Natixis, a joint stock company with a board of directors (société anonyme conseil d'administration) organized under the laws of the Republic of France, provides the two GIC's for the 1997 Series, one for the Debt Service Reserve Fund and one for the other operating funds. The NFC GIC's are guaranteed by Caisse des Dépôts et Consignations ("CDC"). NFC 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 NFC GIC's drop below "Aa3" or "AA-", Ambac may direct NFC 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. If Ambac directs the collateralization, NFC may terminate the GIC's and pay DelVal the principal and accrued interest due. On October 21, 2025, S&P downgraded CDC from "AA-" to "A+". Ambac took no action to require collateralization. As of December 31, 2025, the NFC obligations guaranteed by CDC were rated "Aa3" by Moody's and "A+" by S&P. The NFC GIC's terminate 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, 2025, the BayernLB obligations with the guaranty of the Free State of Bavaria were rated "Aaa" by

Moody's. S&P rates the Free State of Bavaria as "AAA", but S&P does not rate any BayernLB obligations. The BayernLB GIC's terminate 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 NFC and guaranteed by CDC. NFC 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 NFC 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 NFC 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. If DelVal directs the collateralization, NFC may terminate the GIC's and pay DelVal the principal and accrued interest due. On October 21, 2025, S&P downgraded CDC from "AA-" to "A+". DelVal took no action to require collateralization. As of December 31, 2025, the NFC obligations guaranteed by CDC were rated "Aa3" by Moody's and "A+" by S&P. The NFC GIC's terminate 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. 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 were 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 "Aa3/AA-" threshold in 2009, and DelVal 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, 2025, Citigroup was rated "A3" by Moody's and "BBB+" by S&P. The CFPI GIC terminates on May 28, 2042, three business days prior to the scheduled maturity date of the 2007 Series.

DelVal executed a new GIC with NFC, guaranteed by Natixis, on March 31, 2026, to invest \$69,073,000 of the unrestricted funds of the Master Series that were previously invested in a U.S. Treasury money market fund. Natixis is rated "A1/P-1" by Moody's and "A+/A-1" by S&P. The new NFC GIC will terminate on May 1, 2027.

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, 2025, are set forth below.

Cash Equivalents by Use of Funds as of December 31, 2025

Delaware Valley Regional Finance Authority
Notes to Financial Statements

| | <u>1997 Series</u> | <u>1998 Series</u> | <u>2002 Series</u> | <u>Master Series</u> | <u>Total</u> |
|---------------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|
| Recycling Funds (1) | \$ 4,352,000 | \$ 54,889,000 | \$ 40,856,000 | \$ 149,089,550 | \$ 249,186,550 |
| Revenue Funds (2) | <u>20,483</u> | <u>13,355,720</u> | <u>199,490</u> | <u>-</u> | <u>13,575,693</u> |
| Total | <u>\$ 4,372,483</u> | <u>\$ 68,244,720</u> | <u>\$ 41,055,490</u> | <u>\$ 149,089,550</u> | <u>\$ 262,762,243</u> |

- (1) Deposits are generally restricted to the origination or acquisition of Loans or the repayment of bonds. The Recycling Funds are over-collateralized by \$50,964,250.
(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 DelVal on December 31, 2025, are summarized in the following table. DelVal records the fair value of the cash equivalents and restricted cash equivalents at par because the instruments either mature or can be redeemed at par within 90 days. DelVal records restricted investments at fair value. As of December 31, 2025, 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, BayernLB, CFPI, and NFC exceeded 5%.

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**Cash Equivalents, Restricted Cash Equivalents,
and Restricted Investments as of December 31, 2025**

| <i>Description</i> | <i>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>Floating rate notes (1)</i> | | | | | | | | | |
| National Australia Bank | Aa2 | AA- | 12-Jan-27 | 4.520% | \$ - | \$ - | \$ 4,716,779 | \$ 4,716,779 | 1.399% |
| Pacific Life Global Funding | Aa3 | AA- | 4-Jun-26 | 4.490% | - | - | 17,027,030 | 17,027,030 | 5.051% |
| Treasury Money Market | Aaa-mf | AAAm | *** | 3.600% | 89,920,500 (7) | 6,056,000 | - | 95,976,500 | 28.469% |
| <i>Variable Rate Demand Bonds</i> | | | | | | | | | |
| Harris County Cultural Education Facilities Finance Corporation | Aa1/VMIG 1 | AA+/A-1 | 1-Oct-45 | 2.350% | - | 12,180,000 | - | 12,180,000 | 3.613% |
| <i>GIC's (2)</i> | | | | | | | | | |
| Bayerische Landesbank | Aa3/P-1 | *** | 1-Jul-26 | 3.700% | - | 7,251,000 | - | 7,251,000 | |
| Bayerische Landesbank (3) | Aaa/P-1 | *** | 27-Jul-28 | 4.950% | 68,231,220 | 13,980,000 | - | 82,211,220 | 26.536% |
| Citigroup Financial Products Inc. (4) | A3/P-2 | BBB+/A-2 | 28-May-42 | 4.491% | 59,182,550 | - | - | 59,182,550 | 17.555% |
| Natixis Funding Corp. (5) | Aa3/P-1 | A+/A-1 | 28-Jun-27 | 4.870% | 4,372,483 | 655,000 | - | 5,027,483 | |
| Natixis Funding Corp. (5) | Aa3/P-1 | A+/A-1 | 28-Jun-32 | 4.490% | 41,055,490 | 12,500,000 | - | 53,555,490 | 17.377% |
| Total | | | | | <u>\$ 262,762,243</u> | <u>\$ 52,622,000</u> | <u>\$ 21,743,809</u> | <u>\$ 337,128,052</u> | 100.000% |

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

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

(3) Obligations guaranteed by the State of Bavaria and the Association of Bavarian Savings Banks.

(4) Obligations are guaranteed by Citigroup Inc. and collateralized with securities held by the Bank of New York Mellon.

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

(6) Rate as of December 31, 2025.

(7) \$69,073,00 of the cash equivalents were invested in a new GIC with Natixis Funding Corp. on March 31, 2026.

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 2025 was 3.181%, and interest rates on fixed rate Loans ranged from 0.665% 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, 2025, 221 Loans in the aggregate principal amount of \$884 million were outstanding to 98 different Participants located in nine counties. Loans to Delaware County accounted for 28.165% 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, 2025, is shown below.

Loans Outstanding on December 31, 2025

| | <u>1997 Series</u> | <u>1998 Series</u> | <u>2002 Series</u> | <u>Master Series</u> | <u>Total</u> |
|-----------------------|--------------------|----------------------|----------------------|-----------------------|-----------------------|
| Principal outstanding | \$ 1,543,000 | \$ 70,931,000 | \$ 99,803,000 | \$ 711,628,700 | \$ 883,905,700 |
| Less current amount | <u>(880,000)</u> | <u>(24,923,000)</u> | <u>(13,115,000)</u> | <u>(49,807,100)</u> | <u>(88,725,100)</u> |
| Net amount | <u>\$ 663,000</u> | <u>\$ 46,008,000</u> | <u>\$ 86,688,000</u> | <u>\$ 661,821,600</u> | <u>\$ 795,180,600</u> |

Interest on the Loans is payable monthly. Principal of the Loans is paid according to an amortization schedule established at the closing of each Loan, typically annual payments to provide level annual debt service. Interest rates of fixed and variable rate Loans are calculated monthly by the Administrator to provide sufficient funds 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> |
|--------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|
| 2026 | \$ 880,000 | \$ 24,923,000 | \$ 13,115,000 | \$ 49,807,100 | \$ 88,725,100 |
| 2027 | 663,000 | 24,670,000 | 12,237,000 | 48,947,300 | 86,517,300 |
| 2028 | - | 21,338,000 | 12,417,000 | 45,432,600 | 79,187,600 |
| 2029 | - | - | 19,798,000 | 40,316,700 | 60,114,700 |
| 2030 | - | - | 19,941,000 | 41,160,000 | 61,101,000 |
| 2031 to 2035 | - | - | 22,295,000 | 216,064,000 | 238,359,000 |
| 2036 to 2040 | - | - | - | 172,723,000 | 172,723,000 |
| 2041 to 2045 | - | - | - | 71,463,000 | 71,463,000 |
| 2046 to 2050 | - | - | - | 20,077,000 | 20,077,000 |
| 2051 to 2055 | - | - | - | 5,638,000 | 5,638,000 |
| Total | <u>\$ 1,543,000</u> | <u>\$ 70,931,000</u> | <u>\$ 99,803,000</u> | <u>\$ 711,628,700</u> | <u>\$ 883,905,700</u> |

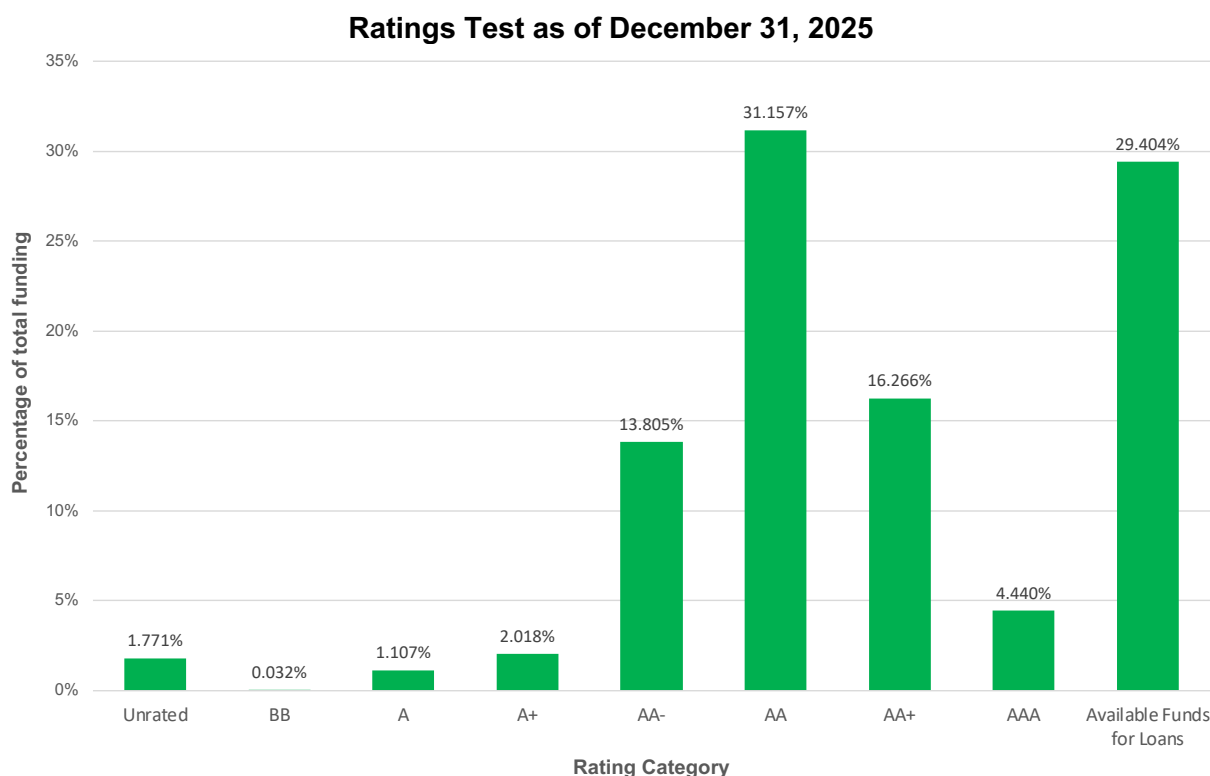
Covenant Agreement

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 Inc. (“AG”) and Build America Mutual Corp. (“BAM”) have issued financial guaranty policies with DelVal as the beneficiary, for the repayment of 13.92% of the Loan principal outstanding as of December 31, 2025. 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, 2025, 1.803% 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 or redeem bonds.



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 C, 1998 A, and 2002 C 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 provide 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. Nine series outstanding as of December 31, 2025, were issued under the Master Indenture and a supplemental indenture. The 2007 A and C Series were 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 A and C Series were issued under the Ninth Supplemental Indenture on February 10, 2022; the 2022 D and E Series were 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, the 2024 A and B Series were issued under the Twelfth Supplemental Indenture on September 3, 2024, and the 2025 A and B Series were issued under the Thirteenth Supplemental Indenture on December 17, 2025.

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

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

Net Amounts of DelVal Series Outstanding on December 31, 2025

| | <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 | \$ 6,550,000 | \$ 139,800,000 | \$ 125,000,000 | \$ 885,100,000 | \$ 1,156,450,000 |
| Unamortized amounts | | | | | |
| Insurance premium | (20,331) | (95,381) | - | - | (115,712) |
| Original issue premium | <u>46,980</u> | <u>1,155,630</u> | <u>1,569,351</u> | <u>14,786,752</u> | <u>17,558,713</u> |
| Net amount | <u>\$ 6,576,649</u> | <u>\$ 140,860,249</u> | <u>\$ 126,569,351</u> | <u>\$ 899,886,752</u> | <u>\$ 1,173,893,001</u> |

DelVal exercised Extraordinary Mandatory Redemptions of all of the outstanding \$1,660,000 of the Local Government Revenue Bonds, 1997 Series B (the “1997 B Series”) and \$3,450,000 of the 1997 C Series on July 1, 2025, and \$40,085,000 of the 1998 A Series on August 1, 2025, from: (i) deposits in their respective Recycling Funds, (ii) deposits in their respective Debt Service Reserve Funds, and (iii) and other available funds. DelVal optionally redeemed all of the outstanding \$50,000,000 Local Government Revenue Bonds, 2007 Series B (the “2007 B Series”) and all of the outstanding \$75,000,000 Local Government Revenue Bonds, 2022 Series B (the “2022 B Series”) on December 17, 2025, from: (i) proceeds from the acquisition of Loans by the 2025 A and B Series, (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 | \$ 11,740,389 | \$ 181,614,783 | \$ 126,854,616 | \$ 825,028,675 | \$ 1,145,238,463 |
| Beginning 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 |
| Amounts amortized | | | | | |
| Bond insurance premium | 40,998 | 60,232 | - | - | 101,230 |
| Original issue premium | (94,738) | (729,766) | (285,265) | (2,168,099) | (3,277,868) |
| New debt issued | | | | | |
| Par amount | - | - | - | 200,000,000 (1) | 200,000,000 |
| Original issue premium | - | - | - | 2,215,800 | 2,215,800 |
| Bonds redeemed | (5,110,000) | (40,085,000) | - | (125,000,000) (2) | (170,195,000) |
| Ending current amounts | | | | | |
| Bonds payable | - | - | - | - | - |
| Bond insurance premium | 40,998 | 60,232 | - | - | 101,230 |
| Original issue premium | (94,738) | (729,766) | (285,266) | (2,350,349) | (3,460,119) |
| Ending Bonds net amount | <u>\$ 6,576,649</u> | <u>\$ 140,860,249</u> | <u>\$ 126,569,351</u> | <u>\$ 899,886,752</u> | <u>\$ 1,173,893,001</u> |

(1) The issuance of the 2025 A and B Series.

(2) Redemption of the \$50,000,000 2007 B Series and \$75,000,000 2022 B Series.

The DelVal Board annually adopts a Post Issuance Compliance Policy, and under the policy, the Administrator monitors and reports any compliance issues with Treasury regulations or rules of the Municipal Securities Rulemaking Board. 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, 2025, are shown in the following schedule. Estimates of the interest payments on the variable rate bonds are based on the final rate resets in 2025. 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, 2025**

| <i>Fiscal Years</i> | <u>1997 C Series</u> | | <u>1998 A Series</u> | | <u>2002 C Series</u> | | <u>Master Series</u> | | <u>Total Debt Service</u> | | |
|---------------------|----------------------|---------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|---------------------------|-----------------------|-------------------------|
| | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> | <i>Total</i> |
| 2026 | \$ - | \$ 507,625 | \$ - | \$ 7,689,000 | \$ - | \$ 7,187,500 | \$ - | \$ 27,320,333 | \$ - | \$ 42,704,458 | \$ 42,704,458 |
| 2027 | 6,550,000 | 507,625 | - | 7,689,000 | - | 7,187,500 | 75,000,000 | 25,834,619 | 81,550,000 | 41,218,744 | 122,768,744 |
| 2028 | - | - | 139,800,000 | 7,689,000 | - | 7,187,500 | - | 25,256,575 | 139,800,000 | 40,133,075 | 179,933,075 |
| 2029 | - | - | - | - | - | 7,187,500 | 67,000,000 | 24,806,575 | 67,000,000 | 31,994,075 | 98,994,075 |
| 2030 | - | - | - | - | - | 7,187,500 | 5,000,000 | 23,331,575 | 5,000,000 | 30,519,075 | 35,519,075 |
| 2031 to 2035 | - | - | - | - | 125,000,000 | 14,375,000 | 223,100,000 | 104,288,275 | 348,100,000 | 118,663,275 | 466,763,275 |
| 2036 to 2040 | - | - | - | - | - | - | 120,000,000 | 55,722,113 | 120,000,000 | 55,722,113 | 175,722,113 |
| 2041 to 2045 | - | - | - | - | - | - | - | 47,497,500 | - | 47,497,500 | 47,497,500 |
| 2046 to 2050 | - | - | - | - | - | - | - | 47,497,500 | - | 47,497,500 | 47,497,500 |
| 2051 to 2055 | - | - | - | - | - | - | 150,000,000 | 40,741,250 | 150,000,000 | 40,741,250 | 190,741,250 |
| 2056 to 2060 | - | - | - | - | - | - | 245,000,000 | 25,370,625 | 245,000,000 | 25,370,625 | 270,370,625 |
| Total | <u>\$ 6,550,000</u> | <u>\$ 1,015,250</u> | <u>\$ 139,800,000</u> | <u>\$ 23,067,000</u> | <u>\$ 125,000,000</u> | <u>\$ 50,312,500</u> | <u>\$ 885,100,000</u> | <u>\$ 447,666,940</u> | <u>\$ 1,156,450,000</u> | <u>\$ 522,061,690</u> | <u>\$ 1,678,511,690</u> |

1997 C Series

The 1997 C Series was issued in the original par amount of \$10,000,000 with a 7.75% coupon payable semiannually, at an original issue premium of \$2,842,400, maturing on July 1, 2027. Interest on the 1997 Series is payable semiannually. Moody's and S&P originally rated the 1997 C 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 C Series, and Moody's assigned a rating based solely upon the long-term rating of DeIVal. As of December 31, 2025, Moody's had assigned a rating of "A1" with a stable outlook to the 1997 C Series.

The 1997 C Series is 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 C Series may be subject to an Extraordinary Mandatory Redemption. In the event of such an extraordinary redemption, 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 C Series is a requirement of the 1997 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.

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 DeIVal to utilize deposits in the Recycling Fund of the 1997 Series accumulated from Loan repayments. The DeIVal Board authorized the Extraordinary Mandatory Redemption of the 1997 Series as necessary to comply with the 1997 Series Indenture. On July 1, 2025, all of the outstanding \$1,660,000 of the 1997 B Series and \$3,450,000 of the 1997 C Series were subject to an Extraordinary Mandatory Redemption. The 1997 C Series was redeemed at the redemption price of 103.728%, a premium of \$128,616.

DeIVal entered into a master interest rate swap agreement related to the 1997 Series and executed a Bond Swap. Under the terms of the Bond Swap, DeIVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The Bond Swap related to the 1997 C Series terminates on its maturity date. The Bond Swap allows DeIVal to hedge its exposure to changes of long-term interest rates. See "Note 6. Derivative Financial Instruments" for additional information.

1998 A Series

The 1998 A Series was issued in the par amount of \$250,000,000 with a 5.50% coupon payable semiannually, at an original issue premium of \$18,060,000, maturing on August 1, 2028. The 1998 A Series is secured by a municipal bond insurance policy issued by Ambac. Moody's and S&P originally rated the 1998 A Series solely upon the municipal bond insurance policy of Ambac. Following the filing by Ambac Financial Group, Inc. for relief under Chapter 11 of the *United States Bankruptcy Code*, S&P withdrew its rating of the 1998 A Series. Moody's assigned a rating to the 1998 A Series based solely upon the long-term rating of DeIVal. As of December 31, 2025, Moody's had assigned a rating of "A1" with a stable outlook to the 1998 A Series.

The 1998 A 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 A 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 A Series is a requirement of the 1998 Indenture. To date, Ambac has cooperated in providing consents when necessary to fund loans from the 1998 A Series; however, Ambac has been in run-off operations since 2009, and the future staffing and policies of Ambac are uncertain.

Loans originated or acquired by the 1998 A Series must mature on or before August 1, 2028. The maturity constraint of the 1998 A Series restricts the ability of DelVal to utilize deposits in the Recycling Fund of the 1998 A Series accumulated from Loan repayments. The DelVal Board authorized the Extraordinary Mandatory Redemption of the 1998 A Series as necessary to comply with the 1998 Series Indenture. On August 1, 2025, \$40,085,000 of the 1998 A Series was subject to an Extraordinary Mandatory Redemption. The 1998 A Series was redeemed at the redemption price of 104.293%, a premium of \$1,720,849.

DelVal entered into a master interest rate swap agreement related to the 1998 Series and executed a Bond Swap. Under the terms of the Bond Swap, DelVal pays a rate indexed to the SIFMA Index monthly and receives a fixed rate payment semiannually. The Bond Swap related to the 1998 A Series terminates on its maturity date. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

2002 C Series

The 2002 C Series was issued in the par amount of \$125,000,000 with a coupon of 5.75% payable semiannually, at an original issue premium of \$9,391,250, maturing on July 1, 2032. The 2002 C Series was rated “A1” with a stable outlook by Moody’s and “A+” with a stable outlook by S&P as of December 31, 2025.

The 2002 C 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 C 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 C Series and executed a Bond Swap. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The Bond Swap related to the 2002 C Series terminates on its maturity date. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

2007 A, B, and C Series

The 2007 A, B, and C Series were issued under the Master Indenture and the First Supplemental Indenture on June 28, 2007, in the par amount of \$110,000,000. The 2007 A Series was issued in the par amount of \$10,000,000 with a coupon of 5.50% payable semiannually, at an original issue premium of \$1,365,600, maturing on June 1, 2037. 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 2007 A Series was rated “A1” with a stable outlook by Moody’s and “A+” with a stable outlook by S&P as of December 31, 2025.

The 2007 B Series was issued in the par amount of \$50,000,000 as Weekly VRDB's, secured by a letter-of-credit, maturing on June 1, 2042. The 2007 B Series was optionally redeemed on December 17, 2025.

The outstanding 2007 C Series was issued in the par amount of \$50,000,000, originally set at an interest rate indexed to 3-Month LIBOR, payable quarterly, maturing 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 2007 C Series is subject to optional redemption, in whole or part, and purchase by DelVal at par on or after June 1, 2017. The 2007 C Series was rated "A1" with a stable outlook by Moody's and "A+" with a stable outlook by S&P as of December 31, 2025.

DelVal executed Bond Swaps related to the 2007 A Series and the 2007 C Series that terminate on their respective maturity dates. Under the Bond Swap related to the 2007 A Series, DelVal pays the SIFMA Index monthly and receives a fixed payment semiannually. Under the Bond Swap related to the 2007 C Series, DelVal pays a rate indexed to the SIFMA Index monthly and receives a floating rate indexed to 3-Month Term SOFR quarterly. The Bond Swaps allow DelVal to hedge its exposure to changes of long-term interest rates related to the 2007 A Series and to basis risk related to the 2007 C Series. See "Note 6. Derivative Financial Instruments" for additional information.

2018 A Series

On June 27, 2018, DelVal issued the 2018 A Series under the Master Indenture and the Fifth Supplemental Indenture in the par amount of \$10,000,000 with a coupon of 5.00% payable semiannually, at an original issue premium of \$1,832,000, with a maturity on September 1, 2033. The 2018 Series was assigned ratings of "A1" by Moody's and "A+" by S&P as of December 31, 2025.

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.

DelVal executed a Bond Swap related to the 2018 A Series. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The Bond Swap related to the 2018 A Series terminates on its maturity date. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See "Note 6. Derivative Financial Instruments" for additional information.

2020 D Series

The 2020 D Series was issued under the Master Indenture and the Seventh Supplemental Indenture in the par amount of \$75,000,000 on November 2, 2020, as Weekly VRDB's, secured by a direct-draw letter-of-credit issued by TD Bank, N.A. ("TD"), remarketed by TD Securities LLP ("TD Securities"), maturing on November 1, 2055. TD Securities, as 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, 2025, 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 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 par amount of \$45,000,000, with a coupon of 2.00% payable semiannually, at an original issue premium of \$2,382,750, with a maturity date of October 1, 2029. The bonds are not subject to optional redemption. The 2021 A Series was assigned ratings of “A1” by Moody’s and “A+” by S&P as of December 31, 2025.

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.

DelVal executed a Bond Swap related to the 2021 A Series. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The Bond Swap related to the 2018 A Series terminates on its maturity date. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

2022 A, B, and C Series

The 2022 A, B, and C Series were issued under the Master Indenture and the Ninth Supplemental Indenture on February 10, 2022. The 2022 A Series was issued in the par amount of \$5,000,000 with a coupon of 5.00% payable semiannually, with an original issue premium of \$1,132,050, maturing on March 1, 2030. The 2022 B Series was issued in the par amount of \$75,000,000 at an interest rate indexed to the SIFMA Index payable monthly, with an optional redemption date of March 1, 2025, with a mandatory purchase date of March 1, 2026, and a maturity date of March 1, 2057. The 2022 B Series was optionally redeemed on December 17, 2025. The 2022 C Series was issued in the par amount of \$75,000,000 at an interest rate indexed to the weighted average SOFR payable monthly, with an optional redemption date of March 1, 2026, with a mandatory purchase date of March 1, 2027, and a maturity date of March 1, 2057. The 2022 A and C Series were assigned ratings of “A1” by Moody’s and “A+” by S&P as of December 31, 2025.

The 2022 A and C Series are 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.

DelVal executed Bond Swaps related to the 2022 A Series that terminates on its maturity date and the 2022 C Series that terminates on its mandatory purchase date. Under the Bond Swap related to the 2022 A Series, DelVal pays the SIFMA Index monthly and receives a fixed payment semiannually. Under the Bond Swap related to the 2022 C Series, DelVal pays a rate indexed to the SIFMA Index monthly and receives a floating rate indexed to SOFR monthly. The Bond Swaps allow DelVal to hedge its exposure to

changes of long-term interest rates related to the 2022 A Series and to basis risk related to the 2022 C Series. See “Note 6. Derivative Financial Instruments” for additional information.

2022 D and E Series

The 2022 D and E Series were issued under the Master Indenture and the Tenth Supplemental Indenture on July 14, 2022. The 2022 D Series was issued in two tranches: a par amount of \$20,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$1,255,600, maturing on March 1, 2029, and a par amount of \$2,000,000, with a coupon of 5.00% payable semiannually, with an original issue premium of \$254,180, and maturing on March 1, 2029. The 2022 E Series was issued in the par amount of \$75,000,000 as Weekly VRDB's, secured by a direct-draw letter-of-credit issued by TD, remarketed by TD Securities, maturing on March 1, 2052. As of December 31, 2025, 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.

TD Securities, as remarketing agent of the 2022 E Series, resets the interest rates effective every Wednesday. The 2022 E Series are subject to optional redemption or purchase on any date, in whole or part, 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 D and E Series are 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.

DelVal executed a Bond Swap related to the 2022 D Series. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The Bond Swap related to the 2022 D Series terminates on its maturity date. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

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. The 2023 A Series was issued with three maturities: (i) \$50,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$4,072,000, and maturity date of September 1, 2032, (ii) \$41,030,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$2,837,424.50, and a maturity date of September 1, 2033, and (iii) \$50,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$2,889,000, and a maturity date of September 1, 2034. The bonds are subject to optional redemption six months prior to their respective maturity dates. As of December 31, 2025, the 2023 A Series was assigned ratings of “A1” by Moody’s and “A+” by S&P.

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.

DelVal executed a Bond Swap related to the 2023 A Series. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The notional reductions of the Bond Swap match the maturities of the 2023 A Series. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

2024 A and B Series

On September 3, 2024, DelVal issued the 2024 A and B Series under the Master Indenture and the Twelfth Supplemental Indenture in the principal amount of \$177,070,000. The \$72,070,000 2024 A Series was issued with three maturities: (i) \$15,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$979,650, and a maturity date of September 1, 2033, (ii) \$27,070,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$1,768,212, and a maturity date of September 1, 2034, and (iii) \$30,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$1,775,400, and a maturity date of September 1, 2035. The 2024 A Series are subject to optional redemption on or after September 1, 2034. As of December 31, 2025, 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.

DelVal executed a Bond Swap related to the 2024 A Series. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The notional reductions of the Bond Swap match the maturities of the 2024 A Series. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

The \$105,000,000 2024 B Series was issued as a daily variable rate demand bond (“Daily VRDB”) maturing on September 1, 2059, with the remarketing secured by a direct-draw letter-of-credit issued by TD. TD Securities, 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. As of December 31, 2025, the 2024 B Series was assigned ratings of “A1/VMIG 1” by Moody’s and “AA+/A-1” by S&P.

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.

2025 A and B Series

On December 17, 2025, DelVal issued the 2025 A and B Series under the Master Indenture and the Thirteenth Supplemental Indenture in the principal amount of \$200,000,000. The proceeds of the 2025 A and B Series were deposited into: (i) the Acquisition Fund (to acquire Loans from the 2007 B Series and the 2022 B Series and to originate new Loans), (ii) the Debt Service Reserve Fund, and (iii) the Costs of Issuance Fund. The 2007 B Series and the 2022 B Series were redeemed, using the proceeds from the acquisition of Loans by the 2025 A and B Series and other available funds, on December 17, 2025.

The \$60,000,000 2025 A Series was issued with three maturities: (i) \$25,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$1,152,000, and a maturity date of December 1, 2036, (ii) \$10,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$375,000, and a maturity date of December 1, 2037, and (iii) \$25,000,000 with a coupon of 4.00% payable semiannually, with an original issue premium of \$688,000, and a maturity date of December 1, 2038. As of December 31, 2025, the 2025 A Series was assigned ratings of “A1” by Moody’s and “A+” by S&P.

The 2025 A Series is not subject to optional redemption, but the 2025 A Series is subject to Extraordinary Mandatory Redemption under certain circumstances defined in the Thirteenth Supplemental Indenture, principally the inability to originate Loans for a protracted period of time, at the purchase prices and premiums set forth in the Thirteenth Supplemental Indenture.

DelVal executed a Bond Swap related to the 2025 A Series. Under the terms of the Bond Swap, DelVal pays the SIFMA Index monthly and receives a fixed rate payment semiannually. The notional reductions of the Bond Swap match the maturities of the 2025 A Series. The Bond Swap allows DelVal to hedge its exposure to changes of long-term interest rates. See “Note 6. Derivative Financial Instruments” for additional information.

The \$140,000,000 2025 B Series was issued as a Weekly VRDB maturing on December 1, 2060, with the remarketing secured by a direct-draw letter-of-credit issued by Bank of America. BofA Securities, Inc., the remarketing agent of the 2025 B Series, resets the interest rates weekly. The 2025 B Series are subject to optional redemption on any date, in whole or part, at par. The 2025 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 2025 B Series is paid monthly on the first business day. The interest rates of the 2025 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 Thirteenth Supplemental Indenture, is 15%. Holders of the 2025 B Series may tender the bonds to the remarketing agent at par with seven days of notice. As of December 31, 2025, the 2025 B Series was assigned ratings of “Aa2/VMIG 1” by Moody’s and “AA+/A-1” by S&P.

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5. CREDIT FACILITIES

1997 C Series and 1998 A 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, 2025, Moody's and S&P had withdrawn their ratings of Ambac.

2007 B Series

DelVal, as required by the First Supplemental Indenture, maintained 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. The letter-of-credit was terminated on December 17, 2025, when DelVal optionally redeemed 2007 B Series. During 2025, DelVal paid \$146,496 to PNC for facility fees and \$3,250 for draw fees.

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. The agreement was amended again as of December 1, 2025, to extend the scheduled termination date to December 1, 2028. During 2025, DelVal paid \$180,776 of facility fees and \$3,000 of draw fees to TD. As of December 31, 2025, the TD was assigned counterparty ratings of "A1/P-1" by Moody's and "A+/A-1" by S&P.

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 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 2025, DelVal paid \$213,884 of facility fees and \$3,000 of draw fees to TD. As of December 31, 2025, the TD was assigned counterparty ratings of "A1/P-1" by Moody's and "A+/A-1" by S&P.

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 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 2025, DelVal paid \$278,049 of facility fees and \$3,000 of draw fees to TD. As of December 31, 2025, the TD was assigned counterparty ratings of "A1/P-1" by Moody's and "A+/A-1" by S&P.

2025 B Series

Pursuant to the Thirteenth Supplemental Indenture, a direct draw letter-of-credit in the amount of \$142,589,041 secures the payment of principal of and accrued interest on the 2025 B Series. DelVal entered into an agreement with Bank of America, N.A. as of December 1, 2025, to provide the requisite letter-of-credit. The scheduled termination date of the BANA letter-of-credit is December 1, 2030. During 2025, DelVal accrued \$16,408 of facility fees. As of December 31, 2025, the BANA was assigned counterparty ratings of “Aa2/P-1” by Moody’s and “A+/A-1” by S&P.

Participant Credit Enhancers

Certain Loans are secured by Participant Credit Enhancements, financial guaranty policies, with DelVal as the beneficiary. The Participant Credit Enhancements do not secure bondholders of the related DelVal Series. Premiums for the policies were paid from DelVal’s origination fees or Loan proceeds at the closing of each Loan. As of December 31, 2025, approximately 13.92% of the Loan principal outstanding, approximately \$123 million, was insured by AG or BAM. As of December 31, 2025, 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

The primary objective of the DelVal Loan Program is to provide Loans at interest rates competitive with private placement and public sale options under any market conditions. To achieve this goal, DelVal's costs of funds needs to adjust with rising and falling interest rates, and DelVal must be able to control the risk of providing variable rate or fixed rate Loans. DelVal executes interest rate swap transactions to hedge its interest rate and basis risks.

DelVal has executed master swap agreements (each a "Swap Agreement") with six Counterparties. All the Swap Agreements are secured on a parity basis with bondholders. A listing of the Counterparties is shown below:

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

Currently, DelVal is not executing new swap transactions with Citibank, Barclays, or PNC.

DelVal began using interest rate swap transactions related to new DelVal Series (each a "Bond Swap") to manage interest rate and basis risk in 1997. Under these transactions, DelVal receives a payment with the same basis, fixed or floating rate, as the related DelVal Series, and DelVal pays a floating rate based on the SIFMA Index. The result is a net cost of funds equal to the SIFMA Index plus a spread that is comparable to the cost of funds that DelVal would realize with a Weekly VRDB. Prior to 1997, DelVal only issued Weekly VRDB's to fund its Loan Program. The use of Bond Swaps allowed DelVal to utilize fixed and floating rate debt to diversify its sources of funding and to reduce its exposure to remarketed debt.

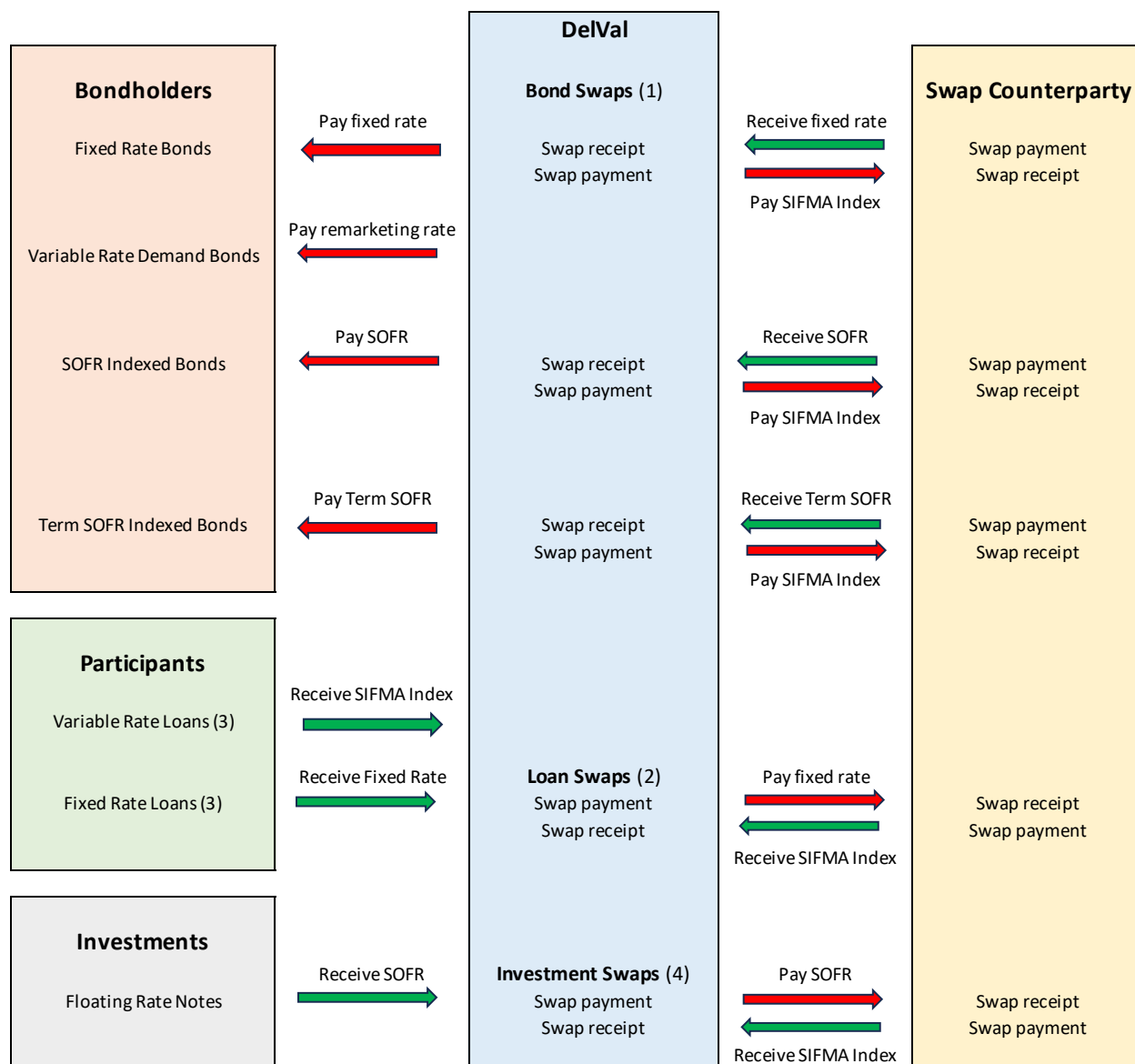
Prior to 1997, DelVal only originated variable rate Loans. Beginning in 1997, DelVal began using interest rate swap transactions to hedge its risk of providing a fixed rate Loan (each a "Loan Swap"). Under these transactions, DelVal pays a fixed rate, and DelVal receives the SIFMA Index. The fixed rate DelVal pays, plus a spread to cover DelVal's costs of operations, defines the Loan fixed rate that DelVal can provide.

An ancillary issue for DelVal is the basis risk of restricted investments. To eliminate this basis risk, DelVal executes interest rate swap transactions (each an "Investment Swap") under which DelVal pays a rate with the basis of the investment, and DelVal receives a rate based on the SIFMA Index. The net receipts and payments create an investment with a return equal to fixed spread over the SIFMA Index and DelVal's cost of funds.

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 Weekly 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.

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As of December 31, 2025, Bond Swap transactions in the notional amount of \$916,500,000, Loan Swap transactions in the notional amount of \$860,723,700, 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, 2025, are set forth below.

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

| | <i>Notional Amount</i> | <i>Carrying Value</i> | <i>Fair Value 31-Dec-25</i> |
|-------------------------------------|----------------------------|---------------------------|---------------------------------|
| 1997 Series | | | |
| Bond Swaps | \$ 6,550,000 | \$ 295,795 | \$ 295,795 |
| Loan Swaps | 1,515,000 | 6,408 | 6,408 |
| 1998 Series | | | |
| Bond Swaps | 139,800,000 | 8,351,521 | 8,351,521 |
| Unamortized prepaid swap expense | - | 1,502,922 | 1,709,052 |
| Loan Swaps | 70,196,000 | 862,484 | 862,484 |
| 2002 Series | | | |
| Bond Swaps | 125,000,000 | 13,865,122 | 13,865,122 |
| Loan Swaps | 99,803,000 | 1,673,554 | 1,673,554 |
| Master Series | | | |
| Bond Swaps | 645,150,000 | (1,624,308) | (1,624,308) |
| Loan Swaps | 689,209,700 | 48,870,652 | 48,870,652 |
| Investment swaps | <u>21,700,000</u> | <u>(153,806)</u> | <u>(153,806)</u> |
| Total | <u>\$ 1,798,923,700</u> | <u>\$ 73,650,344</u> | <u>\$ 73,856,474</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.

Below are summaries of the Bond Swap receipts and payments and the related bond interest payments in 2025.

**Net Bond Swap Receipts and Bond Interest Payments of
the Related DelVal Series in 2025**

| <u>Bond Interest</u> | <u>Amortization of Original Issue Premium</u> | <u>Net Bond Swap Receipts</u> | <u>Net Payment</u> | <u>Net Cost of Funds (1)</u> | <u>Spread over SIFMA Index (2)</u> |
|----------------------|---|---------------------------------------|--------------------|--------------------------------------|--|
| \$ 33,036,695 | \$ (3,277,868) | \$ (8,267,616) | \$ 21,491,211 | 2.756% | 0.075% |

(1) Weighted average funding of DelVal Series with Bond Swaps in 2025 was \$779,752,261.

(2) Average SIFMA Index in 2025 was 2.681%.

The comparable spread over the SIFMA Index (including letter-of-credit and remarketing fees) of the Daily and Weekly VRDB's outstanding as of December 31, 2025, ranged from approximately 0.287% to 0.406%.

Below are summaries of the estimated bond interest payments, Bond Swap payments, and the calculation of the estimated spread over the SIFMA Index that DelVal will pay over the next five years, assuming no issuance of new DelVal Series.

Estimated Net Bond Interest and Bond Swap Interest Payments

| | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030 and Thereafter</u> |
|--|----------------------|----------------------|----------------------|----------------------|--------------------------------|
| Bond interest expenses | \$ 33,406,245 | \$ 31,225,621 | \$ 27,382,695 | \$ 21,922,445 | \$ 20,889,112 |
| Less amortization of Original Issue Premium | (3,460,118) | (3,412,749) | (3,061,311) | (2,377,086) | (2,015,736) |
| Less Bond Swap receipts | (31,160,621) | (27,905,012) | (21,118,522) | (16,682,759) | (16,230,948) |
| Bond Swap payments | <u>21,275,229</u> | <u>18,732,439</u> | <u>14,441,937</u> | <u>12,222,374</u> | <u>11,241,007</u> |
| Net Bond and Bond Swap Interest | <u>\$ 20,060,735</u> | <u>\$ 18,640,299</u> | <u>\$ 17,644,799</u> | <u>\$ 15,084,974</u> | <u>\$ 13,883,435</u> |
| Weighted Average Funding | \$ 812,414,250 | \$ 746,639,250 | \$ 672,614,250 | \$ 560,995,916 | \$ 519,855,917 |
| Cost of Funds | 2.469% | 2.497% | 2.623% | 2.689% | 2.671% |
| Assumed SIFMA Index | 2.360% | 2.360% | 2.360% | 2.360% | 2.360% |
| Spread over the SIFMA Index | 0.109% | 0.137% | 0.263% | 0.329% | 0.311% |

As of December 31, 2025, 238 Loan Swap transactions in the notional amount of \$860,723,700 were executed with BANA, Barclays, PNC, the Royal Bank of Canada, and Toronto-Dominion to provide fixed rate loans to 98 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 2025.

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**Loan Swap Receipts and Payments Related to
Fixed Rate Loans in 2025**

| <i>Fixed Rate Loan Interest Repayments</i> | <i>Loan Swap Transactions for Fixed Rate Loans</i> | | <i>Related Bond Swap</i> | <i>Net Receipt</i> |
|--|--|---------------------------------|---------------------------------|------------------------|
| | <i>Fixed Rate Payments</i> | <i>SIFMA Index Receipts</i> | <i>SIFMA Index Payments</i> | |
| \$ 20,994,752 | \$ (17,252,591) | \$ 24,101,403 | \$ (24,101,403) | \$ 3,742,161 |

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 2025.

Investment Swap Receipts and Payments in 2025

| <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> | | | |
| \$ 1,066,894 | \$ (937,983) | \$ 618,158 | \$ 747,069 | 3.443% | 0.762% |

* Average SIFMA Index in 2025 was 2.681%.

Business Provisions and Risks of the Swap Agreement

Below is a summary of the provisions and risks of the Swap Agreement.

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 and Basis Risk

The principal interest rate risk of the Loan Program is the risk that the costs of funds will not be competitive with financing options in the future. If DelVal issued fixed rate bonds to fund the Loan Program, the interest rate risk would be that fixed rates could decline making DelVal's cost of funds uncompetitive with other financing options. If DelVal issued bonds indexed to a taxable floating rate, the basis risk would be that the ratio of tax-exempt rates to the taxable rate could decrease making DelVal's cost of funds uncompetitive. DelVal has executed Bond Swaps for all DelVal Series that are fixed rate or indexed to a taxable floating rate. Under the Bond Swaps, DelVal receives a rate with the same basis as the related DelVal Series, and DelVal pays a rate based on the SIFMA Index. DelVal's cost of funds moves with the benchmark SIFMA Index and is always aligned with the current market conditions.

A related interest rate risk is the risk of providing fixed rate Loans. If this risk is not hedged, the fixed Loan rates that DelVal receives could be lower than its costs of funds. DelVal executes a Loan Swap for every fixed rate Loan under which DelVal pays a fixed rate and receives the SIFMA Index. The net receipt of the fixed rate Loan interest payments and the Loan Swaps is equal to the SIFMA Index plus a spread comparable to DelVal's cost of funds, eliminating the interest rate risk of the fixed rate Loans. The Bond Swaps and the Loan Swaps allow DelVal to provide competitive rates under all market conditions.

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 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 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. 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 may precipitate a requirement to post collateral or to terminate under the 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 Swap Agreements require BANA to post collateral equal to the market value of each of the four 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 Swap Agreements.

The Citibank Swap 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, PNC, Toronto-Dominion, and Royal Bank of Canada Swap Agreements 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 Swap Agreements are shown below.

Counterparty Ratings and Market Values

| <i>Counterparty</i> | <i>Rating</i> | | <i>Notional Amount</i> | <i>Market Value 31-Dec-25</i> |
|------------------------|----------------|----------------|----------------------------|-----------------------------------|
| | <i>Moody's</i> | <i>S&P</i> | | |
| Bank of America, N.A.* | Aa2/P-1 | A+/A-1 | \$ 880,536,000 | \$ 52,745,880 |
| Barclays Bank PLC | A1/P-1 | A+/A-1 | 17,465,000 | 684,185 |
| Citibank, N.A. | Aa3/P-1 | A+/A-1 | 110,050,000 | 767,112 |
| PNC Bank, N.A. | A1/P-1 | A/A-1 | 340,246,000 | 12,509,670 |
| Royal Bank of Canada | Aa1/P-1 | AA-/A-1 | 384,256,700 | 7,835,859 |
| Toronto-Dominion Bank | Aa1/P-1 | A+/A-1 | 66,370,000 | (686,232) |
| TOTAL | | | \$ 1,798,923,700 | \$ 73,856,474 |

*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 DelVal Series 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.

Rollover Risk

Rollover risk is the risk that the termination dates of Bond Swaps do not match the scheduled maturity or mandatory purchase dates of the related DelVal Series and that, due to market disruptions or deterioration of credit quality, execution of new swap transactions is not possible. The scheduled termination dates of the Bond Swaps match the maturity dates or mandatory purchase dates of the related 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, 2025. 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, 2025

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------|----------------|----------------|----------------|---------------|
| Floating rate notes | \$ - | \$ 21,743,809 | \$ - | \$ 21,743,809 |

8. PENDING ACCOUNTING PRINCIPLES

DeIVal adopted GASB Statement No. 102, *Certain Risk Disclosures*, for the year ended December 31, 2025. GASB Statement No. 102 requires governments to assess whether a concentration or constraint makes the primary government reporting unit vulnerable to substantial impact. The adoption of this Statement did not have a material impact on the DeIVal's financial statements for 2025.

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

- 1) GASB Statement No. 103, *Financial Reporting Model*,
- 2) GASB Statement No. 104, *Disclosure of Certain Capital Assets*, and
- 3) GASB Statement No. 105, *Subsequent Events*.

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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ADDITIONAL INFORMATION

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 2025 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 23, 2026

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING BALANCE SHEET INFORMATION
DECEMBER 31, 2025

| 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 | \$ 4,372,483 | \$ 68,244,720 | \$ 41,055,490 | \$ 149,089,550 | \$ 262,762,243 |
| Restricted cash equivalents | 655,000 | 13,980,000 | 12,500,000 | 25,487,000 | 52,622,000 |
| Accrued interest receivable: | | | | | |
| Loans | 664 | 26,556 | 40,537 | 325,584 | 393,341 |
| Interest rate swaps | 474 | 3,377,417 | 29,872 | 1,977,905 | 5,385,668 |
| Cash equivalents and investments | 2,021 | 32,549 | 19,764 | 292,046 | 346,380 |
| Prepaid expenses | 6,250 | 77,505 | 6,250 | 84,874 | 174,879 |
| Loans to local governments | <u>880,000</u> | <u>24,923,000</u> | <u>13,115,000</u> | <u>49,807,100</u> | <u>88,725,100</u> |
| Total current assets | <u>5,916,892</u> | <u>110,661,747</u> | <u>66,766,913</u> | <u>227,064,059</u> | <u>410,409,611</u> |
| NONCURRENT ASSETS: | | | | | |
| Restricted investments | - | - | - | 21,743,809 | 21,743,809 |
| Loans to local governments | 663,000 | 46,008,000 | 86,688,000 | 661,821,600 | 795,180,600 |
| Unamortized prepaid interest rate swap expense | - | 921,197 | - | - | 921,197 |
| Fair value of derivative transactions | <u>302,203</u> | <u>9,214,005</u> | <u>15,538,676</u> | <u>47,092,538</u> | <u>72,147,422</u> |
| Total noncurrent assets | <u>965,203</u> | <u>56,143,202</u> | <u>102,226,676</u> | <u>730,657,947</u> | <u>889,993,028</u> |
| TOTAL | <u>\$ 6,882,095</u> | <u>\$ 166,804,949</u> | <u>\$ 168,993,589</u> | <u>\$ 957,722,006</u> | <u>\$ 1,300,402,639</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | | | |
| CURRENT LIABILITIES: | | | | | |
| Accrued expenses | \$ - | \$ 3,750 | \$ - | \$ 65,521 | \$ 69,271 |
| Estimated rebate liability | - | - | - | 100,000 | 100,000 |
| Accrued interest payable: | | | | | |
| Interest rate swaps | - | 284,402 | 627,068 | 18,828 | 930,298 |
| Bonds | <u>923,360</u> | <u>3,873,284</u> | <u>3,879,016</u> | <u>7,241,341</u> | <u>15,917,001</u> |
| Total current liabilities | <u>923,360</u> | <u>4,161,436</u> | <u>4,506,084</u> | <u>7,425,690</u> | <u>17,016,570</u> |
| LONG TERM LIABILITIES: | | | | | |
| Bonds payable, net | 6,576,649 | 140,860,249 | 126,569,351 | 899,886,752 | 1,173,893,001 |
| Estimated rebate liability | - | - | - | 400,000 | 400,000 |
| Total long term liabilities | <u>6,576,649</u> | <u>140,860,249</u> | <u>126,569,351</u> | <u>900,286,752</u> | <u>1,174,293,001</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Accumulated increase in fair value of hedging derivatives | <u>302,203</u> | <u>9,214,005</u> | <u>15,538,676</u> | <u>47,092,538</u> | <u>72,147,422</u> |
| Total liabilities and deferred inflows of resources | 7,802,212 | 154,235,690 | 146,614,111 | 954,804,980 | 1,263,456,993 |
| NET POSITION | <u>(920,117)</u> | <u>12,569,259</u> | <u>22,379,478</u> | <u>2,917,026</u> | <u>36,945,646</u> |
| TOTAL | <u>\$ 6,882,095</u> | <u>\$ 166,804,949</u> | <u>\$ 168,993,589</u> | <u>\$ 957,722,006</u> | <u>\$ 1,300,402,639</u> |

* All DelVal Series issued in 2007 and thereafter were issued under the Master Indenture. These Series are equally and ratably secured by all the assets held under the Master Indenture.

**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION INFORMATION
YEAR ENDED DECEMBER 31, 2025**

| | <u>1997 Series</u> | <u>1998 Series</u> | <u>2002 Series</u> | <u>Master Series*</u> | <u>Total</u> |
|---|---------------------|----------------------|----------------------|-----------------------|----------------------|
| Revenues: | | | | | |
| Loan interest | \$ 68,580 | \$ 1,896,919 | \$ 2,552,717 | \$ 17,154,787 | \$ 21,673,003 |
| Interest rate swap | 774,689 | 11,504,436 | 6,503,953 | 9,682,822 | 28,465,900 |
| Interest on investments and cash equivalents | <u>262,997</u> | <u>3,473,498</u> | <u>1,906,167</u> | <u>4,097,961</u> | <u>9,740,623</u> |
| Total revenues | <u>1,106,266</u> | <u>16,874,853</u> | <u>10,962,837</u> | <u>30,935,570</u> | <u>59,879,526</u> |
| Expenses: | | | | | |
| Interest expense: | | | | | |
| Bonds | 1,379,306 | 10,026,375 | 6,902,235 | 24,478,889 | 42,786,805 |
| Interest rate swaps | 230,771 | 4,146,410 | 3,671,484 | 3,329,056 | 11,377,721 |
| Costs of issuance | - | - | - | 1,243,981 | 1,243,981 |
| Credit or liquidity facility fees | - | - | - | 847,861 | 847,861 |
| Rebate expense | - | - | - | 71,134 | 71,134 |
| Administrative expenses | <u>12,500</u> | <u>1,019,966</u> | <u>12,500</u> | <u>406,796</u> | <u>1,451,762</u> |
| Total expenses | <u>1,622,577</u> | <u>15,192,751</u> | <u>10,586,219</u> | <u>30,377,717</u> | <u>57,779,264</u> |
| Revenues over (under) expenses | <u>(516,311)</u> | <u>1,682,102</u> | <u>376,618</u> | <u>557,853</u> | <u>2,100,262</u> |
| Other changes: | | | | | |
| Transfers in (out) | 134,972 | (23,613) | (382,455) | 271,096 | - |
| Decrease of estimated rebate liability | - | - | - | 100,000 | 100,000 |
| Class action settlement | - | 134 | - | - | 134 |
| Unrealized loss on restricted investments | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,005)</u> | <u>(9,005)</u> |
| Total other changes, net | <u>134,972</u> | <u>(23,479)</u> | <u>(382,455)</u> | <u>362,091</u> | <u>91,129</u> |
| Increase (decrease) in net position | (381,339) | 1,658,623 | (5,837) | 919,944 | 2,191,391 |
| Net position, beginning | <u>(538,778)</u> | <u>10,910,636</u> | <u>22,385,315</u> | <u>1,997,082</u> | <u>34,754,255</u> |
| Net position, ending | <u>\$ (920,117)</u> | <u>\$ 12,569,259</u> | <u>\$ 22,379,478</u> | <u>\$ 2,917,026</u> | <u>\$ 36,945,646</u> |

* All DeVal Series issued in 2007 and thereafter were issued under the Master Indenture. These Series are equally and ratably secured by all the assets held under the Master Indenture.

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
COMBINING STATEMENT OF CASH FLOWS INFORMATION
YEAR ENDED DECEMBER 31, 2025

| | <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 | \$ 846,816 | \$ 14,228,944 | \$ 9,067,360 | \$ 26,938,099 | \$ 51,081,219 |
| Payment of interest on bonds and interest rate swap agreements | (1,257,919) | (15,280,408) | (10,552,203) | (30,017,470) | (57,108,000) |
| Loans to local governments | - | - | - | (23,903,000) | (23,903,000) |
| Repayments of loan principal from local governments | 4,058,000 | 37,506,000 | 6,805,000 | 52,089,900 | 100,458,900 |
| Administrative expenses paid | (12,500) | (1,016,438) | (12,500) | (418,473) | (1,459,911) |
| Interest received on investments and cash equivalents | 265,312 | 3,498,905 | 1,916,971 | 4,128,516 | 9,809,704 |
| Credit or liquidity facility fees paid | - | - | - | (831,453) | (831,453) |
| Transfers among Series | 134,972 | (23,613) | (382,455) | 271,096 | - |
| Rebate payment | - | - | - | (71,134) | (71,134) |
| Proceeds of bond issues, including original issue premium | - | - | - | 202,215,800 | 202,215,800 |
| Class action settlement | - | 134 | - | - | 134 |
| Bond issuance costs | - | - | - | (1,243,981) | (1,243,981) |
| Payment of bond principal | <u>(5,110,000)</u> | <u>(40,085,000)</u> | <u>-</u> | <u>(125,000,000)</u> | <u>(170,195,000)</u> |
| Net cash provided by (used in) operating activities and increase (decrease) in cash and cash equivalents | (1,075,319) | (1,171,476) | 6,842,173 | 104,157,900 | 108,753,278 |
| Cash and cash equivalents and restricted cash and cash equivalents, beginning | <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> |
| Cash and cash equivalents and restricted cash and cash equivalents, ending | <u>\$ 5,027,483</u> | <u>\$ 82,224,720</u> | <u>\$ 53,555,490</u> | <u>\$ 174,576,550</u> | <u>\$ 315,384,243</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET | | | | | |
| Cash and cash equivalents, ending | \$ 4,372,483 | \$ 68,244,720 | \$ 41,055,490 | \$ 149,089,550 | \$ 262,762,243 |
| Restricted cash and cash equivalents, ending | <u>655,000</u> | <u>13,980,000</u> | <u>12,500,000</u> | <u>25,487,000</u> | <u>52,622,000</u> |
| Cash and cash equivalents and restricted cash and cash equivalents, ending | <u>\$ 5,027,483</u> | <u>\$ 82,224,720</u> | <u>\$ 53,555,490</u> | <u>\$ 174,576,550</u> | <u>\$ 315,384,243</u> |
| RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | |
| Change in net position | \$ (381,339) | \$ 1,658,623 | \$ (5,837) | \$ 919,944 | \$ 2,191,391 |
| Adjustments for other revenues, expenses, and transfers | | | | | |
| Increase of estimated rebate liability | - | - | - | (100,000) | (100,000) |
| Amortization of prepaid interest rate swap expense | - | 581,725 | - | - | 581,725 |
| Adjustments for changes in assets and liabilities | | | | | |
| Decrease (increase) in: | | | | | |
| Restricted investments | - | - | - | 9,005 | 9,005 |
| Accrued interest receivable: | | | | | |
| Loans | 1,971 | 13,682 | 3,292 | (1,539) | 17,406 |
| Interest rate swaps | 1,576 | 813,907 | 7,398 | 102,029 | 924,910 |
| Cash equivalents and investments | 2,315 | 25,407 | 10,804 | 30,555 | 69,081 |
| Prepaid expenses | - | (222) | - | (24,957) | (25,179) |
| Loans to local governments | 4,058,000 | 37,506,000 | 6,805,000 | 28,186,900 | 76,555,900 |
| Increase (decrease) in: | | | | | |
| Accrued expenses | - | 3,750 | - | 29,688 | 33,438 |
| Accrued interest payable: | | | | | |
| Interest rate swaps | (28,912) | (101,199) | 306,781 | (12,783) | 163,887 |
| Bonds | 434,810 | (918,615) | - | 160,981 | (322,824) |
| Bonds payable | <u>(5,163,740)</u> | <u>(40,754,534)</u> | <u>(285,265)</u> | <u>74,858,077</u> | <u>28,654,538</u> |
| Total adjustments | <u>(693,980)</u> | <u>(2,830,099)</u> | <u>6,848,010</u> | <u>103,237,956</u> | <u>106,561,887</u> |
| Net cash provided by (used in) operating activities | <u>\$ (1,075,319)</u> | <u>\$ (1,171,476)</u> | <u>\$ 6,842,173</u> | <u>\$ 104,157,900</u> | <u>\$ 108,753,278</u> |

* All DeVal Series issued in 2007 and thereafter were issued under the Master Indenture. These Series are equally and ratably secured by all the assets held under the Master Indenture.