

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority (“Authority” or “NJTTFA”) held via Microsoft Teams from the Office of the Commissioner in the Main Office Building of the New Jersey Department of Transportation (“NJDOT”), 1035 Parkway Avenue, Trenton, New Jersey on December 18, 2025, at 11:00 AM (ET).

The following Authority Board members were present:

- Francis K. O’Connor, NJTTFA Chairperson / NJDOT Commissioner
- David Moore, NJTTFA Treasurer / Director, Office of Public Finance, NJ Department of the Treasury (Designee for the Honorable Elizabeth Maher Muoio, New Jersey State Treasurer)
- Khalid Anjum, NJTTFA Public Member
- Nelson Ferreira, NJTTFA Public Member
- Jack Kocsis, NJTTFA Public Member
- Gregory Lalevee, NJTTFA Public Member,

Constituting a quorum of the Members of the Authority.

There were also present:

- Charles Maciejunes, NJTTFA Executive Director / NJDOT Chief Financial Officer
- Naileen Rodriguez, NJTTFA Comptroller, NJDOT
- Raquel Del Valle, NJTTFA Secretary, NJDOT
- Anthony Longo, NJTTFA Assistant Treasurer, NJ Department of the Treasury
- Brian McGarry, Deputy Attorney General, NJ Attorney General’s Office
- Aaron Cruz, NJ Governor’s Authorities Unit
- Joseph Bertoni, Deputy Commissioner, NJDOT
- Christopher Feintheil, Assistant Commissioner of Operations, NJDOT

- Kelly Hutchinson, Assistant Commissioner of Administration, NJDOT
- Laine Rankin, Assistant Commissioner of Local Resources & Community Development
- Parth Oza, Assistant Commissioner of Capital Program Management, NJDOT
- Eric Powers, Assistant Commissioner of Statewide Planning, Safety and Capital Investment, NJDOT
- Steven Morley, Director, Division of Budget, NJDOT
- Kia Hairston, Division of Budget, NJDOT
- Clorissa Torres, Division of Information Technology, NJDOT

Chairperson Francis K. O'Connor presided at the meeting and Secretary Raquel Del Valle kept the minutes.

Chairperson Francis K. O'Connor convened the meeting at 11:00 AM. He introduced himself and made the following statement:

"I wish to announce that adequate notice of today's meeting of the New Jersey Transportation Trust Fund Authority has been provided in accordance with the Open Public Meetings Act. Notice was filed with the Secretary of State. This notice was e-mailed and mailed to five newspapers of general distribution (The Trentonian, Trenton Times, Courier Post, Star Ledger, and the Atlantic City Press); posted on the Authority's website and posted in the main entrance of the New Jersey Department of Transportation's Headquarters in Ewing, New Jersey."

Secretary Raquel Del Valle called the roll. The following Board members acknowledged their presence: Francis K. O'Connor, Nelson Ferreira, Jack Kocsis, Gregory Lalevee, and David Moore. Secretary Raquel Del Valle confirmed that a quorum was present.

Chairperson Francis K. O'Connor reminded Board members to identify themselves before making or seconding a motion due to the virtual setting of the meeting.

Chairperson Francis K. O'Connor reminded everyone that public comment will be limited to three minutes per person, members of the public may speak on topics related to the NJTTFA, and they should identify themselves before they begin.

Chairperson Francis K. O'Connor opened the floor for public comment.

There were no public comments.

Chairperson Francis K. O'Connor called the first order of business by requesting a motion to adopt the resolution approving the minutes of the actions taken at the November 13, 2025, Board meeting of the Authority.

Jack Kocsis moved to approve the following resolution:

***WHEREAS**, Article II, Section 2 of the By-laws of the New Jersey Transportation Trust Fund Authority (the "Authority") provides that the minutes of actions taken at the meetings of the Authority be approved by the Authority.*

***NOW, THEREFORE, BE IT RESOLVED**, that the minutes taken at the meeting of November 13, 2025, of the New Jersey Transportation Trust Fund Authority are hereby approved.*

The motion was seconded by Gregory Lalevee and adopted on a call of roll as follows:

AYE: 6
NAY: 0
ABSTAIN: 0
ABSENT: 1

Khalid Anjum acknowledged his presence at 11:02 AM.

Chairperson Francis K. O'Connor moved on to the next order of business: the Authority's Fiscal Year 2025 Financial Audit Report. He called upon Executive Director Charles Maciejunes to discuss the results of the Authority's Fiscal Year 2025 Financial Audit, which was recently completed by the Authority's auditor, Mercadien.

Mr. Maciejunes stated: *"The NJTTFA Audit Committee met on December 9, 2025 with Mercadien and NJTTFA staff to review the 2025 fiscal year-end audit results. During this meeting,*

the auditors explained the audit process and provided an overview of the financial statements. The auditors provided the Audit Committee with the required communications under Generally Accepted Auditing Standards and Government Auditing Standards. Mercadien indicated that an unqualified opinion would be issued (representing the highest level of assurance) and that there were no internal control issues or non-compliance with laws, regulations, or contracts. After a general discussion, the Audit Committee held a private session with Mercadien to raise any questions or obtain clarification on the results of the audit. The private session and meeting concluded with the Audit Committee recommending the approval of the Financial Statements to the NJTTFA Board.

I would now like to highlight a few items found within the Management Discussion and Analysis section, which focuses on the significant financial issues and activities of the Authority's financial statements. The first is net position, which is the difference between assets and liabilities. NJTTFA's Net Position is primarily impacted by bond issuances and spending levels. In State Fiscal Year 2025, NJTTFA's Net Position decreased by \$160 million to a negative balance of \$345 million, from the State Fiscal Year 2024 amount of negative \$185 million. The primary factor for the decrease is that capital project costs and debt service expenditures in the time period exceeded the issuance of the new money bonds and other available resources.

In State Fiscal Year 2025, the Authority received \$606 million from the Transportation Trust Fund Subaccount for Capital Reserves comprised of \$290.5 million in pay-as-you-go capital funding and an additional \$315.4 million for federal project costs. In State Fiscal Year 2024, the Authority received \$625.3 million with the capital funding portion being \$286.4 million and \$338.8 for federal project costs. That resulted in the current year's increase of \$4.1 million in pay-as-you-go portion of capital funding. The reason for that increase reflects both an increase in the

State's Petroleum Products Gross Receipts Tax (PPGRT) revenue in the previous fiscal year along with a decrease in funding required for federal project costs.

During fiscal year 2025, the Authority issued an aggregate amount of \$3.25 billion in refunding bonds to refund \$3.414 billion of existing Transportation System Bonds and Transportation Program Bonds. Net proceeds from the refunding bonds issued were used for the purpose of tendering and refunding certain outstanding bonds to generate debt service savings and reduce the need for new money bond issuances. This transaction generated a net present value savings of approximately \$134.3 million. Additionally in October of 2025, the Authority issued new money bonds totaling \$1.5 billion.

Referring to the bonding capacity of the Authority, the Authority has utilized approximately \$10.06 billion of the \$15.6 billion authorized within the 2024 TTFA reauthorization, leaving approximately \$5.54 billion for future bond offerings through Fiscal Year 2029.

The floor was opened for discussion.

There being no further discussion on the matter, Chairperson Francis K. O'Connor requested a motion to approve the resolution authorizing the acceptance of the Authority's Fiscal Year 2025 Financial Audit Report, attached hereto as Agenda Item D.

Khalid Anjum moved to approve the resolution.

The motion was seconded by Gregory Lalevee and adopted on a call of roll as follows:

AYE: 6
NAY: 0
ABSTAIN: 0
ABSENT: 1

There being no further business or discussion, Chairperson Francis K. O'Connor asked for a motion to adjourn the meeting.

Nelson Ferreira moved that the December 18, 2025, meeting of the Authority be adjourned. The motion was seconded by Khalid Anjum and carried by unanimous voice vote.

The December 18, 2025, meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 11:10 AM.

Respectfully Submitted,

Raquel Del Valle
Raquel Del Valle
NJTTFa Secretary

AGENDA ITEM D

RESOLUTION OF THE NEW JERSEY TRANSPORTATION TRUST FUND
AUTHORITY AUTHORIZING THE ACCEPTANCE OF THE FISCAL YEAR 2025
FINANCIAL AUDIT REPORT FOR THE NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY

The attached resolution authorizes the acceptance of the financial audit report for Fiscal Year 2025 prepared by Mercadien, P.C., the Authority's auditor.

RESOLUTION OF THE NEW JERSEY TRANSPORTATION TRUST FUND
AUTHORITY AUTHORIZING THE ACCEPTANCE OF THE FISCAL YEAR 2025
FINANCIAL AUDIT REPORT FOR THE NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY

WHEREAS, pursuant to Section 17 of the New Jersey Transportation Trust Fund Authority Act of 1984, as amended, N.J.S.A. 27:1B-1 et seq. (the “Act”), the New Jersey Transportation Trust Fund Authority (the “Authority”) is required to conduct an annual audit of its affairs and deliver a written report with respect to such audit to the New Jersey State Legislature (“State Legislature”) and the Governor; and

WHEREAS, the Authority selected Mercadien, P.C. (“Mercadien”) to perform the financial audit of the Authority for Fiscal Year 2025; and

WHEREAS, Mercadien has prepared the financial audit for Fiscal Year 2025, a copy of which is attached to this Resolution as Exhibit A; and

WHEREAS, the Authority’s Audit Committee has reviewed the financial audit report for Fiscal Year 2025 and recommended its acceptance by the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY, AS FOLLOWS:

1. The recitals are incorporated herein by reference as set forth at length herein.
2. The Authority hereby accepts the audit report of Mercadien attached hereto as Exhibit A.
3. This Resolution shall take effect in accordance with the provisions of the Act.

EXHIBIT A

**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**
(A Component Unit of the State of New Jersey)

Financial Statements and
Supplementary Information

June 30, 2025

DRAFT

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet	8
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Net Position/Fund Balances	9
Notes to Financial Statements	10
Supplementary Information	
Schedule of Cash Receipts and Disbursements	22
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Schedule of Current Year Findings and Recommendations	25
Summary Schedule of Prior Year Audit Findings	26

INDEPENDENT AUDITORS' REPORT

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Honorable Chairperson and Members of
New Jersey Transportation Trust Fund Authority
A Component Unit of the State of New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the New Jersey Transportation Trust Fund Authority (the "Authority"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Authority 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 opinions.

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 the Authority'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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the Authority'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 the Authority'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 management's discussion and analysis on pages four through seven 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of cash receipts and disbursements, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of cash receipts and disbursements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [DATE], on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Mercadieu, P.C.

Certified Public Accountants

[DATE]

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DRAFT

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Management's Discussion and Analysis

The New Jersey Transportation Trust Fund Authority (the "Authority") provides a discussion and analysis to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position in the financial statements for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

On a cash basis, the Authority reimbursed the State's Special Transportation Fund \$1,991,408,992 in fiscal year 2025, for statewide transportation system improvements. After adjusting for accrued expenses, the Authority's total obligations to the Special Transportation Fund amounted to \$2,139,742,132 to fund statewide transportation system improvements during the fiscal year. This compares to reimbursements totaling \$1,687,000,000 and total obligations of \$1,692,972,482 in the prior fiscal year.

The term "net position" refers to the difference between assets and liabilities. At the close of fiscal year 2025, the Authority had a net deficit of \$(345,339,152) as compared to a net deficit of \$(185,224,888) at June 30, 2024. The Authority's net position decreased in fiscal year 2025, primarily due to the fact that capital project and debt service expenditures exceeded the issuance of the new money bonds and other available resources.

In fiscal year 2025, the Authority received a total of \$605,927,100 in funding from the Transportation Trust Fund Subaccount for Capital Reserves (the "Subaccount"), comprised of \$290,509,186 in pay-as-you-go capital funding and \$315,417,914 for federal project costs. In fiscal year 2024, the Authority received a total of \$625,284,735 in funding from the Subaccount, comprised of \$286,435,317 in pay-as-you-go capital funding and \$338,849,418 for federal project costs. Per legislation, the Subaccount is funded with the excess of constitutionally-dedicated State revenues not needed to satisfy the Authority's debt service costs in the prior year. The current year increase in pay-as-you-go capital funding reflects both an increase in the State's Petroleum Products Gross Receipts Tax ("PPGRT") revenues from fiscal year 2023 to fiscal year 2024 along with a decrease in funding required for federal project costs.

Overview of the Financial Statements

The Management's Discussion and Analysis section is intended to serve as an introduction to the Authority's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. The Authority is a single program government that combines government-wide and governmental fund financial statements. This report also contains supplementary information concerning the Authority's cash flow for the fiscal year.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to that which would be used by a private-sector business.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Basic Financial Statements (Continued)

The Statement of Net Position and Governmental Funds Balance Sheet presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as useful indicators as to whether the financial position of the Authority is improving or deteriorating. Net position decreases when expenditures exceed revenues and other funding sources and/or liabilities increase without a corresponding increase to assets, which may indicate a worsened financial position. The Authority's net position decreased by \$160,114,264 for the year ended June 30, 2025.

The Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances/Net Position presents information that shows how the Authority's net position changed during the fiscal year. All changes in net position are reported as underlying events occur, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that may result in cash inflows or outflows in future periods.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority's cash flows for the fiscal year.

Financial Analysis

The largest portion of the Authority's net position reflects its cash and cash equivalents in current assets (e.g., accounts receivable, cash and cash equivalents and investments) less any related bonds outstanding and accounts payable. The Authority's current assets are restricted in use for payment of state transportation costs and bond issues outstanding.

	June 30, 2025	June 30, 2024	Change 2025-2024	Percentage Change 2025-2024
Cash and equivalents	\$ 899,538,520	\$ 473,128,561	\$ 426,409,959	90.13 %
Accounts receivable - State of New Jersey	21,230,443,247	20,820,450,210	409,993,037	1.97 %
Accounts receivable - Other	5,476,293	-	5,476,293	1.00 %
Unamortized bond discount	11,886,606	12,137,166	(250,560)	(2.06) %
Total assets	22,147,344,666	21,305,715,937	841,628,729	3.95 %
Accrued interest payable	33,243,645	31,084,932	2,158,713	6.94 %
Accounts payable - State of New Jersey	307,284,744	158,951,604	148,333,140	93.32 %
Accounts payable - other	350,199	168,378	181,821	107.98 %
Bonds payable				
Due within one year	848,030,000	1,039,015,000	(190,985,000)	(18.38) %
Due after one year	20,382,413,247	19,446,733,427	935,679,820	4.81 %
Unamortized bond premium	625,301,370	577,508,585	47,792,785	8.28 %
Total liabilities	22,196,623,205	21,253,461,926	943,161,279	4.44 %
Deferred inflows of resources	296,060,613	237,478,899	58,581,714	24.67 %
Net position restricted for:				
Debt service	6,450,226	21,982,824	(15,532,598)	(70.66) %
Deferred charges	(942,719,022)	(833,935,250)	(108,783,772)	(13.04) %
Payment of state transportation system costs	590,929,644	626,727,538	(35,797,894)	(5.71) %
Net deficit	\$ (345,339,152)	\$ (185,224,888)	\$ (160,114,264)	(86.44) %

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Financial Analysis (Continued)

	Year Ended		Change 2025-2024	Percentage Change 2025-2024
	June 30, 2025	June 30, 2024		
Revenues				
State appropriations				
Motor fuel taxes	\$ 471,189,808	\$ 471,593,091	\$ (403,283)	(0.09) %
Petroleum Products Gross Receipts Tax	720,737,348	844,093,280	(123,355,932)	(14.61) %
Sales and Use Tax	200,000,000	200,000,000	-	- %
Toll road authorities	12,000,000	12,000,000	-	- %
Funding, Subaccount Capital Reserve	605,927,100	625,284,735	(19,357,635)	(3.10) %
Interest income and investment return	36,888,853	42,671,306	(5,782,453)	(13.55) %
Amortization of bond premium and discount	26,814,421	46,788,467	(19,974,046)	(42.69) %
Total revenues	<u>2,073,557,530</u>	<u>2,242,430,879</u>	<u>(168,873,349)</u>	<u>(7.53) %</u>
Expenses				
Operating expenses and financial costs	71,932	61,158	10,774	17.62 %
State transportation costs	2,139,742,132	1,692,972,482	446,769,650	26.39 %
Debt Service				
Bond interest expense, including amortization of deferred gain on advanced refunding	742,689,668	759,245,518	(16,555,850)	(2.18) %
Bond interest expense, capital appreciation bonds	270,089,820	245,463,623	24,626,197	10.03 %
Total operating expenses	<u>3,152,593,552</u>	<u>2,697,742,781</u>	<u>454,850,771</u>	<u>16.86 %</u>
Deficiencies of revenues over expenses	(1,079,036,022)	(455,311,902)	(623,724,120)	(136.99) %
Other financing sources (uses)				
Build America Bond Credits	15,877,755	21,873,573	(5,995,818)	(27.41) %
Bond issuance costs	(19,518,774)	(4,806,820)	(14,711,954)	(306.06) %
Total other financing sources	<u>(3,641,019)</u>	<u>17,066,753</u>	<u>(20,707,772)</u>	<u>(121.33) %</u>
Changes in net position	(1,082,677,041)	(438,245,149)	(644,431,892)	(147.05) %
Net position				
Beginning of year	(185,224,888)	(256,018,362)	70,793,474	27.65 %
Current year bond activity, net	922,562,777	509,038,623	413,524,154	81.24 %
Net deficit, end of year	<u>\$ (345,339,152)</u>	<u>\$ (185,224,888)</u>	<u>\$ (160,114,264)</u>	<u>(86.44) %</u>

Other Information

As of June 30, 2025, The Authority had \$21,230,443,247 in bonds and notes outstanding, net of unamortized bond accretions, as compared to \$20,485,748,427 in the prior fiscal year, an increase of 3.64%.

During fiscal year 2025, the Authority issued an aggregate amount of \$3,249,980,000 in refunding bonds to refund \$3,413,735,000 of existing Transportation System Bonds and Transportation Program Bonds (par value), as described in Note E to the financial statements. Except for the net premium received in connection with the issuance of Transportation Program Bonds, these refunding bond issuances did not count against the Authority's 13-year, \$15.6 billion bonding authorization provided by P.L. 2024, c.7 ("2024 Reauthorization"). Net proceeds from the refunding bonds issued were used for the purpose of tendering and refunding certain outstanding bonds in order to generate debt service savings and reduce the need for new money bond issuances through fiscal year 2029, the 2024 Reauthorization period. The tax-exempt refunding bonds were issued at a combined yield of 3.862% (true interest cost) with a final maturity of June 15, 2042. The transaction generated net present value savings of \$134,330,781.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

Other Information (Continued)

In fiscal year 2025, the Authority issued Transportation Program Bonds totaling \$1,500,000,000 which, along with the related bond premium, do count against the Authority's 13-year, \$15.6 billion bonding authorization provided by the 2024 Reauthorization.

During fiscal year 2025, the Authority retired a total of \$861,640,000 in bond principal through annual debt service payments, including \$250,160,000 of Indirect GARVEE bond principal paid.

The Authority did not enter into any credit agreements subsequent to the close of fiscal year June 30, 2025. The Authority did not enter into any new Swap Agreements during fiscal year 2025.

The following information summarizes the changes in debt between fiscal years 2025 and 2024:

	June 30, 2025	June 30, 2024	Change 2025-2024	Percentage Change 2025-2024
Bonds Payable	<u>\$21,230,443,247</u>	<u>\$20,485,748,427</u>	<u>\$ 744,694,820</u>	3.64 %

More detailed information about the Authority's bonds payable is presented in Note D of the financial statements.

Significant and Subsequent Events

In March 2024, the New Jersey Transportation Trust Fund Act was amended through the 2024 Reauthorization to renew the Transportation Trust Fund through fiscal year 2029. The 2024 Reauthorization authorizes a total of \$10.367 billion in appropriations for the State's Transportation Capital Program for fiscal years 2025 through 2029. Funding sources include revenues from the motor fuels tax, the PPGRT, the sales and use tax, and contributions from toll road authorities. Effective July 1, 2024, a new registration fee for zero emission vehicles was also created, with such revenues being deposited into the Subaccount and being available for appropriation for transportation projects. The 2024 Reauthorization allows annual adjustments to the PPGRT rate, effective January 1 each year, to meet revenue targets of \$2.032 billion in fiscal year 2025, \$2.115 billion in fiscal year 2026, \$2.199 billion in fiscal year 2027, \$2.282 billion in fiscal year 2028, and \$2.366 billion in fiscal year 2029. The Authority's authorization for the issuance of Transportation Program Bonds was increased and extended to \$15.6 billion through June 30, 2029, (previously \$12 billion through June 30, 2024).

In October 2025, the Authority issued new money 2025 Series AA Transportation Program Bonds in the amount of \$1,500,000,000 in order to fund transportation project costs.

Contacting the Authority's Financial Management

This financial report is designed to provide the New Jersey citizens, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to the State of New Jersey and bondholders. If you have questions about this report or need additional financial information, you can contact the New Jersey Transportation Trust Fund Authority at 1035 Parkway Avenue, P.O. Box 600, Trenton, NJ 08625-0600 or visit its website at www.state.nj.us/tffa.

BASIC FINANCIAL STATEMENTS

DRAFT

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2025

	Special Revenue Fund	Other Funds (DSF)	Total Govern- mental Funds	Adjustments (Note G)	Statement of Net Position
ASSETS					
Cash and equivalents	\$ 893,088,294	\$ 6,450,226	\$ 899,538,520	\$ -	\$ 899,538,520
Accounts receivable - State of New Jersey - Debt Service	-	-	-	21,230,443,247	21,230,443,247
Accounts receivable - Other	5,476,293	-	5,476,293	-	5,476,293
Unamortized bond discount	-	-	-	11,886,606	11,886,606
Total assets	<u>\$ 898,564,587</u>	<u>\$ 6,450,226</u>	<u>\$ 905,014,813</u>	<u>\$ 21,242,329,853</u>	<u>\$ 22,147,344,666</u>
LIABILITIES					
Accrued interest payable	\$ -	\$ -	\$ -	\$ 33,243,645	\$ 33,243,645
Accounts payable - State of New Jersey	307,284,744	-	307,284,744	-	307,284,744
Accounts payable - other	350,199	-	350,199	-	350,199
Bonds and notes payable					
Due within one year	-	-	-	848,030,000	848,030,000
Due after one year	-	-	-	20,382,413,247	20,382,413,247
Unamortized bond premium	-	-	-	625,301,370	625,301,370
Total liabilities	<u>307,634,943</u>	<u>-</u>	<u>307,634,943</u>	<u>21,888,988,262</u>	<u>22,196,623,205</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gains on advanced refundings	-	-	-	296,060,613	296,060,613
FUND BALANCES/NET POSITION (DEFICIT)					
Restricted for					
Debt service	-	6,450,226	6,450,226	-	6,450,226
Deferred charges	-	-	-	(942,719,022)	(942,719,022)
Payment of state transportation system costs	590,929,644	-	590,929,644	-	590,929,644
Total fund balances/net position (deficit)	<u>590,929,644</u>	<u>6,450,226</u>	<u>597,379,870</u>	<u>(942,719,022)</u>	<u>(345,339,152)</u>
Total liabilities, deferred inflows of resources, and fund balances/net position (deficit)	<u>\$ 898,564,587</u>	<u>\$ 6,450,226</u>	<u>\$ 905,014,813</u>	<u>\$ 21,242,329,853</u>	<u>\$ 22,147,344,666</u>

See notes to financial statements.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN NET POSITION/FUND BALANCES (DEFICIT)

Year Ended June 30, 2025

	Special Revenue Fund	Other Funds (DSF)	Total Govern- mental Funds	Adjustments (Note G)	Statement of Changes in Net Position (Deficit)
REVENUES					
State appropriations equivalent to:					
Motor fuel taxes	\$ 471,189,808	\$ -	\$ 471,189,808	\$ -	\$ 471,189,808
Petroleum Products Gross Receipts Tax	720,737,348	-	720,737,348	-	720,737,348
Sales and Use Tax	200,000,000	-	200,000,000	-	200,000,000
Toll Road Authorities	12,000,000	-	12,000,000	-	12,000,000
Funding Subaccount Capital Reserve	605,927,100	-	605,927,100	-	605,927,100
Interest income and investment return	36,888,853	-	36,888,853	-	36,888,853
Amortization of bond premium and discount, net	-	-	-	26,814,421	26,814,421
Total revenues	<u>2,046,743,109</u>	<u>-</u>	<u>2,046,743,109</u>	<u>26,814,421</u>	<u>2,073,557,530</u>
EXPENDITURES					
Operating expenses and financial costs	21,317	50,615	71,932	-	71,932
State transportation costs	2,139,742,132	-	2,139,742,132	-	2,139,742,132
Debt Service					
Principal	-	861,640,000	861,640,000	(861,640,000)	-
Bond interest expense, including amortization of deferred gain on advanced refunding	-	754,921,762	754,921,762	(12,232,094)	742,689,668
Bond interest expense, capital appreciation bonds	-	-	-	270,089,820	270,089,820
Total expenditures	<u>2,139,763,449</u>	<u>1,616,612,377</u>	<u>3,756,375,826</u>	<u>(603,782,274)</u>	<u>3,152,593,552</u>
Excess/deficiency of revenues over expenditures	(93,020,340)	(1,616,612,377)	(1,709,632,717)	630,596,695	(1,079,036,022)
OTHER FINANCING SOURCES (USES)					
Bonds and notes issued	4,749,980,000	-	4,749,980,000	(4,749,980,000)	-
Net bond premium	447,980,770	-	447,980,770	(447,980,770)	-
Transfers - internal activities	(1,585,202,024)	1,585,202,024	-	-	-
Build America Bond Credits	-	15,877,755	15,877,755	-	15,877,755
Escrow fund deposit	(3,536,017,526)	-	(3,536,017,526)	3,536,017,526	-
Bond issuance costs	(19,518,774)	-	(19,518,774)	-	(19,518,774)
Total other financing sources (uses)	<u>57,222,446</u>	<u>1,601,079,779</u>	<u>1,658,302,225</u>	<u>(1,661,943,244)</u>	<u>(3,641,019)</u>
Changes in fund balances/net position (deficit)	(35,797,894)	(15,532,598)	(51,330,492)	(1,031,346,549)	(1,082,677,041)
Fund balances/net position (deficit), beginning of year	626,727,538	21,982,824	648,710,362	(833,935,250)	(185,224,888)
Current year bond activity, net	-	-	-	922,562,777	922,562,777
Fund balances/net position (deficit), end of year	<u>\$ 590,929,644</u>	<u>\$ 6,450,226</u>	<u>\$ 597,379,870</u>	<u>\$ (942,719,022)</u>	<u>\$ (345,339,152)</u>

See notes to financial statements.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Authority

The New Jersey Transportation Trust Fund Authority (the "Authority"), located in Ewing, New Jersey, was created by the State of New Jersey (the "State") in 1984 pursuant to the New Jersey Transportation Trust Fund Authority Act in order to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation and New Jersey Transit Corporation. The Authority also provides State aid to counties and municipalities for transportation system improvements.

Basis of Accounting

The Authority is a component unit of the State and is included in the general purpose financial statements of the State.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the *Codification of Governmental Accounting and Financial Reporting Standards* (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or other events within a source of authoritative GAAP described above and then may consider non-authoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks and articles.

The basic financial statements consist of government-wide and governmental fund financial statements.

The Authority, as a single program government, combines governmental fund (modified accrual basis) and government-wide (accrual basis) financial statements, which are linked together by the reconciliation of differences between the Governmental Funds and Government-Wide Financial Statements (see Note G).

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
 (A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

The government-wide financial statements are prepared under the current economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenditures are recognized when incurred.

The governmental fund financial statements are prepared under the current financial resources measurement focus and on the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recognized when the related liability is incurred. The exception to this rule is that principal and interest on long-term debt are recognized when due.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America for governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Accounts

In accordance with the 1995 Bond Resolution, the Authority has established the following fund accounts:

<u>Fund Accounts</u>	<u>Amount</u>	<u>Use for Which Restricted</u>
Special Revenue Fund (General Fund) Transportation Improvement	Deposit of all revenues received by the Authority. Also used to account for the accumulation of resources for payment of State transportation costs.	Expenditures for specific purposes.
Debt Service Fund (DSF)	Amounts needed to pay matured principal and interest on bonds.	Bond interest and principal payments.

Income Taxes

As a public body, under existing statute, the Authority is exempt from both federal and State taxes.

Revenues

The primary sources of revenues are appropriations received from the State from the Motor Fuel Tax, Petroleum Products Gross Receipts Tax ("PPGRT"), sales and use tax, toll road authorities, and pay-as-you-go capital funding. As provided for in the 2016 and 2024 Transportation Trust Fund Act Reauthorizations, pay-as-you-go represents the excess of constitutionally-dedicated revenues not needed to satisfy current year debt service costs that, along with revenues from registration fees imposed on zero emission vehicles, is deposited into the Transportation Trust Fund Subaccount for Capital Reserves ("Subaccount").

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond Premium

In the government-wide financial statements, bond premiums are reported as deferred revenues (liabilities) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond premiums are recognized as revenue when received.

Bond Discount

In the government-wide financial statements, bond discounts are recognized as deferred charges (assets) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond discounts are recognized as expenditures when received.

Deferred Inflows of Resources

Gain on advanced refunding of bonds is recorded as a deferred inflow of resources in the statement of net position and is amortized over the life of old debt or the life of new debt, whichever is shorter.

Restricted Net Position

In accordance with the terms of the various bond resolutions, cash and equivalents and investments of all funds required under such bond resolutions are classified as restricted assets. The amounts by which the restricted assets exceed the corresponding liabilities they will liquidate are not available for the payment of current operating expenses.

Accounts Receivable

The following is a summary of receivables due from the State primarily to fund future bonds payable.

Due within one year	\$ 848,030,000
Due after one year	<u>20,382,413,247</u>
	<u>\$21,230,443,247</u>

B. CASH AND EQUIVALENTS

Cash and equivalents consist primarily of State cash management fund deposits. New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund ("NJCMF") or in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agencies of the United States that insure deposits. NJCMF is considered to be an investment trust fund as defined in GASB Statement No. 31.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

- (a) The market value of the collateral must equal 5% of the average daily balance of public funds; or
- (b) If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. CASH AND EQUIVALENTS (CONTINUED)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its cash and investments that are in the possession of an outside party. The Authority's NJCMF funds are not subject to custodial credit risk due to the fact that the funds are held by and in the name of the NJCMF in a segregated trust account with a third-party custodian rather than in the possession of a third-party custodian. Additionally, cash and equivalents and investments of the Authority are substantially restricted under the terms of the Authority's bond resolutions for the payment of bond principal and interest expense and the extension of project loans. The bond resolutions limit investments to vehicles with limited or no custodial credit risk such as obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), Fitch Ratings (Fitch), and Kroll Bond Rating Agency (KBRA). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Though the underlying assets and investments of the NJCMF pool are subject to credit risk, the risk is limited by a mix of the credit quality ratings of the assets in the portfolio maintained by the NJCMF.

Cash and equivalents at June 30, 2025, were as follows:

NJCMF	\$ 892,477,711
US Bank	7,060,809
Total	<u>\$ 899,538,520</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investments maintained by the Authority are not subject to interest rate risk.

C. ACCOUNTS PAYABLE - STATE OF NEW JERSEY

The balance due of \$307,284,744 consists of amounts due the State of New Jersey Special Transportation Fund for reimbursement of State, local and New Jersey Transit transportation costs.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. BONDS AND NOTES PAYABLE

Bonds and notes payable consist of Transportation System Bonds Payable, Transportation Program Bonds Payable, and Federal Highway Revenue Reimbursement Notes (Indirect GARVEEs) Payable. Bond resolutions have been adopted by the Authority which authorize the issuance of bonds and notes to fund transportation system improvements in the State of New Jersey.

Transportation System Bonds refer to bonds issued pursuant to authorizations previously provided in P.L. 1995, c. 108 and P.L. 2006, c.3, as well as any bonds issued to refund those prior bonds. Transportation Program Bonds refer to bonds issued pursuant to P.L. 2012, c.13, P.L. 2016, c.56, and the most recent authorization enacted in March 2024 (P.L. 2024, c.7), and any bonds subsequently issued to refund those particular bonds.

The Transportation Program Bonds are issued as “state contract” debt backed by a contract between the State Treasurer and the Authority. This contract pledges that constitutionally-dedicated revenues appropriated by the Legislature will be made available to the Authority for debt service payments on its Transportation Program Bonds.

The Transportation System Bonds are secured by a separate contract between the State Treasurer and the Authority which pledges that any dedicated Authority revenues appropriated by the Legislature to the payment of such bonds will be made available to the Authority for debt service payments.

For Indirect GARVEE bonds, the state agency issuer submits eligible project expenses to the Federal Highway Administration for reimbursement, and a portion of such reimbursements is used to pay the resulting debt service on the Indirect GARVEEs. Indirect GARVEE bonds are typically used to finance a series of future projects, the exact details of which have yet to be determined. Future federal appropriations are pledged to pay debt service on Indirect GARVEE bonds and the State can decide whether additional revenues beyond federal appropriations will be pledged to provide security to the bond holders.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. BONDS AND NOTES PAYABLE (CONTINUED)

The following is a summary of Transportation System Bonds, Transportation Program Bonds, and Federal Highway Revenue Reimbursement Notes outstanding:

Series	Interest Rate Range	Bonds Outstanding (in Thousands) June 30, 2024	Additions (in Thousands)	Reductions (in Thousands)	Bonds Outstanding (in Thousands) June 30, 2025	Amounts Due Within One Year (in Thousands)
2004 Series A	5.75%	\$ 37,850	\$ -	\$ 37,850	\$ -	\$ -
2006 Series C	4.96%-5.05%	3,708,585	-	472,970	3,235,615	160,575
2008 Series A	6.24%-6.75%	1,389,955	-	99,115	1,290,840	14,115
2009 Series A	6.23%-6.40%	869,075	-	-	869,075	-
2009 Series C Note	5.25%	150,000	-	150,000	-	-
2009 Series D Note	5.00%	147,500	-	147,500	-	-
2010 Series A	5.85%-6.25%	1,273,180	-	35,445	1,237,735	47,665
2010 Series B	6.56%	500,000	-	-	500,000	-
2010 Series C	5.75%	575,000	-	575,000	-	-
2010 Series D	4.00%-5.25%	94,200	-	94,200	-	-
2014 Series AA	4.25%	576,815	-	423,165	153,650	-
2014 Series BB-1	5.00%	150,000	-	14,155	135,845	-
2014 Series BB-2	5.00%	114,195	-	-	114,195	-
2015 Series AA	4.00%-5.25%	536,050	-	226,530	309,520	11,625
2016 A Garvee	4.10%-5.00%	772,765	-	7,225	765,540	-
2016 B Garvee	3.01%-3.23%	500,000	-	242,725	257,275	257,275
2018 A Garvee	3.00%-5.00%	701,350	-	210	701,140	220
2018 Series A	4.00%-5.00%	1,503,755	-	220,835	1,282,920	45,055
2019 Series AA	3.75%-5.25%	750,000	-	329,225	420,775	-
2019 Series BB	3.25%-5.00%	1,000,000	-	162,755	837,245	-
2019 Series A	4.00%-5.00%	618,835	-	96,200	522,635	75,395
2019 Series B	4.08%-4.13%	380,090	-	85,110	294,980	-
2020 Series AA	3.00%-5.00%	1,500,000	-	24,845	1,475,155	-
2021 Series A	4.00%-5.00%	580,420	-	27,335	553,085	28,815
2022 Series A	4.00%	304,500	-	-	304,500	-
2022 Series AA	5.00%	583,695	-	27,375	556,320	28,745
2022 Series BB	3.00%-5.00%	750,000	-	-	750,000	-
2022 Series CC	5.00%-5.25%	750,000	-	270,545	479,455	-
2023 Series A	4.25%-5.25%	384,470	-	-	384,470	-
2023 Series AA	4.25%-5.00%	673,250	-	21,940	651,310	23,035
2023 Series BB	5.00%-5.25%	1,250,000	-	-	1,250,000	-
2024 Series A	5.00%-5.25%	-	1,787,480	-	1,787,480	-
2024 Series AA	4.00%-5.25%	-	823,870	-	823,870	-
2024 Series BB	4.61%-5.09%	-	638,630	483,120	155,510	155,510
2024 Series CC	4.13%-5.25%	-	1,500,000	-	1,500,000	-
Total		23,125,535	4,749,980	4,275,375	23,600,140	848,030
Less bond accretion		(2,639,787)	-	(270,090)	(2,369,697)	-
Total		\$ 20,485,748	\$ 4,749,980	\$ 4,005,285	\$ 21,230,443	\$ 848,030

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. BONDS AND NOTES PAYABLE (CONTINUED)

Total maturities of transportation system bonds, transportation program bonds, and Federal Highway Revenue Reimbursement notes are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 848,030,000	\$ 808,133,691	\$ 1,656,163,691
2027	876,195,000	781,997,258	1,658,192,258
2028	918,615,000	757,684,570	1,676,299,570
2029	1,016,285,000	731,568,370	1,747,853,370
2030	1,053,445,000	704,130,995	1,757,575,995
2031-2035	5,780,190,000	3,007,686,326	8,787,876,326
2036-2040	6,857,194,000	2,063,863,353	8,921,057,353
2041-2045	3,832,686,000	963,532,276	4,796,218,276
2046-2050	1,966,605,000	374,748,519	2,341,353,519
2051-2055	450,895,000	69,838,800	520,733,800
Total	\$ 23,600,140,000	\$ 10,263,184,158	\$ 33,863,324,158
Less: unamortized bond accretion	2,369,696,753		
Total Bonds Payable	\$ 21,230,443,247		

Interest payments vary by series. The majority of the Authority's debts have fixed rate interest payments, payable semi-annually on June 15 and December 15. Excluded from these debts are capital appreciation bonds. Capital appreciation bonds do not pay interest periodically, but add the interest value to the face value of the bond to be paid at maturity.

The bonds are secured primarily by revenues received by the Authority from the State. The payment of all such revenues to the Authority is subject to and dependent upon appropriations being made from time to time by the State Legislature. The State Legislature has no legal obligation to make such appropriations.

2006 Series C and 2008, 2009, and 2010 Series A - Capital Appreciation Bonds

The Series 2006C, 2008A, 2009A and 2010A bonds were issued as capital appreciation bonds. The bonds were originally issued at principal values of \$1,115,496,792, \$1,122,744,638, \$416,230,924 and \$859,253,361, respectively. Portions of the total issuances that were capital appreciation bonds were \$1,115,496,792, \$249,999,638, \$142,730,924 and \$359,253,361, respectively. Interest on each series is not payable on a current basis. Interest is calculated on the basis of a 360-day year and is part of the accreted value from the date of issuance through the date of maturity or prior redemption, compounded semi-annually each June and December 15th. The accreted values of the bonds reflect the initial principal of the bonds as noted above plus the interest accrued from the date of issuance.

In fiscal year 2025, the Series 2006C, 2008A and 2010A bonds were partially defeased (see Note E), reducing the portions of the total issuances that were capital appreciation bonds to \$933,044,232, \$201,462,074 and \$345,098,755, respectively.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. BONDS AND NOTES PAYABLE (CONTINUED)

2006 Series C and 2008, 2009, and 2010 Series A - Capital Appreciation Bonds (Continued)

As of June 30, 2025, capital appreciation bonds are reported net of their unamortized bond accretion values of \$833,193,976, \$688,391,650, \$478,378,870 and \$369,732,257, respectively. The bonds are payable upon the respective maturity dates at the accreted values or prior to maturity at the greater of the accreted values and the present value of the accreted values discounted at the applicable tax-exempt municipal bond rate plus 30 basis points. Total accreted values at maturity are expected to be \$3,235,615,000, \$1,290,840,000, \$869,075,000 and \$1,237,735,000, respectively.

2010 Series B and 2010 Series C - Build America Bonds

The 2010 Series B and 2010 Series C Transportation System Bonds were issued as Build America Bonds. These federally taxable bonds were issued in connection with the American Recovery and Reinvestment Act of 2009, constituting Section 54AA of the Internal Revenue Code of 1986, as amended, for which the Authority, through the State, is entitled to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on each bond series on each interest payment date. The Budget Control Act of 2011 reduced the amount of the subsidy paid by the United States Treasury.

In fiscal year 2020, the Authority fully refunded the 2009 Series B bonds and partially refunded the 2010 Series C bonds, reducing the amount of qualifying federally taxable bond tax credits by approximately 40%. In fiscal year 2025, the Authority fully refunded the 2010 Series C bonds, reducing the amount of qualifying federally taxable bond tax credits by approximately 26%. The Authority received credits totaling \$15,877,755 in fiscal year 2025. This represents 33% of the total interest due on June 15th and December 15th for these series and a 2 percentage point decrease on the original subsidy.

There can be no certainty the United States Treasury will not make further cuts to the program. The bonds are subject to redemption prior to their maturity at the option of the Authority upon a material reduction or elimination of the subsidy payments.

2016 Series A and B Federal Highway Reimbursement Revenue Notes (Indirect GARVEEs)

On November 2, 2016, the Authority issued \$3,241,425,000 of Federal Highway Reimbursement Revenue Notes (Indirect GARVEEs) which consisted of \$2,741,425,000 of publicly offered 2016 Series A Indirect GARVEEs and \$500,000,000 of 2016 Series B Indirect GARVEEs, which are bank loan notes, purchased by Bank of America, N.A. Both series of notes are secured solely through reimbursements received by or on behalf of the New Jersey Department of Transportation pursuant to Title 23 of the United States Code from the Federal Highway Administration. The proceeds were used to fund Transportation Capital Program expenditures for fiscal years 2017, 2018 and part of fiscal year 2019.

For the year ended June 30, 2025, a total of \$303,304,255 in debt service (\$249,950,000 in principal and \$53,354,255 in interest) was paid on these obligations.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

D. BONDS AND NOTES PAYABLE (CONTINUED)

2018 Series A Federal Highway Reimbursement Revenue Refunding Notes (Indirect GARVEEs)

On July 25, 2018, the Authority issued \$1,195,730,000 of Federal Highway Reimbursement Revenue Refunding Notes (Indirect GARVEEs). These notes are secured through reimbursements received by, or on behalf of the New Jersey Department of Transportation pursuant to Title 23 of the United States Code from the Federal Highway Administration. The proceeds were used to refund \$1,300,000,000 in 2016 Series A Federal Highway Reimbursement Revenue Notes for fiscal year 2019 and generated \$124 million in net present value debt service savings.

For the year ended June 30, 2025, a total of \$34,996,013 in debt service (\$210,000 in principal and \$34,786,013 in interest) was paid on these obligations. Combined with the 2016 Series A and B Federal Highway Reimbursement Revenue Notes, a total of \$338,300,268 in debt service was paid on the Federal Highway Reimbursement Revenue Notes for the year ended June 30, 2025.

New Bonds Issued in FY 2025

In fiscal year 2025, the Authority issued \$1,500,000,000 in 2024 Series CC Transportation Program Bonds. The proceeds of any new Transportation Program Bond issuance and associated bond premiums are used to support transportation projects within the State of New Jersey.

E. REFUNDINGS

When conditions warrant, the Authority sells various issues of bonds to provide for the refunding of previously issued obligations in order to achieve interest cost savings. A Bond refunding is typically categorized as either current, in which outstanding bonds are called and paid off within 90 days, an advanced refunding, in which the new bond proceeds are placed into escrow until the call date of the bonds, or a forward refunding, in which an issuer and underwriter agree that the issuer will issue refunding bonds on a specified future date and which the underwriter will purchase those bonds at a specified price. The funds originally pledged for the prior bonds secures the refunding bonds.

The proceeds received from the sales of the bond issues are used to currently refund the outstanding bond issues or to deposit into an irrevocable escrow fund held by an escrow agent, an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the first optional redemption date thereof and the premium required to redeem the bonds outstanding on such date. Accordingly, the Authority's assets and the liabilities for defeased bonds are not included in the Authority's financial statements. Typically, these transactions result in a deduction of debt service over the term of the bonds.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

E. REFUNDINGS (CONTINUED)

During fiscal year 2025, the Authority completed one comprehensive, integrated refunding transaction. On October 24, 2024, the Authority issued \$1,787,480,000 in 2024 Series A Transportation System Refunding Bonds and \$1,462,500,000 in 2024 Series AA & Series BB Transportation Program Refunding Bonds which, together with the premiums generated on the bonds, was used to refund \$1,976,375,000 of principal on 2006 Series C, 2008 Series A, 2009 Series C, 2009 Series D, 2010 Series A, 2010 Series C, 2010 Series D, 2018 Series A, 2019 Series A, and 2019 Series B Transportation System Bonds and \$1,437,360,000 of principal on the 2014 Series AA, 2014 Series BB, 2015 Series AA, 2019 Series AA, 2019 Series BB, 2020 Series AA, and 2022 Series CC Transportation Program Bonds, respectively. The refundings generated a total of \$134.3 million in net present value debt service savings.

As of June 30, 2025, the Authority has approximately \$13,273,125,000 bonds outstanding which have been previously defeased and are secured by investments held in escrow by the bond trustee. The escrow accounts are not controlled by the Authority. The bonds are considered extinguished and accordingly, the assets and related debt obligations are not reflected on the financial statements of the Authority.

F. CONCENTRATION OF RISK AND UNCERTAINTIES

Cash and Equivalents

The Authority maintains cash and short-term investment balances which may exceed federally insured limits. It historically has not experienced any credit-related losses.

G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

(1) Long-term liabilities (bonds payable, notes payable and accrued interest payable) applicable to the Authority's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities, both current and long term, are reported in the statement of net position. Balances as of June 30, 2025, were:

Bonds payable (June 30, 2024)	\$ 20,485,748,427
Add issuance of bonds and notes	4,749,980,000
Less scheduled principal payments	(861,640,000)
Less net principal reduction from purchased debt	(1,034,300,000)
Less net principal reduction from refunded debt	(2,379,435,000)
Add accretion of capital appreciation bonds	270,089,820
Bonds payable (June 30, 2025)	<u>\$ 21,230,443,247</u>
Accrued interest payable	<u>\$ 33,243,645</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

- (2) Bonds and notes issued and net bond premium proceeds contribute to the change in fund balance in governmental funds. In the government-wide financial statements, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

Proceeds consisting of bonds and notes issued and net bond premium were received from:

2024 Series A Transportation System Bonds	\$ 2,014,983,683
2024 Series AA/BB Transportation Program Bonds	1,535,146,799
2024 Series CC Transportation Program Bonds	1,647,830,288
Total	<u>\$ 5,197,960,770</u>

- (3) Repayment of bond principal is reported as an expenditure in governmental funds and thus reduces the net position/fund balances. For the Authority as a whole, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities. Principal payments, including amounts required for refunding bond issues, were made as follows:

Scheduled principal payments	\$ 623,365,000
Scheduled principal payments of Garvee Bonds	238,275,000
Total	<u>\$ 861,640,000</u>

- (4) Unamortized bond premium is recorded as deferred revenue (other liabilities) in the statement of net position and is amortized over the life of the debt. Amortization revenue is recorded in the statement of activities. In governmental funds financial statements, bond premiums are recognized as revenue when received. Balances as of June 30, 2025, were:

Bond premium	\$ 1,200,497,962
Accumulated amortization	(575,196,592)
Total unamortized bond premium	<u>\$ 625,301,370</u>
Amortization revenue	<u>\$ 27,289,614</u>

- (5) Unamortized bond discount is recorded as an asset (deferred charge) in the statement of net position and is amortized over the life of the debt. Amortization expense is recorded in the statement of activities. In governmental funds financial statements, bond discounts are expensed when incurred. Balances as of June 30, 2025, were:

Bond discount	\$ 12,243,392
Accumulated amortization	(356,786)
Total unamortized bond discount	<u>\$ 11,886,606</u>
Amortization expense	<u>\$ 475,193</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

(6) Deferred gain on advanced refundings is recorded as deferred inflows of resources in the statement of net position and is amortized over the remaining life of the old debt or the life of new debt, whichever is shorter. Amortization revenue is recorded in the statement of activities. In governmental funds financial statements, deferred gain on advanced refunding is not applicable. Balances as of June 30, 2025, were:

Net gain on advanced refunding	\$ 314,324,092
Net loss on advanced refunding	(18,263,479)
Net deferred gain on advanced refundings	<u>\$ 296,060,613</u>
Amortization revenue as a component of interest expense	<u>\$ 14,390,808</u>

The adjustment related to current year bond activity, net, is comprised of the following:

Bond principal payments	\$ (861,640,000)
Net bond premium	(447,980,770)
Bond issuance costs (new money bonds)	5,405,817
Bond issuance costs (refunding bonds)	14,112,957
Net bond proceeds	5,478,592,479
Escrow Fund Deposit	(3,536,017,526)
Capital appreciation bonds	270,089,820
Current year bond activity, net	<u>\$ 922,562,777</u>

H. 2024 REAUTHORIZATION (P.L. 2024, c. 7)

The 2024 Reauthorization authorizes a total of \$10.367 billion in appropriations for the State's Transportation Capital Program for fiscal years 2025 through 2029. The 2024 Reauthorization allows annual adjustments to the PPGRT rate, effective January 1 each year, to meet revenue targets of \$2.032 billion in fiscal year 2025, \$2.115 billion in fiscal year 2026, \$2.199 billion in fiscal year 2027, \$2.282 billion in fiscal year 2028, and \$2.366 billion in fiscal year 2029. The 2024 Reauthorization authorizes the issuance of up to \$15.6 billion in Transportation Program Bonds through June 30, 2029.

I. SUBSEQUENT EVENT

In October 2025, the Authority issued new money 2025 Series AA Transportation Program Bonds in the amount of \$1,500,000,000 in order to fund transportation project costs.

SUPPLEMENTARY INFORMATION

DRAFT

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2025

	Transportation Improvement	Debt Service	Total
Cash Balances, June 30, 2024	\$ 391,939	\$ -	\$ 391,939
RECEIPTS			
Motor fuel taxes	-	471,189,808	471,189,808
Petroleum Products Gross Receipts and Sales and Use T	-	774,284,348	774,284,348
Toll Road Authorities	-	12,000,000	12,000,000
Build America Bond Credits	-	21,337,339	21,337,339
Operating transfers in	4,719,654	-	4,719,654
Total Receipts	<u>4,719,654</u>	<u>1,278,811,495</u>	<u>1,283,531,149</u>
DISBURSEMENTS			
Operating expenses and financial costs	4,609,976	-	4,609,976
Bond interest expense	-	667,331,495	667,331,495
Principal retirement of bonds payable	-	611,480,000	611,480,000
Operating transfers out	-	-	-
Total Disbursements	<u>4,609,976</u>	<u>1,278,811,495</u>	<u>1,283,421,471</u>
Cash Balances, June 30, 2025	<u>\$ 501,617</u>	<u>\$ -</u>	<u>\$ 501,617</u>

Note: Cash balances consist of checking account activity only.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Chairperson and Members of
New Jersey Transportation Trust Fund Authority
A Component Unit of the State of New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities and each fund of the New Jersey Transportation Trust Fund Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated [DATE].

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected or corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mercedien, P.C.
Certified Public Accountants

[DATE]

DRAFT

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None reported.

DRAFT

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
(A Component Unit of the State of New Jersey)**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported.

DRAFT