SOUTH JERSEY TRANSPORTATION AUTHORITY

2025
ANNUAL REPORT

Atlantic City Expressway

Atlantic City International Airport

Transportation Services

IN MEMORIAM

In 2025, the South Jersey Transportation Authority lost valued members of its workforce whose contributions helped shape the organization and support its mission each day. This page is dedicated to their memory and recognizes the roles they played in serving the public and their colleagues.

Each individual brought professionalism, experience, and a sense of responsibility to their work. Their efforts, often carried out without recognition, were essential to the Authority's operations and the communities it serves.

We remember them with respect and gratitude, and we extend our sincere condolences to their families, friends and coworkers.

Their service will not be forgotten.

BILL CASTNER

JOHN PETERSON

BILL WILLIAMS

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SJTA

THE SOUTH JERSEY TRANSPORTATION AUTHORITY

was established by the Legislature in June 1991 to assume operational responsibilities for the Atlantic City Expressway, Atlantic City International Airport, and parking facilities in Atlantic City. As the successor to the New Jersey Expressway Authority and Atlantic County Transportation Authority (ACTA), the SJTA serves six counties: Atlantic, Camden, Cape May, Cumberland, Gloucester, and Salem.

Legislation (South Jersey Transportation Authority Act), L.1991, c. 252 § 1, eff. Aug 9, 1991 (N.J.S.A. 27:25A-1 et seq.) charged the Authority with coordinating South Jersey's transportation system, including addressing the region's highway network, aviation facilities, and transportation needs. The Authority's network encompasses public highways, transportation projects, parking facilities and functions once performed by ACTA, other public transportation facilities and related economic development facilities in New Jersey.

LETTER OF TRANSMITTAL
from the Board Chair

Priya Jain
Acting NJDOT
Commissioner

The accomplishments highlighted in this report reflect the dedication, professionalism, and commitment to public service demonstrated by the employees and leadership of the South Jersey Transportation Authority (SJTA) throughout 2025.

Transportation plays a vital role in supporting economic activity, connecting communities, and strengthening quality of life. The work of the SJTA reflects that responsibility in action. Across its operations on the Atlantic City Expressway, at the Atlantic City International Airport, and through its Transportation Services programs, the Authority continues to demonstrate how a modern transportation organization can deliver operational excellence while maintaining strong connections with the communities it serves.

One of the most significant achievements reflected in this report is the conversion of the Atlantic City Expressway to All-Electronic Tolling. Although the system officially went live in early January 2026, the yeoman's work that made this transformation possible was carried out throughout much of 2025. The transition represents many years of planning, engineering analysis, and operational coordination. It also reflects the dedication of teams across multiple disciplines who worked together to ensure the system could be implemented smoothly and safely.

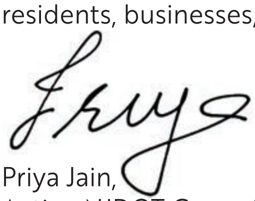
The shift to All-Electronic Tolling marks a major modernization milestone for one of South Jersey's most important transportation corridors. Traditional toll plazas have been replaced by overhead gantries equipped with advanced vehicle detection systems and high-resolution cameras. Motorists now travel beneath these structures at highway speed while toll transactions are captured electronically. This design enhances roadway safety by eliminating the stop and go traffic patterns that historically contributed to collisions at toll plazas. It also improves the overall driving experience by allowing traffic to move more consistently and reducing congestion along the entire corridor.

Beyond the operational benefits, the system also strengthens efficiency and reliability. Electronic tolling supports more precise transaction processing, stronger system monitoring, and expanded data capabilities that help transportation management better understand traffic patterns and travel demand. Motorists with E-ZPass experience seamless travel, while Toll By Plate technology allows drivers without transponders to use the roadway with ease. This investment positions the Atlantic City Expressway to meet future transportation demands while supporting tourism, regional mobility, and economic activity throughout South Jersey.

The annual report showcases numerous initiatives that demonstrate the Authority's broad impact across the region. Programs such as the delivery of the one millionth meal through the Camden County Home Delivered Meals program illustrate how transportation services can support vulnerable residents and strengthen community partnerships. Investments in airport infrastructure, environmental stewardship efforts, workforce mobility initiatives, and public outreach programs further reflect the Authority's commitment to responsible stewardship of its assets and its role as a regional partner.

Behind each accomplishment are the dedicated employees who keep the system operating every day. Engineers, maintenance crews, operations personnel, airport staff, drivers, and administrative professionals each contribute their expertise to ensure that services remain safe, reliable, and responsive to the needs of the public. Their work often takes place behind the scenes, yet it forms the backbone of the transportation network that residents, businesses, and visitors rely upon.

The New Jersey Department of Transportation stands firmly committed to supporting the Authority's mission. Through continued collaboration with the South Jersey Transportation Authority and its leadership team, we will work to strengthen critical infrastructure, advance innovation in transportation operations, and support strategic investments that improve mobility and expand economic opportunity. Together, we will continue building a transportation network that serves residents, businesses, and visitors while supporting the long-term growth and prosperity of the region.



Priya Jain,
Acting NJDOT Commissioner

SJTA PURPOSE

MISSION

The mission of the South Jersey Transportation Authority is to provide the traveling public with safe and efficient transportation through the acquisition, construction, maintenance, operation, and support of expressway, airport, transit, parking, other transportation projects, and services that support the economies of Atlantic, Camden, Cape May, Cumberland, Gloucester, and Salem Counties.

VISION

A leader in transportation, safely moving people and commerce, to stimulate the economy now and into the future.

CORE VALUES

SAFETY

Maintain high standards in safety and security for our employees and the traveling public.

INNOVATION

Translate new ideas into solutions and improvements through technology and human resources.

PROFESSIONALISM

Conduct ourselves ethically and with integrity worthy of the public trust.

DIVERSITY

Provide a multicultural workforce, access to procurement opportunities and transportation services.

EXCELLENCE

Commit to the highest standards of customer service delivery.

SJTA BOARD OF COMMISSIONERS 2025


Mikie Sherrill
Governor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Lt. Governor


Priya Jain
Acting NJDOT Commissioner

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Joseph Ripa

SJTA EXECUTIVE DIRECTOR


Stephen F. Dougherty

SJTA CORE FUNCTIONS

ATLANTIC CITY EXPRESSWAY

The Atlantic City Expressway (ACE) provides safe and efficient travel to millions of motorists. Opened to traffic in 1964, it was connected directly into Atlantic City in 1965. The 44.5 mile roadway extends from Atlantic City through Atlantic, Camden, and Gloucester counties, ending at Route 42, approximately 10 miles east of Philadelphia. Emergency Service Patrol vehicles are available on the roadway as a courtesy to ACE motorists. In 2001, the Expressway was expanded to include the 2.5 mile Atlantic City Brigantine Expressway Connector.

ATLANTIC CITY INTERNATIONAL AIRPORT

The Atlantic City International Airport (ACY) conducts commercial and general aviation operations, offering air travel to support commerce, tourism and the general public. The Airport provides convenient air passenger service to a host of destinations while safely delivering hundreds of thousands of business and recreational travelers to Atlantic City and the Southern New Jersey shore region.

TRANSPORTATION SERVICES

The South Jersey Transportation Authority (SJTA) provides transportation services to enhance accessibility to employment locations in areas that are underserved by public transportation. The Authority operates shuttle services for universities, counties and corporations as well as operates and manages the SJTA parking facilities in Atlantic City and the Atlantic City International Airport along with a parking shuttle for airport customers/patrons.

ECONOMIC IMPACT

The SJTA contributes to economic growth throughout Atlantic, Camden, Cape May, Cumberland, Gloucester, and Salem counties. The Authority accomplishes this through the acquisition, maintenance, operation and support of expressway, airport, transit, parking, and other transportation projects and services that help safely move people and commerce.

LETTER OF TRANSMITTAL
from the Executive Director

Stephen F. Dougherty
SJTA Executive Director

I am pleased to present the South Jersey Transportation Authority's 2025 Annual Report, reflecting a year defined by progress, resilience, and preparation for a bright future. Despite economic pressures and evolving travel patterns, the SJTA remained steadfast in its mission – to deliver safe, reliable transportation infrastructure and responsive public service across the Atlantic City Expressway, Atlantic City International Airport, and every route in our Transportation Services Division.

The most transformative initiative of the year was the continued advancement of our All-Electronic Tolling (AET) project. This generational modernization of our tolling operations positioned the Authority for greater efficiency, enhanced safety, and improved mobility along the corridor. Our laser-focused attention to going live with AET across every department this year reflected the Authority's total commitment to delivering this transformative initiative with precision and coordination, ensured we were fully prepared for this important step forward when we flipped the switch on January 4, 2026.

Beyond AET, we maintained a strong focus on infrastructure investment and system reliability. Across our roadway, airport, and facilities, we advanced improvements that preserve critical assets, strengthen safety, and ensure our operations remain in a sound state of good repair. These efforts underscore our long-term commitment to maintaining the integrity of our transportation system while positioning it to meet future demands.

We also continued planning and design efforts to address evolving regional transportation needs. Through thoughtful coordination and strategic evaluation, we are laying the groundwork for future capacity enhancements that will support mobility, reduce congestion, and contribute to South Jersey's economic vitality for years to come.

At Atlantic City International Airport, 2025 was marked by continued modernization and encouraging growth. While the aviation industry experienced shifts in service patterns, we saw positive momentum through expanded airline offerings and ongoing infrastructure investment. These developments strengthen the Airport's role as a vital gateway for the region, supporting tourism, business travel, and broader economic opportunity. Even amid fluctuations in passenger activity, our focus remained on long-term stability, service quality, and strategic growth.

Environmental stewardship continued to remain an essential priority throughout the year. We instituted responsible practices that balanced operational needs with ecological preservation, demonstrating that infrastructure improvement and environmental care can progress together in a thoughtful and sustainable manner.

Our commitment to community service is one of the defining characteristics of our organization. The outstanding work of our Transportation Services team continues to make a meaningful difference in the lives of residents across our region. This year, the department proudly delivered its one millionth Home-Delivered Meal - a remarkable milestone that reflects compassion, dedication, and an unwavering commitment to serving our neighbors. Their efforts exemplify the broader spirit of public service that guides our work every day.

Financially, the Authority remained stable and disciplined. Seasonal travel demand on the Expressway remained strong, and we continued to manage resources prudently while advancing critical investments at both the roadway and the Airport. Careful oversight ensured that we strengthened our infrastructure and prepared for future needs without compromising long-term fiscal responsibility.

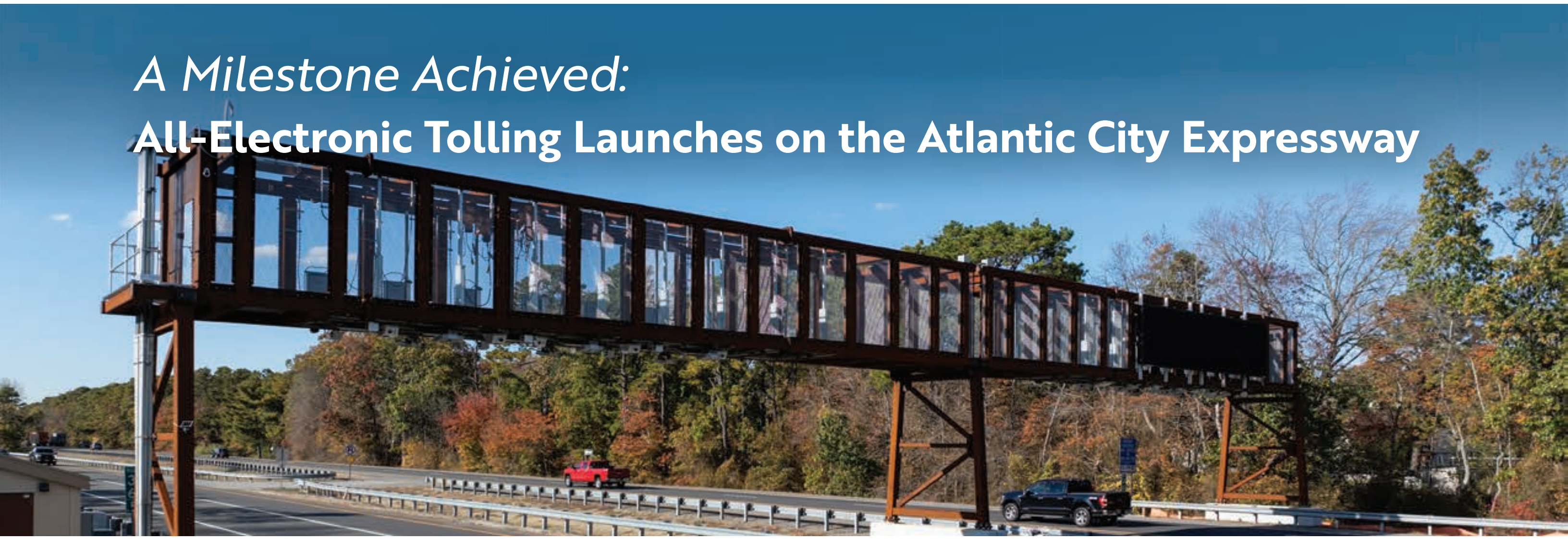
In closing, 2025 was a year of meaningful progress and thoughtful preparation. Through the advancement of the All-Electronic Tolling project, continued growth at Atlantic City International Airport, and the extraordinary service provided by our Transportation Services team, we reinforced the foundation that supports South Jersey's mobility and economy.

None of these accomplishments would have been possible without the dedication of our employees, the guidance of our Governor, DOT Commissioner, Board of Commissioners, and the continued trust of the traveling public. As we look ahead to 2026, we remain focused on safety, service, innovation, and fiscal responsibility and are committed to delivering transportation solutions that serve our region today and well into the future.

Stephen F. Dougherty

Stephen F. Dougherty
SJTA Executive Director

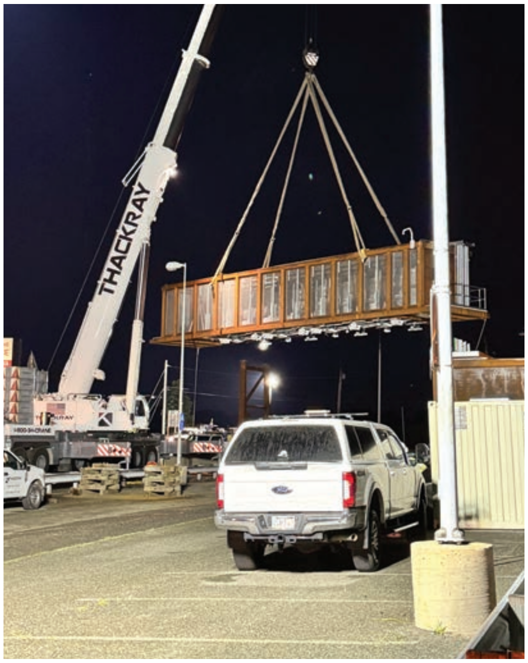
A Milestone Achieved:
All-Electronic Tolling Launches on the Atlantic City Expressway

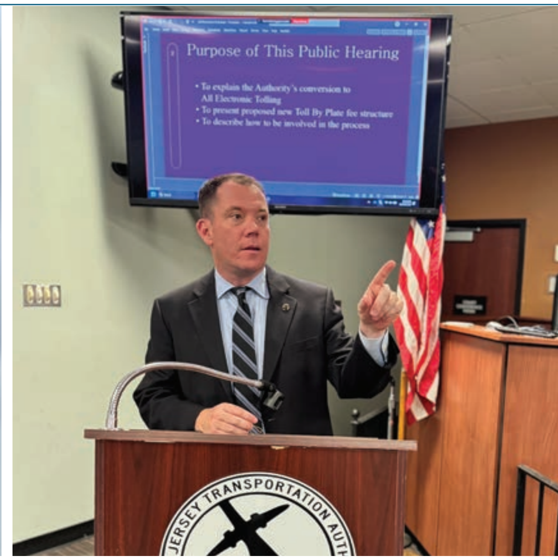


Although All-Electronic Tolling officially went live on January 4, 2026, just four days into the new year, this transformative milestone is fundamentally a 2025 achievement.

For that reason, the conversion of the Atlantic City Expressway to All-Electronic Tolling is appropriately recognized as one of the defining accomplishments of the 2025 reporting year. The historic transition reflects years of strategic planning and an intense, carefully coordinated effort throughout 2025 to ensure the system was ready to perform seamlessly from the first day of operation. The move to AET was the culmination of a long-term strategic initiative focused on improving customer service, enhancing safety, and modernizing infrastructure. Our engineering, tolls, and information technology teams and consultants conducted extensive traffic studies, environmental reviews, and technology evaluations to ensure the new system would meet the evolving needs of our patrons.

Behind the scenes, crews installed overhead gantries, high-resolution cameras, and advanced vehicle detection equipment designed to seamlessly capture toll transactions at highway speeds. Customer service operations were expanded at the Customer Service Center at the Farley





Service Plaza to manage increased account activity and support E-ZPass and Toll By Plate customers. Public education campaigns, including website updates, social media outreach, and roadway signage, helped ensure drivers were informed well before the transition date.

Public input was called upon in shaping the transition. A formal public hearing process was held in November and provided community members, commuters, and business stakeholders with opportunities to learn about the project and share feedback. The dialogue reinforced the SJTA's commitment to transparency and responsiveness throughout the transition process.

Going Live: January 4, 2026

On January 4, the Atlantic City Expressway officially began operating under its new All-Electronic Tolling system. Toll booths were cordoned off and traffic began flowing uninterrupted beneath the ten, newly installed gantries.

The first day of operation proceeded smoothly, with traffic moving efficiently and transaction systems performing as designed. Motorists with E-ZPass accounts experienced seamless travel, while those without transponders were able to use the Toll By Plate system.

The transition marked a significant safety milestone by eliminating stop-and-go traffic at toll plazas, reducing the risk of rear-end collisions and auto emissions, and ultimately, improving overall traffic flow.

The day following the go-live date, Expressway leadership commemorated the successful launch with a press event highlighting the years of work that made the transition possible. NJ Department of Transportation officials, both past and present, spoke about the project's impact on safety, congestion reduction, and long-term operational efficiency.

The event provided an opportunity to thank the SJTA's partners, consultants, employees and the driving public for their cooperation and support throughout the transition.

The conversion to All-Electronic Tolling represents more than a technological upgrade. It reflects a commitment to innovation, safety, and customer service. By removing toll plazas and modernizing operations, the Atlantic City Expressway is better positioned to serve the region's residents, visitors, and businesses for decades to come.

Environmental Stewardship and Community Engagement

Environmental stewardship continues to play an important role in how we maintain and improve our transportation corridors. Through our Roadway Environmental Advancement Initiative (READI), the South Jersey Transportation Authority remains committed to enhancing the natural environment surrounding the Atlantic City Expressway while also engaging the community in meaningful ways.

In April 2025, the READI team visited students at John C. Milanese School in Buena, to share the work being done to make our roadways more environmentally friendly and supportive of local wildlife. During the visit, the team provided an interactive presentation highlighting several initiatives launched since the program began in 2017. These efforts include planting native wildflowers along the Expressway to support pollinators, installing bee hotels to provide safe habitats for bees, placing bat boxes that help naturally manage insect populations, and constructing nesting platforms for ospreys and other birds.

The highlight of the visit was partnering with the students to plant a tree outside their school. The activity provided a hands-on opportunity for students to learn about environmental stewardship while symbolizing a shared commitment to protecting and enhancing the natural environment for future generations.

Complementing these outreach efforts is the Authority's greenhouse, located off the Eastbound 12 ramp and maintained by Environmental Manager, Nick Marchese, and the READI team. The greenhouse supports the cultivation of native plant species that are used throughout our environmental initiatives along the Expressway. Over the past year, the team successfully completed the first growing cycle for several species, including Purple Coneflowers (Echinacea purpurea) and Ohio Spiderwort plants. These plants were planted at the bee hotels on the ACX by READI'S Stockton University Interns.

The greenhouse also serves as a resource for maintaining healthy plant life along the corridor. Each plant grown through the program includes clear care guidelines covering light, soil, watering, and pruning needs, helping ensure long-term sustainability and easier maintenance for staff.

This initiative reflects our continued dedication to environmental responsibility while enhancing the natural spaces surrounding our transportation network. Through programs like READI, we are proud to contribute to a healthier ecosystem while fostering awareness and partnership within the communities we serve.

Ensuring Safety and Success at Thunder Over the Waves

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The South Jersey Transportation Authority's Operations Team remains deeply committed to its mission of helping communities thrive through reliable, responsive, and safety-focused support. This commitment was clearly demonstrated through its involvement in the Thunder Over the Waves Airshow, where the team was honored to assist the City of Wildwood with on-site operational support. Partnerships like these reflect the organization's belief that strong communities are built through collaboration, preparation, and service.

When called upon, the Operations Team is always prepared to help ensure events are safe, smooth, and successful. For Thunder Over the Waves, the team played a critical role in supporting event logistics, coordinating operational needs, and maintaining a safe environment for attendees, performers, and staff. Their behind-the-scenes efforts helped create an experience that was both memorable for the public and efficient for event partners.

The airshow took place over two days, with a practice day held on September 5 and the official show day on September 6. The event attracted aviation enthusiasts and families from across the region and showcased an impressive lineup of performances. Featured acts included the U.S. Army Golden Knights, a Coast Guard demonstration, aerobatic performances, formation flying, and additional aerial exhibitions that highlighted both skill and precision.

The success of Thunder Over the Waves underscores the value of having a dedicated operations team ready to support large-scale community events. Through professionalism, adaptability, and a steadfast focus on safety, the SJTA Operations team helped the City of Wildwood deliver an event that celebrated aviation excellence while bringing the community together.

The SJTA is proud of the Operations Team's contribution and remains committed to supporting initiatives that enrich and strengthen the communities it serves.

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Growing Connections, Near and Far

The South Jersey Transportation Authority's social media community continues to grow, and we're excited to see just how far our reach extends. While most of our followers come from the Greater Philadelphia area and throughout New Jersey, we were amazed to discover that one of our LinkedIn followers is tuning in all the way from the Greater Adelaide region, Australia, approximately 10,604 miles away!

It's a great reminder that the work we do in transportation doesn't just connect roads, it connects people across the globe. From industry professionals and transportation enthusiasts to community members and travelers, our content is reaching audiences well beyond our immediate service area. Platforms like LinkedIn, Facebook, Instagram, and X allow us to share updates, safety initiatives, engineering projects, and milestones with a truly global audience.

And while transportation is our primary focus, we love seeing engagement on some of the more unexpected topics, too. Who knew a post about chocolate would spark conversation? Or that winter driving tips, air shows, weather updates, office celebrations, employee spotlights, and even construction equipment close-ups would get people talking? It turns out our audience enjoys a little variety, and we love showing the human side of what we do.

Thank you to everyone who follows, comments, shares, and engages with our content. Your support helps us continue building not only infrastructure, but meaningful digital connections across the region, and now, across the globe.

https://www.instagram.com/sjta_official/

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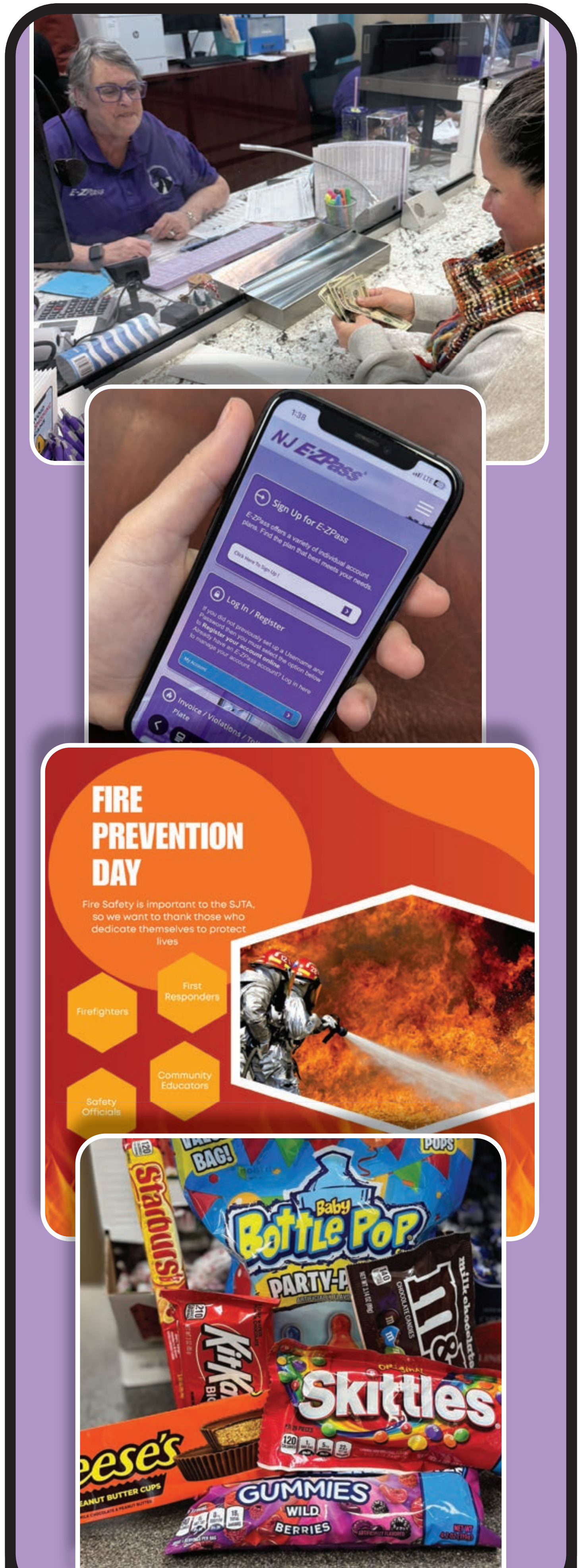
https://www.youtube.com/@SJTA-website



Vineland–Atlantic City Commuter Express Shuttle Launch

Enhancing Access and Opportunity

On October 1, the South Jersey Transportation Authority proudly marked the launch of a new commuter shuttle service connecting Vineland and Atlantic City, an important milestone in our ongoing commitment to enhance regional mobility and expand transportation access for South Jersey residents.

The Vineland–Atlantic City Commuter Express Shuttle provides two weekday roundtrips, offering direct service between the Vineland Transportation Center and the Atlantic City Bus Terminal.

The shuttles support workforce mobility, and strengthens access to employment, education, and essential services. This initiative underscores the Authority's continued focus on strategic partnerships, operational innovation, and delivering tangible benefits to the communities we serve.

From Roads to Tables: One Million Meals Delivered

In 2025, the South Jersey Transportation Authority Transportation Services Department supported Camden County's Home Delivered Meals program in reaching a major achievement with the delivery of its one millionth meal. The meal was delivered to Dolores Hilferty of Blackwood, NJ, by SJTA driver Joseph LaGreca, who had the honor of delivering both the program's one millionth meal and the recipient's very first meal through the service.

The Home Delivered Meals program began in 2017, providing 92,240 meals to 386 homebound residents in its inaugural year. Today, the program serves more than 400 Camden County seniors, each receiving a ready-to-eat meal and a friendly visit. For many participants, the service provides not only essential nutrition, but also reassurance, connection, and support that helps them remain safely in their homes.

SJTA Executive Director, Stephen F. Dougherty described the Camden County's Home Delivered Meals program as a reflection of the County's vision and the dedication of our team, volunteers, and community partners.

Reflecting on the one millionth meal, Mr. LaGreca expressed how the role goes far beyond meal delivery. Through daily interactions, drivers build meaningful relationships and see firsthand the difference the program makes in the lives of older residents, transforming each delivery into a moment of care and human connection.

Together, Camden County and the SJTA are helping ensure that seniors have consistent access to the essential resources they need to remain safe and supported at home. It isn't just about a number, it's about 1,000,000 times a door was opened, 1,000,000 opportunities to provide food, connection and dignity, and 1,000,000 reminders that no one should face hunger alone.

NJMVC Mobile Unit Brings REAL ID Services Directly to Travelers

The South Jersey Transportation Authority partnered with the New Jersey Motor Vehicle Commission (NJMVC) on multiple occasions this year to host a mobile unit providing REAL ID services directly to Atlantic City Expressway travelers at the Farley Service Plaza. This initiative was designed to improve customer convenience by bringing essential state services closer to where customers already travel, reducing the need for separate trips to MVC facilities.

Throughout the events, NJMVC staff efficiently processed REAL ID applications, ensuring a smooth and organized experience for participants. The mobile unit operated at full capacity, serving customers throughout the scheduled hours and reinforcing the effectiveness of collaborative efforts between public agencies and transportation operators.

Demand for the NJMVC mobile unit exceeded expectations. All available appointments were fully booked well in advance of the service date, reflecting strong public interest and awareness of the upcoming REAL ID requirements. The high level of engagement demonstrated the value of offering accessible, on-site services to customers.

These successful events underscore the SJTA's commitment to enhancing customer service, supporting regional mobility initiatives, and exploring future partnerships that deliver meaningful benefits to the traveling public.

Expanding public access to essential state services through thoughtful interagency collaboration.

The Heart Behind the SJTA

Every day, thousands of people rely on our roadway, airport, and shuttles to reach work, family, friends, medical appointments, and home again. And while performance metrics tell part of our story, the true measure of the South Jersey Transportation Authority is found in the people who make those journeys possible.

Our Employees of the Quarter represent the very best of us. From resolving complex customer concerns with empathy, to improving internal processes that strengthen efficiency, to ensuring service runs smoothly behind the scenes, their impact is felt far beyond their individual roles. Their excellence may be quiet, but it shapes every driver and passenger's experience.

In our State Police dispatch center, professionalism can mean the difference between crisis and calm. When a passenger experienced a medical emergency, one of our dispatchers responded with steady precision, guiding first responders and helping save a life. It was a powerful reminder that preparation, skill, and composure matter.

Out on the road, our shuttle operators and drivers deliver more than transportation. They offer patience, reassurance, and a familiar smile. They know their routes, and often their riders, by heart. Behind them, skilled technicians ensure every vehicle leaves the yard safe and reliable, understanding that families and futures are on board.

Across every department, unique talents come together in shared purpose. Transportation is more than infrastructure; it is human connection. It is the collective effort of people who take pride in serving their community.

Our system moves a community.

Our people move the system.

Investing in Safer, Smarter Winter Operations

This year, the Atlantic City International Airport reached an important milestone in strengthening its winter operations with the installation of a new aircraft deicing pad, a behind-the-scenes improvement that plays a vital role in maintaining safety, reliability, and environmental responsibility.

During winter weather, even a thin layer of frost or ice can significantly affect an aircraft's performance. Ice disrupts the smooth flow of air over wings and control surfaces, reducing lift and altering handling characteristics. For that reason, aviation safety standards require aircraft to be completely free of frozen contamination before takeoff. Deicing, the application of heated deicing and anti-icing fluids, ensures aircraft depart safely even in challenging weather conditions.

The new deicing pad provides a dedicated, purpose-built area where this critical work can be performed efficiently and safely. This improves airfield flow, reduces congestion, and helps airlines maintain schedules during peak winter events.

Beyond operational efficiency, the deicing pad represents a significant environmental investment. Deicing fluids are glycol-based, and without proper containment they can enter stormwater systems and nearby waterways. The pad is engineered with specialized grading and drainage infrastructure that captures and manages runoff in a controlled manner. The new deicing facility allows aircraft to depart faster, reducing the need for repeated deicing, and enables more environmentally friendly deicing procedures by collecting and storing the deicing fluid runoff. Components of the project include the deicing pad with three aircraft positions, an underground infiltration basin, a spent glycol collection system, pump station, and control building. These features support regulatory compliance while reducing environmental impact.

The project included:

- ***Concrete deicing pad approximately 25,500 SY in size, with the asphalt pad above being approximately 12,500 SY in size***
- ***Project Construction Cost: $34,309,395***
- ***Funding partner: Federal Aviation Administration***

By proactively investing in this infrastructure, ACY enhances its operational resilience during winter weather and strengthens its ability to support airline partners and passengers alike. And while largely unseen by travelers, the deicing pad is a critical component of the airport's commitment to safety, efficiency, and environmental stewardship.

Rodeo of Recognition: Honoring the Team at Employee Appreciation Day

The South Jersey Transportation Authority celebrated Employee Appreciation Day with a western style themed event designed to recognize and thank employees for their daily contributions to operations and service excellence. Cowboy boots, plaid shirts, and denim set the tone as staff embraced the theme and gathered to enjoy a hearty meal featuring classic down-home favorites. The event created an opportunity for employees from across departments to connect beyond their day-to-day roles, fostering camaraderie and strengthening a sense of unity throughout the organization.

A highlight of the celebration was the recognition of employees reaching significant career milestones. SJTA Executive Director, Stephen F. Dougherty honored team members celebrating 5 to 25 years of service, presenting commemorative pins that symbolized their dedication, professionalism, and lasting impact. The recognition reinforced the organization's commitment to long-term service and the individuals who help drive sustained success.

Former NJDOT Commissioner, Francis K. O'Connor, also addressed attendees, sharing remarks on leadership and expressing appreciation for the contributions made by employees at all levels. He emphasized the importance of acknowledging excellence and maintaining a workplace culture where employees feel supported, respected, and valued. Commissioner O'Connor also presented Stephen Dougherty with an award to honor a decade of his remarkable leadership, visionary guidance, unwavering courage, and boundless ambition as Executive Director. This was a well-deserved celebration to appreciate the dedication Stephen has brought to the SJTA over the years.

Employee Appreciation Day served as a reminder that the SJTA's strength lies in its people. By celebrating individual achievements and collective efforts, the event reinforced a shared commitment to ensuring safe, reliable operations and continued service to the communities the Authority supports.

Lights, Action, Safety:
Atlantic City International Airport Emergency Drill

Safety remains a top priority at the Atlantic City International Airport, and on May 17, 2025, the airport conducted a full-scale triennial emergency response exercise to reinforce preparedness for potential emergencies. The carefully planned drill was designed to evaluate the airport's ability to respond effectively to a major incident while ensuring all personnel and systems are ready to act in real-world conditions.

The exercise simulated a significant airfield accident and required coordinated response efforts from multiple departments and emergency services. Objectives included assessing response times, interdepartmental coordination, and the effectiveness of communication systems, as well as confirming that crisis management procedures are executed efficiently under pressure.

To enhance realism, trained actors portrayed accident victims using specialized makeup to simulate a range of injuries. This element allowed emergency responders to operate as they would during an actual emergency, providing hands-on experience in victim assessment, treatment, and transport while reinforcing established protocols.

The drill was conducted strictly as a training exercise, with all safety measures in place and no disruption to normal airport operations. Its successful execution reflects the dedication of airport staff and partner agencies to maintaining the highest safety standards. Insights gained from the exercise will be used to further strengthen emergency procedures and ensure continued readiness to protect passengers, employees, and the broader airport community.


BEFORE


AFTER


BEFORE


AFTER

Working with Regional Partners to Maintain Safe and Clean Roadways

Roadways, bridges, underpasses, and rights-of-way are designed to move people safely and efficiently. Yet in times of economic or social strain, these spaces can become temporary places of refuge for individuals experiencing homelessness. Encampments sometimes emerge in areas never intended for habitation. These locations often lack sanitation, waste removal, or safe infrastructure. Such situations present complex humanitarian and public safety challenges, including debris and hazardous materials that eventually make it onto the roadway.

The South Jersey Transportation Authority approaches these realities with a simple principle. Responsibility does not end at the edge of the Atlantic City Expressway.

In coordination with municipal officials, county partners, law enforcement, and social service providers, we support efforts to restore impacted sites throughout the counties we serve. Cleanup operations address accumulated trash and hazards to ensure corridors remain safe for transit users, employees, and the broader community. Equally important, these efforts are carried out with care and coordination, recognizing that the individuals affected are members of the same community we serve.

Most think of the SJTA as the Atlantic City Expressway, Atlantic City International Airport, and our Transportation Services division, with the cleanup work we do often going unseen. It happens early in the morning, behind safety vests and work gloves, in partnership with multiple stakeholders.

The SJTA does whatever is within our power to help, safeguard critical transportation assets, and contribute meaningfully to the health and vitality of the communities we serve.

When our communities need us,
we do not step back.
We step in.

Inspiring the Next Generation Through "Bring Your Child to Work Day"

On May 1, the South Jersey Transportation Authority welcomed employees and their children for the annual "Bring Your Child to Work Day".

Bring Your Child to work day started as a humble initiative in the 1990s and provided employees with an opportunity to share with the children not only what they do each day, but why their roles matter in supporting safe, reliable transportation and public service.

SJTA Executive Director, Stephen F. Dougherty, welcomed more than 40 children to the event and challenged them to accomplish three meaningful goals during their visit: make a new friend feel welcome, have fun, and learn something new. These guiding principles set a positive tone for the day and encouraged curiosity, kindness, and engagement throughout the activities.

Participants visited several key facilities across the organization, including Central Maintenance, the Atlantic City Airport Firehouse, the New Jersey State Police Building, and the Administration Building. At each stop, children gained insight into the diverse roles and responsibilities that keep operations running smoothly, while interacting with employees who shared their experiences and expertise.

"Bring Your Child to Work Day" highlighted the pride employees take in their work and offered the next generation a meaningful glimpse into what commitment, teamwork, and public service look like in action.

Allegiant Air Brings New Nonstop Destinations to the Community

On December 11, the Atlantic City International Airport hosted a special event for Allegiant Air at one of the Airport's terminals to commemorate the airline's continued growth and expanding partnership with the ACY. The event brought together Airport leadership, community stakeholders, and airline representatives to recognize Allegiant's increasing presence and commitment to serving the region.

The event marked a pivotal moment as Allegiant announced the expansion of its nonstop service offerings from ACY. Nonstop service to Orlando Sanford International Airport (SFB) began on December 19, strengthening leisure travel connectivity to one of the nation's most popular destinations. These additions reflect Allegiant's confidence in the market and its ongoing investment in ACY as a strategic gateway for travelers.

Further expanding Allegiant's footprint, nonstop service to St. Pete–Clearwater International Airport (PIE) and Punta Gorda Airport (PGD) will begin in February 2026. These Florida destinations provide residents with additional affordable and direct travel options while supporting tourism and economic activity in the region. Collectively, these new routes represent an exciting new chapter for the Atlantic City International Airport and the surrounding community. Allegiant's growing schedule strengthens ACY's air service portfolio, increases passenger choice, and reinforces its commitment to strategic airline partnerships.

Celebrating the Future of Aviation Through Art

The South Jersey Transportation Authority was proud to celebrate the unveiling of a new Atlantic City International Airport art installation on April 25, 2025, as part of its continued commitment to community partnership and placemaking. The installation reflected the organization's belief that transportation spaces should do more than move people efficiently, they should also inspire, welcome, and connect. By integrating public art into the terminal, the SJTA reinforced its role as a steward of infrastructure that serves both functional and cultural purposes.

The murals were painted by Evan Carr and Laura Randall, student artists from Stockton University, whose work collectively explored the theme "The Future of Aviation." Through their artistic vision, the students captured the limitless possibilities of flight, highlighting innovation, sustainability, and global connection. Carr's mural, titled "It's All Up from Here," features brightly colored, familiar aviation symbols arranged in an energetic and uplifting composition, symbolizing optimism and momentum. Randall's mural, "The Aviators of Tomorrow," portrays a young boy wearing a pilot's cap as he looks out of an airplane window bursting with color and sparkles, representing imagination, ambition, and the future of aviation.

Together, the murals transform the terminal into an engaging visual experience that resonates with travelers of all ages. The installation aligns with the ACY's broader values of forward-thinking progress and investment in the next generation of leaders and creators.

Photos by: Lizzie Nealis/Stockton University

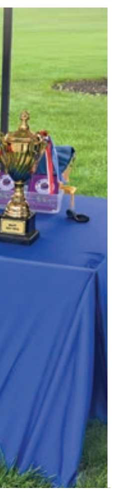
100 Days of Summer Celebration

The South Jersey Transportation Authority once again welcomed the community to its annual 100 Days of Summer Celebration, transforming the Frank S. Farley Service Plaza into a lively gathering place to mark the unofficial start of the shore season. Drawing thousands of visitors from across the region, the annual event blended hospitality, public outreach, and family-friendly entertainment into an afternoon that reflected the Authority's strong connection to the communities it serves.

Guests were greeted by a diverse lineup of food trucks offering everything from bold Cajun flavors to fresh tacos and sweet treats. A perennial favorite, Chickie's & Pete's returned with complimentary samples of its signature Crabfries®, delighting attendees throughout the afternoon. And in a generous gesture that has become a hallmark of the event, the sports bar sponsored one hour of free eastbound tolls at the Egg Harbor Toll Plaza, creating an enthusiastic wave of horn honks from motorists headed toward their favorite shore destinations.

Car enthusiasts enjoyed a featured car cruise showcasing an impressive collection of classic and contemporary vehicles where collectors proudly displayed their restored and customized cars.

Throughout the plaza grounds, vendors and community partners offered a wide assortment of handcrafted goods, specialty items, and informational resources. Local artisans, small businesses, and public agencies



engaged directly with attendees, distributing giveaways and highlighting the services and products that support the region year-round.

Public safety partners added both excitement and education to the day's activities. Members of the New Jersey State Police were on site with specialized vehicles, and their mounted unit proved especially popular among families. Firefighters from Atlantic City International Airport Fire and Rescue showcased their apparatus and equipment, offering visitors a closer look at the tools and training that keep the traveling public safe.

Local flavor was further represented by Ron's Gardens Farm Market, whose tent was full of Jersey fresh produce and colorful hanging baskets. From strawberries and leafy greens to vibrant seasonal flowers, their display added a touch of summer harvest to the festivities.

The celebration also reached beyond the plaza through a live remote broadcast from SportsRadio 94 WIP. On-air personalities interacted with attendees and shared the energy of the event with listeners throughout the region, extending its impact well beyond the Expressway corridor.

With strong attendance, enthusiastic participation, and continued support from community partners, the 100 Days of Summer Celebration remains a signature event for the Authority, bringing residents and travelers together while highlighting the partnerships and public services that define the South Jersey Transportation Authority.

Leadership Engagement & Regional Collaboration

Throughout the year, the South Jersey Transportation Authority's leadership team remained actively engaged with regional business, aviation, engineering, and tourism partners, reinforcing the Authority's commitment to transparency, collaboration, and strategic investment across South Jersey.

In August and again in October, SJTA's Executive Director, Stephen F. Dougherty, served as an invited speaker before members of the regional business community at the NJ Alliance for Action, Investing in South Jersey – Where the Action Is! conference. There, Mr. Dougherty outlined major initiatives across the Atlantic City Expressway, Atlantic City International Airport (ACY), and the Transportation Services Department.

The Authority's aviation leadership also played a key role in advancing regional dialogue. In October, Atlantic City International Airport Director, Tim Kroll, participated as a panelist at the Southern New Jersey Development Council (SNJDC) Transportation & Aviation Committee meeting at the National Aerospace Research & Technology Park. The discussion focused on air service development, the economic impact of aviation in the region, and cargo projects in various stages of development. The session also highlighted

increasing industry collaboration and emerging opportunities in advanced air mobility, reflecting the airport's growing role in innovation and regional connectivity.

Earlier in the year, three members of the Authority's leadership team were featured speakers at the American Council of Engineering Companies of New Jersey (ACECNJ) first general membership breakfast of 2025. Mr. Dougherty presented an overview of the Authority's mission, strategic goals, and capital investments. Mr. Kroll, provided updates on passenger growth, including a 14 percent increase in 2024 over the prior year, along with aeronautical development projects and the history of the airport's former Grasslands Conservation Management Area. Chief Engineer and Director of Engineering, Dan Corrigan, detailed progress on the Atlantic City Expressway Third Lane Widening Project, the AET conversion, and other ongoing infrastructure improvements. The event fostered meaningful dialogue with consulting engineering professionals from across the state.

The Authority also participated in key tourism and chamber events that support economic development across the region. In May, leadership took part in the Cape May County Tourism Conference and Chamber Membership Meeting, joining more than 100 business and community leaders to mark the start of the 2025 tourism season. Presentations included regional tourism performance data, the outlook for the upcoming season, and updates on transportation initiatives supporting visitor access to the Jersey Cape.

In July, SJTA leadership participated in a Cape May County Chamber membership meeting. Mr. Dougherty and department directors, Mr. Corrigan, Mr. Kroll; Director of Transportation Services, Dom D'Amico, and Director of Tolls; Karen Hutchings shared operational and capital project updates spanning engineering initiatives, toll operations, transportation services, and airport development.

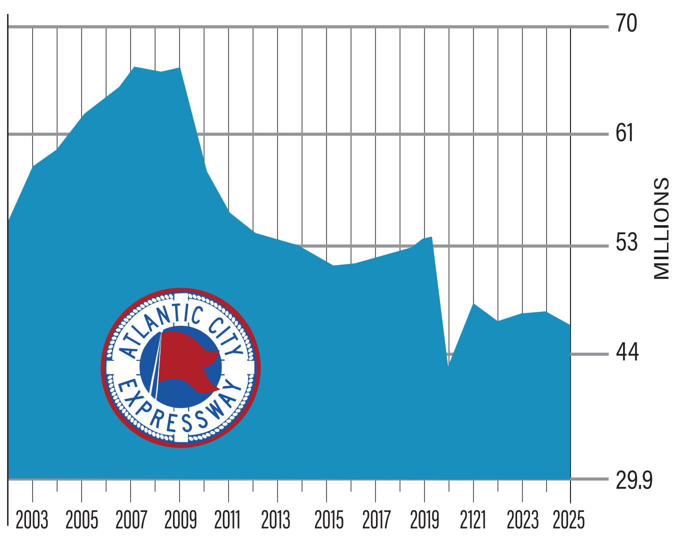
And throughout the year, Mr. Dougherty makes it a priority to tout the SJTA's accomplishments to numerous media outlets whenever the chance may arise.

Collectively, these engagements underscore the Authority's continued commitment to partnership, regional investment, and forward-looking transportation solutions that support economic growth and quality of life across South Jersey.

ANNUAL TOLL TRAFFIC AND TOLL REVENUES

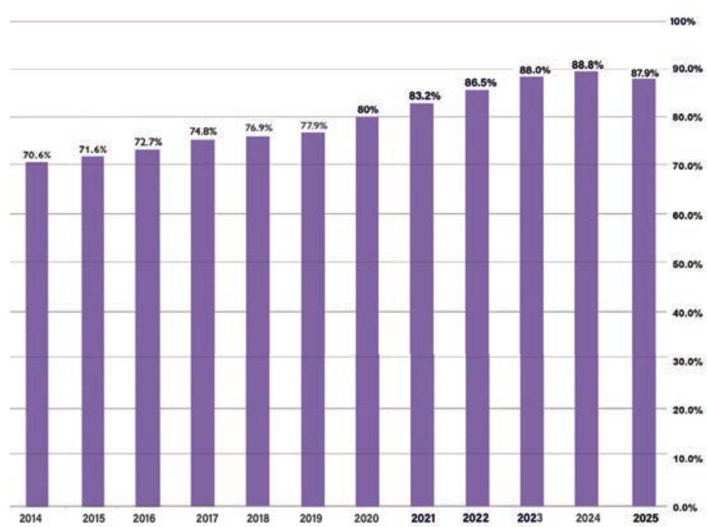
YEAR	TOLL TRAFFIC	TOLL REVENUE	TOTAL SJTA REVENUES	PERCENT FROM TOLLS
2025	46,512,988	$125,446,007	$168,458,580	74.5%
2024	47,578,935	$123,483,164	$165,405,534	74.7%
2023	47,553,702	$119,985,115	$163,646,813	73.3%
2022	46,958,444	$114,234,793	$156,160,920	73.2%
2021	47,788,804	$112,844,105	$151,688,050	74.4%
2020	41,022,522	$75,001,197	$112,560,132	66.6%
2019	54,426,484	$83,499,059	$118,431,042	70.5%
2018	53,535,226	$80,672,144	$114,446,942	70.5%
2017	51,782,054	$77,736,375	$109,904,267	70.7%
2016	51,825,590	$77,185,675	$107,343,494	71.9%
2015	51,121,893	$76,141,803	$107,089,866	71.1%
2014	50,985,868	$74,956,149	$105,082,910	71.3%
2013	52,079,719	$76,124,544	$104,981,542	72.5%
2012	52,995,151	$77,569,176	$107,021,581	72.5%
2011	53,382,708	$76,895,065	$106,046,142	72.5%
2010	54,977,031	$78,914,150	$108,654,245	72.6%
2009	58,432,437	$82,162,229	$109,632,566	74.9%
2008	66,961,243	$63,476,068	$91,605,689	69.3%
2007	66,728,789	$61,830,498	$89,416,482	69.1%
2006	66,820,291	$59,477,706	$83,676,217	71.1%
2005	64,594,708	$57,970,661	$82,007,410	70.7%
2004	63,036,743	$57,247,411	$78,771,768	72.7%
2003	60,332,338	$51,190,087	$59,488,734	86.0%
2002	59,000,044	$48,525,003	$56,373,284	86.1%
2001	54,415,354	$45,853,899	$58,712,782	78.1%
2000	50,619,351	$44,322,412	$56,594,079	78.3%

ATLANTIC CITY EXPRESSWAY ANNUAL TOLL TRAFFIC 2002-2025



E-ZPass

USAGE AS A PERCENT OF TOLL TRAFFIC



ATLANTIC CITY EXPRESSWAY E-ZPASS USAGE OVER THE LAST TWELVE YEARS

ANNUAL TOLL TRAFFIC INCREASE OR DECREASE BY LOCATION

YEAR	PLEASANTVILLE	NEW ROAD	POMONA	MAYS LANDING	EGG HARBOR	HAMMONTON	WINSLOW	WILLIAMSTOWN	CROSS KEYS	ROUTE 50	TOTAL
2025	-2.6%	2.2%	-6.8%	-7.9%	-1.0%	-3.5%	-10.0%	-4.2%	-0.7%	4.1%	-2.2%
2024	1.3%	-6.6%	2.9%	-0.26%	-1.0%	1.7%	-11.5%	1.1%	-0.3%	-0.2%	0.1%
2023	3.2%	-6.1%	2.7%	-1.9%	1.0%	4.6%	0.7%	-2.7%	-2.0%	3.9%	1.2%
2022	-0.6%	-13.6%	-1.9%	-9.0%	-1.2%	0.5%	-0.4%	-2.3%	-1.1%	-0.5%	-1.8%
2021	24.3%	7.1%	17.0%	14.7%	13.8%	4.3%	2.9%	10.4%	12.0%	13.6%	16.5%
2020	-29.9%	-19.4%	-32.5%	-31.5%	-18.6%	-19.6%	-19.1%	-19.7%	-23.9%	-24.4%	-24.6%
2019	3.7%	-13.2%	2.6%	1.6%	4.2%	2.3%	4.5%	0.7%	-3.8%	8.2%	2.5%
2018	4.0%	18.6%	-5.2%	-1.4%	3.8%	-1.7%	1.2%	-1.9%	-0.2%	1.6%	2.5%
2017	-1.7%	-7.6%	0.4%	-3.3%	2.8%	-1.3%	3.0%	1.9%	-1.8%	9.0%	-0.1%
2016	1.4%	5.7%	4.0%	-1.2%	-1.0%	8.1%	6.5%	4.9%	1.6%	13.6%	1.4%
2015	-2.8%	10.3%	2.5%	-2.9%	2.1%	1.5%	-0.3%	1.2%	6.2%	8.2%	0.3%
2014	-5.6%	2.2%	-1.7%	-1.8%	-1.1%	1.6%	4.2%	5.0%	1.1%	14.8%	-2.1%
2013	-1.8%	3.8%	-1.2%	-0.6%	-2.5%	-1.9%	6.0%	-4.0%	-1.1%	10.1%	-1.7%
2012	-2.0%	-1.7%	0.1%	-3.5%	1.7%	0.4%	-1.0%	-3.1%	0.3%	10.7%	-0.8%
2011	-2.3%	-1.4%	-1.7%	-2.9%	-3.9%	0.1%	-2.2%	-7.5%	-0.4%	76.4%	-2.9%
2010	-10.2%	-4.6%	-1.3%	-11.6%	-2.9%	2.4%	2.0%	-2.6%	1.6%	-6.1%	-5.9%
2009	-15.4%	-11.3%	-17.7%	-18.4%	-6.4%	-2.0%	-8.5%	-12.5%	-17.5%	N/A	-12.7%
2008	6.4%	-6.0%	2.1%	-4.4%	-5.4%	-3.9%	-1.0%	-1.0%	-1.9%		0.4%
2007	-0.1%	9.7%	4.8%	-0.7%	-1.5%	-0.5%	-0.8%	-0.9%	1.3%		-0.1%
2006	3.7%	8.7%	6.3%	1.6%	2.2%	2.1%	4.7%	3.1%	7.9%		3.4%
2005	3.1%	7.5%	2.4%	1.8%	1.2%	0.0%	-1.9%	3.7%	5.1%		2.5%
2004	1.7%	17.5%	3.2%	4.3%	5.7%	6.6%	7.6%	6.7%	13.0%		4.4%
2003	-1.1%	58.2%	2.9%	4.0%	2.1%	1.5%	-61.6%	2.2%	170.7%		2.1%
2002	8.1%	N/A	2.0%	15.8%	6.6%	4.8%	-28.9%	4.6%	N/A		8.6%
2001	4.6%		4.6%	13.6%	5.3%	5.0%	68.0%	2.6%			7.5%
2000	0.0%		8.9%	9.2%	2.4%	10.9%	193.5%	11.4%			5.3%

MOTORIST AIDS BY EMERGENCY SERVICE PATROL

	2019	2020	2021	2022	2023	2024	2025
Dead Battery	787	372	516	632	711	806	841
Flat Tire	2,796	2,446	3,172	4,223	4,941	6,067	6,151
Accidents	787	703	620	564	594	637	646
Mechanical	3,865	3,658	4,357	4,987	5,492	7,089	7,196
Out of Gas	835	4,334	777	652	684	676	570
Overheat	353	319	427	460	471	523	536
Resting/Cell Phone	930	740	1,059	1,278	1,381	1,572	1,910
Request for Tow Truck	2,546	2,700	2,990	2,614	2,517	2,312	2,345
Remove Debris	587	450	575	607	3,852	3,974	3,574
Provided Safety	9,796	8,776	10,093	10,727	28,087	32,608	37,698
Total	23,282	24,498	24,586	26,744	48,730	56,264	61,467

When a motorist on the Atlantic City Expressway has a problem, he or she can count on getting quick help from our Emergency Service Patrols. Their vehicles make continuous circuits along the 44-mile Expressway, stopping whenever they see a vehicle pulled off to the side of the roadway. This free service helps keep our commuters moving along efficiently every day of the year.

2025 TOLL SCHEDULE

Tolling Locations	Toll Class	E-ZPass/ Cash Toll Rates	Frequent User Toll Rates
Pleasantville, Rt. 9, Pomona, Mays Landing, Hammonton, Winslow	Auto	1.45	0.99
	Limo	2.65	1.59
	Dual Tire	2.65	2.39
	Three Axle	3.70	3.34
	Four Axle	4.85	4.37
	Five Axle	6.05	5.45
	Six Axle	7.10	6.40
Egg Harbor Barrier, Route 50 Ramp	Auto	4.85	0.99
	Limo	7.10	1.59
	Dual Tire	7.10	2.39
	Three Axle	10.45	3.34
	Four Axle	14.15	4.37
	Five Axle	17.55	5.45
	Six Axle	20.95	6.40
Williamstown, Berlin-Cross Keys	Auto	0.80	0.48
	Truck/Bus/Limo	0.80	0.80
	Dual Tire	7.10	6.40

* When two outer ramp tolls are used in the same direction during one trip (within one hour) only one toll is charged to the user's E-ZPass account. FREQUENT USER PLAN: To qualify, use your E-ZPass tag at least 30 times during a 35 day period and the discount will be applied for the next 35 days. Keep using it, and the discount will continue. You must sign up for the Expressway either when you enroll, or by calling the customer service center at 1-888-288-6865. There is no additional charge for this discount.

SOUTH JERSEY TRANSPORTATION AUTHORITY

Financial Statements
And Supplementary Information

As of and for the Year Ended December 31, 2025

(With Summarized Comparative Information as of and for the Year Ended December 31, 2024)

with

Independent Auditor's Reports

South Jersey Transportation Authority
Financial Statements
For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chair and Commissioners
of the South Jersey Transportation Authority
Hammonton, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the South Jersey Transportation Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2025, with comparative totals for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 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 Auditor's 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 these financial statements in accordance with the generally accepted accounting principles. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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.

Auditor's Responsibility 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 auditor's 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 an 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 judgement 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 judgement 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 the 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 judgement 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 discussion and analysis,* the Schedules of Proportionate Share of the Net Pension Liability, Schedule of Authority's Pension Contributions, Schedules of Changes in the Authority's Net OPEB Liability and Related Ratios and the Schedule of Authority OPEB Contributions, identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2026, 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 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 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.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P Costello

Leon P. Costello
Certified Public Accountant

July 31, 2026

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INDEPENDENT AUDITOR'S 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

The Honorable Chair and Commissioners of the
of the South Jersey Transportation Authority
Hammonton, 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 financial statements, as listed in the accompanying table of contents, of the South Jersey Transportation Authority (a component unit of the State of New Jersey), Hammonton, State of New Jersey, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 31, 2026, which was unmodified.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and 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 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 may exist that have not been identified.

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, 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 entity'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.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant

July 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

South Jersey Transportation Authority ("SJTA" or the "Authority") was created in 1991 and became the successor to the New Jersey Expressway Authority and the Atlantic County Transportation Authority. The Authority operates the Atlantic City Expressway, the Atlantic City International Airport and provides transportation services to riders in the areas served. The vision of SJTA is to be a leader in transportation, safely moving people and commerce, to stimulate the economy now and into the future. The mission of the Authority is to provide the traveling public with safe and efficient transportation through the acquisition, construction, maintenance, operation and support of expressway, airport, transit, parking, other transportation projects and services that support the economies of Atlantic, Camden, Cape May, Cumberland, Gloucester and Salem Counties.

The Authority operates under the following Core Values:

Safety - Maintain high standards in safety and security for our employees and the traveling public.

Innovation - Translate new ideas into solutions and improvements through technology and human resources.

Professionalism - Conduct ourselves ethically and with integrity worthy of public trust.

Diversity - Provide a multicultural workforce, access to procurement opportunities and transportation services.

Excellence - Commit to the highest standards of customer service delivery.

Our discussion and analysis of the South Jersey Transportation Authority's (SJTA) financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2025. Please read it in conjunction with the Authority's financial statements that begin on Page 16.

2025 Highlights

Expressway

Traffic on the Atlantic City Expressway in 2025 remained consistent with the prior year, which has held relatively constant at an average of 42.3 million during this post-COVID era. There were 46.5 million vehicle transactions in 2025, a decrease of 1.1 million compared to 2024, with a new high of 89.8% utilizing E-ZPass as a payment method which was an increase of 1.1% compared to 2024. As a result of the increased traffic and the 3% annual toll indexing effective January 1 of each of the last 5 years, toll revenue has increased an average of 2.7% since 2021. Toll revenue also reached its highest level in Authority history of $125.4 million, which was an increase of 1.6% or $2.0 million compared to 2024.

OVERVIEW (CONTINUED)

Expressway (Continued)

In May 2023, the Authority awarded the civil contract for the All Electronic Tolling (AET) and ITS Upgrade, one of the flagship projects in the capital plan. The groundbreaking for the construction of the gantries was held in October 2023. The ceremony was attended by dignitaries including members of the Board of Commissioners, Congressman Donald W. Norcross and the New Jersey Department of Transportation Commissioner and then Chair of SJTA's Board Diane Gutierrez-Scaccetti along with many members of the public. All Electronic Tolling went into effect on January 4, 2026.

With All Electronic Tolling (AET), the Authority went cashless in 2026, which is subsequent to these financial statements. AET will allow for increased throughput, reduced plaza congestion, improve convenience, enhanced safety, lower emissions, and allows for touchless tolling. Vehicles that have an E-Zpass tag will not be affected by this change. Vehicles without an E-ZPass tag will be mailed a toll bill to the vehicle's registered owner after 30 days or once $50 in tolls are recorded, whichever occurs first. A photo of the vehicle's license plate will be taken at the time of the transaction, and the plate number is used to obtain the vehicle's registered owner information.

Airport

The number of airport passengers at the Atlantic City International Airport (ACY) decreased compared to 2024. A total of approximately 845 thousand passengers utilized the Airport in 2025, reflecting a decrease of 18.9% compared to 2024. Scheduled service passengers decreased 20.2% to approximately 733 thousand passengers, while charter passenger activity decreased 9.6% to approximately 112 thousand passengers. The decrease in passenger activity is largely attributable to reduced operations from Spirit Airlines, which experienced significant year-over-year declines in both enplanements and deplanements. In contrast, American Airlines continued to show growth in passenger activity, and Allegiant Airlines began initial operations in December 2025, contributing additional passenger volume to the Airport. Total airport revenue of $11.7 million in 2025 decreased by $2.1 million, or 15.4%, compared to 2024, primarily driven by the decline in passenger activity and related revenues, including a decrease in airport parking revenue.

FINANCIAL HIGHLIGHTS

<u>Operating Revenue</u>

- Total operating revenues were $168.5 million in 2025 as compared to $165.4 million in 2024, representing a net 1.9% increase. This is attributable to several factors:
    - Toll indexing of 3% that went into effect January 1, 2025
    - A 9.5% increase in ETC revenue of $1.1 million
    - A $3.0 million increase in Marina Parking Revenue
    - A $1.2 million decrease in Rental Revenue due to market wide decreases in billboard advertising rates
    - A 19.5% decrease in Airport Revenue of $2.7 million due to decreased passenger traffic

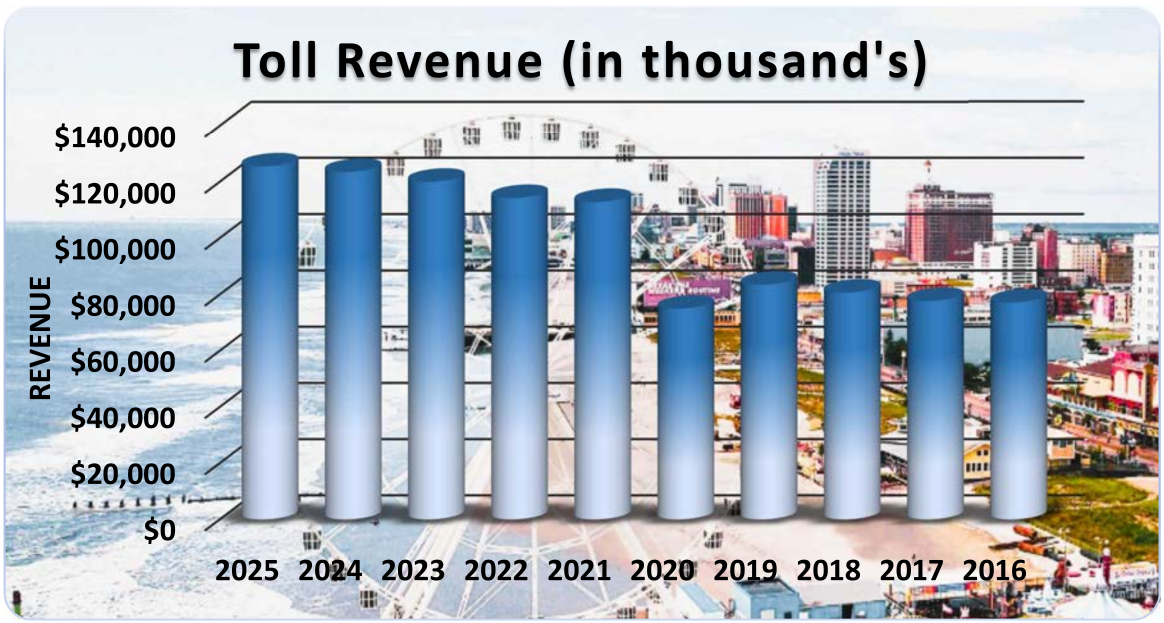
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL HIGHLIGHTS (CONTINUED)

Operating Revenue (Continued)

- Toll revenue, which accounted for 74.7% of operating revenue, was $125.4 million. This is an increase of 1.6% over the prior year. (See Chart I).

Chart I – Historical Toll Revenue 2016-2025



- Traffic on the Atlantic City Expressway (ACE) in 2025 was consistent in comparison to 2024. (See Chart II).

Chart II – Historical Toll Traffic 2016-2025

FINANCIAL HIGHLIGHTS (CONTINUED)

- Airport revenues of $11.2 million decreased 19.5% compared to $13.9 million in 2024 (See Chart III). This decrease is primarily a result of an industry wide decrease in leisure travel and Spirit Airlines bankruptcy, which is discussed in Note 26 in the Notes to Financial Statements.

Chart III Historical Airport Revenue 2016-2025

- Scheduled service passengers using the Atlantic City Airport in 2025 decreased 20.2% over the number of scheduled service passengers in 2024, while charter service passengers decreased 9.6%. Overall air passenger traffic decreased 18.9% (See Chart IV).

Chart IV Historical Airport Passengers 2016-2025

FINANCIAL HIGHLIGHTS (CONTINUED)

Operating Expenses

- Operating expenses before depreciation expense for the year ended December 31, 2025 were $103.8 million, a $10.5 million or 11.3% increase as compared to the year ended December 31, 2024. This increase was mainly the result of increasing healthcare, technology, and labor related to expressway maintenance and operations.

- Actual operating expenses for 2025 were $11.3 million or 9.8% lower than budgeted operating expenses. This favorable budget variance is attributable to Authority management closely monitoring spending to maintain operating margins.

- Net operating income for 2025 was $27.9 million, as compared to $36.6 million for 2024.

FINANCIAL POSITION SUMMARY

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America. Accrual of the current year's revenue and expenses are considered regardless of when cash is received or paid. Capital assets are capitalized and, except land and construction in progress, are depreciated over their useful lives. Amounts are restricted for rehabilitation and repair, debt service and, where applicable, capital projects.

The Statement of Net Position and the Statement of Revenue, Expenses and Changes in Net Position report information on all Authority assets, liabilities, revenue and expenses in a manner similar to that used by most private-sector companies. These two statements also report on the Authority's *net position* and changes to it.

Net position increases both when revenue exceeds expenses and when the Authority's assets increase without a corresponding increase in the Authority's liabilities. It is important to note, however, depreciation's negative impact on net position. Depreciation decreases the Authority's net position even though it is a non-cash expense and may represent a write off against a contributed capital item paid for by a federal grant or private source. Net position also increases or decreases when new accounting pronouncements are implemented.

The Statement of Cash Flows presents information about the Authority's relevant sources and uses of cash for the year. It is prepared in a manner that summarizes (1) cash flows from operating activities, (2) non-capital financing activities, (3) capital and related financing activities and (4) investing activities. Specifically, the Statement of Cash Flows, together with related disclosures and information on other financial statements, can be useful in assessing the following:

- Ability of an entity to generate future cash flows.
- Ability of an entity to pay its debt as the debt matures.
- The need to seek outside financing.
- Reasons for differences between cash flows from operations and operating income

FINANCIAL POSITION SUMMARY (CONTINUED)

Financial Analysis of the Statement of Net Position

Below is a summarized Statement of Net Position as of December 31, 2025, with comparative totals as of December 31, 2024:

	2025	2024
Unrestricted Assets	$ 158,374,487	$ 143,570,789
Restricted Assets	530,821,788	580,258,816
Capital Assets	605,932,049	623,383,536
Deferred Outflows of Resources	30,669,533	25,073,963
Total Assets and Deferred Outflows of Resources	$ 1,325,797,857	$ 1,372,287,104
Current Unrestricted Liabilities	$ 13,034,502	$ 13,790,202
Current Restricted Liabilities	65,208,860	53,847,697
Accrued Expenses	2,789,794	35,000
Net Pension Liability	33,875,164	37,055,754
Net OPEB Liability	62,892,517	50,832,876
Non-Current Bonds Payable, net	888,670,193	926,535,083
Deferred Inflows of Resources	33,731,720	37,418,474
Total Liabilities and Deferred Inflows of Resources	1,100,202,750	1,119,515,086
Net Investment in Capital Assets	201,632,446	178,585,272
Restricted	(84,011,388)	57,672,435
Unrestricted Net Position	202,156,027	115,069,132
Related to Net Pension Liability	(31,028,122)	(33,176,018)
Related to Net OPEB Liability	(63,153,856)	(65,378,803)
Total Net Position	225,595,107	252,772,018
Total Liabilities, Deferred Inflow of Resources and Net Position	$ 1,325,797,857	$ 1,372,287,104

- Unrestricted assets increased by $14.8 million due primarily to increases in unrestricted cash due to Authority's net operating income.

FINANCIAL POSITION SUMMARY (CONTINUED)

- Restricted assets decreased by $49.4 million in 2025 primarily in cash and cash equivalents due to Capital additions and for Pre-Development Services under an Agreement with the Delaware River Port Authority (DRPA) for the Glassboro-Camden Light Rail Line, which is discussed further in Note 4 in the Notes to Financial Statements.

- Capital assets, net of accumulated depreciation, decreased by a net amount of $17.5 million in 2025. While additions amounted to $73.0 million and depreciation was $36.8 million, the net decrease was attributable to prior year construction in progress in the amount of $44.3 million being recorded as a contribution to the DRPA for the Light Rail Line discussed above.

- Deferred outflows of resources increased $5.6 million due to changes in actuarial assumptions in calculating the OPEB liability and pension liability as well as a reduction to the unamortized deferred losses on the early extinguishment of Debt.

- Current restricted liabilities increased by $11.3 million primarily due to an increase in capital outlay and the related payables.

- Accounting Standards require state and local government's financial reports to reflect systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and provides information about actuarial accrued liabilities associated with the OPEB and whether and to what extent progress is being made in funding the plan.

  The Authority's net OPEB liability on December 31, 2025, was $62.9 million, an increase of $12.1 million from 2024. This increase was primarily a result of increasing healthcare rates which resulted in changes to actuarial valuations. See the required supplementary information ("RSI") in the financial statements for more information.

- SJTA's net pension liability of $33.9 million represents the Authority's proportionate share of the net pension liability of the State of New Jersey's multi-employer, cost sharing pension plans. This liability and how it is determined is discussed in greater detail in the accompanying Notes to the Financial Statements.

- Deferred inflows of resources decreased by a net amount of $3.7 million, resulting from decreases related to OPEB and pension costs offset by the deferred gain from the 2025 bond refunding. See the required supplementary information ("RSI") in the financial statements for more information related to OPEB costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL POSITION SUMMARY (CONTINUED)

Financial Analysis of the Statement of Revenue, Expenses and Changes in Net Position

Below is a summarized Statement of Revenue, Expenses and Changes in Net Position as of December 31, 2025, with comparative totals as of December 31, 2024:

	2025	2024
Operating Revenue	168,538,530	165,405,534
Operating Expenses	(140,645,858)	(128,805,815)
Non-Operating Income (Expense)	(11,938,499)	(9,209,345)
Capital Contributions	(43,131,084)	14,013,249
Change in Net Position	$ (27,176,911)	$ 41,403,623
Net Position -- Beginning	252,772,018	211,368,395
Net Position -- Ending	$ 225,595,107	$ 252,772,018

- Operating revenue increase of $3.1 million is primarily a result of the 3% toll indexing implemented January 1, 2024, and increased marina parking revenue.
- Operating expenses increased by $11.8 million primarily due to increasing labor, healthcare, and technology costs.
- Capital Contributions decreased by $57.1 million. This decrease was mainly due to a $6.3 million reduction in FAA Airport Improvement grants as several of the FAA projects near completion and the $53.6 million contribution to the DRPA for the Glassboro-Camden Light Rail Line discussed previously.

New Accounting Pronouncements

For 2025, the Authority implemented Statement No. 102, Certain Risk Disclosures, Statement No. 103, Financial Reporting Model Improvements, and Statement No. 104, Disclosure of Certain Capital Assets. See Note 2 in the Notes to Financial Statements for more information.

Investment in Infrastructure

There were no significant infrastructure capital projects completed in 2025. However, over 50 infrastructure projects were added to construction in progress during 2025. Below are some of the major projects that are actively being constructed.

Atlantic City Expressway Construction in Progress

- Expressway Third Lane Widening
- Expressway Resurfacing
- Expressway On/Off Ramp Lighting Improvements
- Expressway All Electronic Tolling (AET)

FINANCIAL POSITION SUMMARY (CONTINUED)

Investment in Infrastructure (Continued)

Atlantic City International Airport Construction in Progress

- Parking Lot Improvement
- Airport Restroom Rehabilitation
- Parking Garage Renovations
- Deicing Facility – Phase 4
- Airport Runway 4-22 Rehabilitation
- Airport Loading Bridge Replacement
- Outbound Luggage Tunnel Rehabilitation
- Taxiway R Final Design

AIRPORT SUBSIDY

The Authority's enabling legislation created the South Jersey Transportation Authority to deal with regional transportation issues. Included in the legislation were the powers to acquire and operate the Atlantic City International Airport. The available surplus, net revenue generated by the Atlantic City Expressway project, has historically been available to subsidize the airport operations as was anticipated in the legislation and clearly presented in the original documents adopted by the Authority. The airport project is considered a general project under the Authority's General Bond Resolution and payment of any airport subsidy (excess of airport expenses over airport revenue) is subordinate to payments to bond holders under the Authority's General Bond Resolution and payable from the general reserve fund.

The airport operating subsidy was $8.4 million for the year ended December 31, 2025, compared with $6.0 million in 2024, not including debt service on airport bonds and depreciation of capital assets. The increase in the subsidy is attributable to a reduction in airport revenues due to decreased passenger traffic.

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements, notes to the financial statements and supplementary information. The Basic Financial Statements consist of the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position ("Operating Statement") and the Statement of Cash Flows (on Pages 16 - 21) that provide information about the activities of the Authority as a single enterprise fund. An enterprise fund uses proprietary fund reporting that focuses on the determination of operating income, changes in net position (or cost recovery), financial position and cash flows.

USING THIS FINANCIAL REPORT (CONTINUED)

Proprietary Fund financial statements for the Authority's two main funds start on Page 22. These financial statements report on the Authority's operations in more detail than the Basic Financial Statements by providing information about the Authority's most significant funds. The Authority's two major operating entities, which are being reported separately in the Proprietary Fund financial statements, are the Atlantic City Expressway and the Atlantic City International Airport. Common costs for these two major operating entities are generally assigned to the Expressway.

The Statements of Net Position and Changes in Fiduciary Net Position for the Other Postemployment Benefits Trust can be found on Page 29. Fund financial statements are also included in the Other Supplementary Information on Pages 93 - 96. Fund financial statements report the Authority's operations, in detail, for all the funds of the Authority.

Some funds are required to be established by bond covenants, while the Authority establishes many other funds to help it control and manage money for particular purposes. Resources are accounted for in individual funds based upon the purpose for which they are to be spent and the restrictions, if any, on the spending activities.

Notes to the Financial Statements

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

Other Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority's fund financial statements, bonds and other debt, and toll revenue and vehicle count.

Contacting the Authority's Financial Management

This financial report is designed to provide our Commissioners, customers, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance at the South Jersey Transportation Authority, Farley Service Plaza, Administration Building, P.O. Box 351, Hammonton, NJ 08037.

BASIC FINANCIAL STATEMENTS

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South Jersey Transportation Authority
Statement of Net Position
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 138,791,822	$ 126,181,556
Change Funds	35,000	142,491
Accounts Receivable, net	7,703,477	5,985,845
Leases Receivable	5,862,631	6,241,943
Grants Receivable	2,957,181	1,983,708
Prepaid Expenses	2,789,291	2,773,324
Security Deposits	141,530	146,416
Inventory	93,555	115,506
Total Unrestricted Assets	158,374,487	143,570,789
Restricted Assets:		
Cash and Cash Equivalents	506,066,787	552,204,462
Investments	20,611,844	24,631,814
Accounts Receivable	2,040,000	3,130,000
Grants Receivable	2,029,650	205,433
Interest Receivable	73,507	87,107
Total Restricted Assets	530,821,788	580,258,816
Capital Assets:		
Non-Depreciable Capital Assets:		
Land and Right of Ways	145,464,608	145,464,608
Construction in Progress	161,816,461	151,789,454
Total Non-Depreciable Capital Assets	307,281,069	297,254,062
Non-Infrastructure Capital Assets:		
Buildings and Equipment	228,591,999	219,932,931
Less Accumulated Depreciation	(173,080,082)	(160,557,175)
Total Non-Infrastructure Capital Assets	55,511,917	59,375,756
Infrastructure Capital Assets:		
Infrastructure - Equipment	32,071,815	31,567,113
Infrastructure	688,885,020	688,721,346
Less Accumulated Depreciation	(477,817,772)	(453,534,741)
Total Infrastructure Capital Assets	243,139,063	266,753,718
Total Assets	1,295,128,324	1,347,213,141
Deferred Outflows of Resources:		
Related to Pensions	6,182,826	6,338,026
Related to OPEB	21,177,866	14,896,102
Loss on Early Extinguishment of Debt	3,308,841	3,839,835
Total Deferred Outflows of Resources	30,669,533	25,073,963
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,325,797,857	$ 1,372,287,104

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Net Position
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	2025	2024
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable	$ 10,434,718	$ 10,058,713
Unearned Income	946,727	584,292
Escrow Deposits	340,754	320,440
Accrued Expenses	1,312,303	2,826,757
Total Current Liabilities Payable From Unrestricted Assets	13,034,502	13,790,202
Current Liabilities Payable From Restricted Assets:		
Accrued Interest Payable	6,688,620	6,863,997
Accrued Expenses	2,174,932	5,844,975
Accounts Payable	11,458,028	6,067,346
Retainages Payable	2,063,981	1,899,256
Due to Other Governmental Agencies	208,335	208,335
PFC Advanced	2,989,394	2,547,154
CFC Advanced	2,166,163	3,934,462
Insurance and Labor Reserves	3,131,793	4,655,071
Bonds Payable, Net of Discount and Premiums of ($3,828,972)	34,327,614	21,827,101
Total Current Liabilities Payable From Restricted Assets	65,208,860	53,847,697
Noncurrent Liabilities:		
Accrued Expenses	2,789,794	35,000
Net Pension Liability	33,875,164	37,055,754
Net OPEB Liability	62,892,517	50,832,876
Bonds Payable, Net of Discount and Premiums of ($43,867,726)	888,670,193	926,535,083
Total Non-Current Liabilities	988,227,668	1,014,458,713
Total Liabilities	1,066,471,030	1,082,096,612
Deferred Inflows of Resources:		
Related to Pensions	3,335,784	2,458,290
Related to OPEB	21,439,205	29,442,029
Related to Leases	4,980,771	5,518,155
Gain on Early Extinguishment of Debt	3,975,960	-
Total Deferred Inflows of Resources	33,731,720	37,418,474
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 1,100,202,750	$ 1,119,515,086

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Net Position
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	2025	2024
NET POSITION		
Net Investment in Capital Assets	$ 201,632,446	$ 178,585,272
Restricted for:		
Debt Service	6,932,368	3,139,697
Rehabilitation and Repair	7,000,000	7,295,703
Debt Service Reserve	59,903,133	38,789,379
State Payment	-	269
Capital Projects	(163,541,306)	(6,114,813)
Arbitrage Rebate	2,174,932	(5,844,806)
Subordinated Debt Fund	3,519,485	20,407,006
Unrestricted:		
Unrestricted Net Position	202,156,027	115,069,132
Related to Net Pension Liability	(31,028,122)	(33,176,018)
Related to Net OPEB Liability	(63,153,856)	(65,378,803)
Total Net Position	225,595,107	252,772,018
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,325,797,857	$ 1,372,287,104

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Revenue, Expenses and Change in Net Position
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	2025	2024
Operating Revenue:		
Tolls	$ 125,445,948	$ 123,506,749
Concessions	1,113,441	1,064,223
ETC Administrative Revenue	12,935,475	11,810,238
Marina Parking Revenue	3,078,488	66,912
Rentals	2,920,776	4,162,520
FEMA Grant Reimbursement	-	193,105
Naming Rights	491,733	391,322
SJTPO Programs	3,390,483	3,585,224
Transportation Services	6,352,856	5,560,760
Other	1,616,464	1,168,302
Airport	11,192,866	13,896,179
Total Operating Revenue	168,538,530	165,405,534
Operating Expenses:		
Executive	986,597	969,409
Business Administration	1,741,915	1,637,814
Engineering	1,196,258	1,714,902
Finance	1,533,809	1,541,740
Central Accounts	18,262,685	14,563,737
Other Post-Employment Benefits	3,293,741	3,046,185
Communications & Marketing	459,054	300,452
Transportation Technology	13,969,429	12,560,541
Expressway Operations	22,145,514	18,266,823
Police	8,210,169	8,022,434
Information Technology	2,021,295	1,500,550
SJTPO Programs	3,390,483	3,585,224
Transportation Services	7,366,206	6,030,190
Airport	19,262,765	19,570,889
Depreciation	36,805,938	35,494,925
Total Operating Expenses	140,645,858	128,805,815
Operating Income	27,892,672	36,599,719
Non-Operating Revenue (Expenses):		
Interest and Dividends	23,479,443	28,755,893
Market Value Adjustment on Investments	794,533	374,990
Gain (Loss) on Disposal of Assets	-	(437,728)
Other Income (Expenses)	-	55,772
Bad Debt Expense	(150,892)	-
Effect of Change in Pension Liability	2,549,959	2,195,020
Effect of Change in OPEB Liability	1,259,187	155,584
Cost of Issuance Expense	(1,347,624)	-
Amortization of Bond Premium	3,828,972	3,708,059
Interest on Bonds	(39,852,077)	(41,516,935)
State Payment	(2,500,000)	(2,500,000)
Total Non-Operating Income (Expense)	(11,938,499)	(9,209,345)
Income Before Capital Contributions	15,954,173	27,390,374
Capital Contributions	(43,131,084)	14,013,249
Change in Net Position	$ (27,176,911)	$ 41,403,623
Total Net Position -- Beginning	252,772,018	211,368,395
Total Net Position -- Ending	$ 225,595,107	$ 252,772,018

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Cash Flows
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers, Users and Grants	$ 166,938,534	$ 167,120,846
Payments to Suppliers	(63,770,657)	(48,705,124)
Payments to Employees	(40,513,595)	(47,883,735)
Net Cash Provided by Operating Activities	62,654,282	70,531,987
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Payment of State Payment Obligation	(2,500,000)	(2,500,000)
Payment of Capital Contribution	(9,285,752)	-
Net Cash Used by Noncapital Financing Activities	(11,785,752)	(2,500,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Grants	7,293,883	14,245,166
Proceeds from Sale of Fixed Assets	-	10,702
Other Income (Expenses)	-	55,772
Payments for Capital Acquisitions	(54,183,775)	(78,748,684)
Arbitrage Payments	(7,170,043)	-
Principal Paid on Capital Debt	(16,950,000)	(14,530,000)
Interest Paid on Capital Debt	(40,105,905)	(41,583,526)
Loans Payments Received	1,090,000	1,050,000
Proceeds from Refunding Bonds Issued	98,725,000	-
Bond Issue Premium	6,930,882	-
Bond Issuance Costs	(1,347,624)	-
Bonds Redeemed	(106,298,861)	-
Net Cash Used by Capital and Related Financing Activities	(112,016,443)	(119,500,570)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	4,019,970	315,009
Interest and Dividends	23,493,043	33,400,868
Net Cash Provided by Investing Activities	27,513,013	33,715,877
Net Decrease In Cash and Cash Equivalents	(33,634,900)	(17,752,706)
Balance - Beginning of Period	678,528,509	696,281,215
Balance - End of Period	$ 644,893,609	$ 678,528,509
Reconciliation to Statement of Net Position:		
Unrestricted Cash and Cash Equivalents	$ 138,791,822	$ 126,181,556
Change Funds	35,000	142,491
Restricted Cash and Cash Equivalents	506,066,787	552,204,462
	$ 644,893,609	$ 678,528,509

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Cash Flows
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	2025	2024
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income	$ 27,892,672	$ 36,599,719
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	36,805,938	35,494,925
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Receivables, Net	(1,717,632)	899,183
Grants Receivable	(973,473)	493,709
Prepaid Expenses	(15,967)	346,302
Security Eeposits	4,886	4,000
Inventory	21,951	9,372
Accounts and Other Payables	376,005	807,846
Unearned Income	362,435	(86,996)
Pension & Related Items	(563,697)	(5,482,794)
Leases and Related	723,788	405,416
Escrow Deposits	20,314	102,071
Insurance and Labor Reserves	(1,523,278)	8,969
Accrued Expenses	1,240,340	930,265
Net Cash Provided by Operating Activities	$ 62,654,282	$ 70,531,987

Noncash capital financing activities:
Capital assets of $8,400,107 were acquired through contributions from governmental agencies and private developers.

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Net Position - Proprietary Funds
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	Expressway	Airport	Consolidation Eliminations	Totals 2025	Totals 2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Unrestricted Assets:					
Cash and Cash Equivalents	$ 136,295,815	$ 2,496,007		$ 138,791,822	$ 126,181,556
Change Funds	35,000	-		35,000	142,491
Accounts Receivable, net	6,061,519	1,641,958		7,703,477	5,985,845
Leases Receivable	3,571,707	2,290,924		5,862,631	6,241,943
Grants Receivable	2,843,717	113,464		2,957,181	1,983,708
Prepaid Expenses	2,389,093	400,198		2,789,291	2,773,324
Security Deposits	140,000	1,530		141,530	146,416
Inventory	93,555	-		93,555	115,506
Interfunds Receivable	135,711,469	-	(135,711,469)	-	-
Total Unrestricted Assets	287,141,875	6,944,081	(135,711,469)	158,374,487	143,570,789
Restricted Assets:					
Cash and Cash Equivalents	472,963,774	33,103,013		506,066,787	552,204,462
Investments	19,806,344	805,500		20,611,844	24,631,814
Accounts Receivable	2,040,000	-		2,040,000	3,130,000
Grants Receivable	-	2,029,650		2,029,650	205,433
Interest Receivable	73,507	-		73,507	87,107
Total Restricted Assets	494,883,625	35,938,163	-	530,821,788	580,258,816
Capital Assets:					
Non-Depreciable Capital Assets:					
Land and Right of Ways	126,797,085	18,667,523		145,464,608	145,464,608
Construction in Progress	92,425,524	69,390,937		161,816,461	151,789,454
Total Non-Depreciable Capital Assets	219,222,609	88,058,460	-	307,281,069	297,254,062
Non-Infrastructure Capital Assets:					
Buildings and Equipment	68,105,293	160,486,706		228,591,999	219,932,931
Less Accumulated Depreciation	(55,230,101)	(117,849,981)		(173,080,082)	(160,557,175)
Total Non-Infrastructure Capital Assets	12,875,192	42,636,725	-	55,511,917	59,375,756
Infrastructure Capital Assets:					
Infrastructure - Equipment	18,552,566	13,519,249		32,071,815	31,567,113
Infrastructure	556,555,026	132,329,994		688,885,020	688,721,346
Less Accumulated Depreciation	(396,409,533)	(81,408,239)		(477,817,772)	(453,534,741)
Total Infrastructure Capital Assets	178,698,059	64,441,004	-	243,139,063	266,753,718
Total Capital Assets	410,795,860	195,136,189	-	605,932,049	623,383,536
Total Assets	1,192,821,360	238,018,433	(135,711,469)	1,295,128,324	1,347,213,141
Deferred Outflows of Resources:					
Related to Pensions	4,534,329	1,648,497		6,182,826	6,338,026
Related to OPEB	18,848,301	2,329,565		21,177,866	14,896,102
Loss on Early Extinguishment of Debt	3,308,841	-		3,308,841	3,839,835
Total Deferred Outflows of Resources	26,691,471	3,978,062	-	30,669,533	25,073,963
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,219,512,831	$ 241,996,495	$ (135,711,469)	$ 1,325,797,857	$ 1,372,287,104

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Net Position - Proprietary Funds
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	Expressway	Airport	Consolidation Eliminations	Totals 2025	Totals 2024
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current Liabilities Payable From Unrestricted Assets:					
Accounts Payable	$ 7,493,226	$ 2,941,492		$ 10,434,718	$ 10,058,713
Unearned Income	139,474	807,253		946,727	584,292
Escrow Deposits	171,331	169,423		340,754	320,440
Accrued Expenses	1,193,645	118,658		1,312,303	2,826,757
Interfunds Payable	-	135,711,469	$ (135,711,469)	-	-
Total Current Liabilities Payable From Unrestricted Assets	8,997,676	139,748,295	(135,711,469)	13,034,502	13,790,202
Current Liabilities Payable From Restricted Assets:					
Accrued Interest Payable	6,095,528	593,092		6,688,620	6,863,997
Accrued Expenses	2,174,932	-		2,174,932	5,844,975
Accounts Payable	9,833,148	1,624,880		11,458,028	6,067,346
Retainages Payable	1,513,861	550,120		2,063,981	1,899,256
Due to Other Governmental Agencies	208,335	-		208,335	208,335
PFC Advanced	-	2,989,394		2,989,394	2,547,154
CFC Advanced	-	2,166,163		2,166,163	3,934,462
Insurance and Labor Reserves	2,115,662	1,016,131		3,131,793	4,655,071
Bonds Payable, Net of Discount and Premiums of ($3,828,972)	32,817,758	1,509,856		34,327,614	21,827,101
Total Current Liabilities Payable From Restricted Assets	54,759,224	10,449,636	-	65,208,860	53,847,697
Noncurrent Liabilities:					
Accrued Expenses	2,292,837	496,957		2,789,794	35,000
Net Pension Liability	27,420,813	6,454,351		33,875,164	37,055,754
Net OPEB Liability	55,974,340	6,918,177		62,892,517	50,832,876
Bonds Payable, Net of Discount and Premiums of ($43,867,726)	809,240,794	79,429,399		888,670,193	926,535,083
Total Non-Current Liabilities	894,928,784	93,298,884	-	988,227,668	1,014,458,713
Total Liabilities	958,685,684	243,496,815	(135,711,469)	1,066,471,030	1,082,096,612
Deferred Inflows of Resources:					
Related to Pensions	2,666,394	669,390		3,335,784	2,458,290
Related to OPEB	19,080,892	2,358,313		21,439,205	29,442,029
Related to Leases	3,034,257	1,946,514		4,980,771	5,518,155
Gain on Early Extinguishment of Debt	3,604,311	371,649		3,975,960	-
Total Deferred Inflows of Resources	28,385,854	5,345,866	-	33,731,720	37,418,474
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 987,071,538	$ 248,842,681	$ (135,711,469)	$ 1,100,202,750	$ 1,119,515,086

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Net Position - Proprietary Funds
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	Expressway	Airport	Consolidation Eliminations	Totals 2025	Totals 2024
NET POSITION					
Net Investment in Capital Assets	$ 85,405,856	$ 116,226,590		$ 201,632,446	$ 178,585,272
Restricted for:					
Debt Service	6,797,900	134,468		6,932,368	3,139,697
Rehabilitation and Repair	7,000,000	-		7,000,000	7,295,703
Debt Service Reserve	53,596,772	6,306,361		59,903,133	38,789,379
State Payment	-			-	269
Capital Projects	(59,358,768)	(104,182,538)		(163,541,306)	(6,114,813)
Arbitrage Rebate	2,174,932	-		2,174,932	(5,844,806)
Subordinated Debt Fund	3,519,485	-		3,519,485	20,407,006
Unrestricted:					
Unrestricted Net Position	215,064,925	(12,908,898)		202,156,027	115,069,132
Related to Net Pension Liability	(24,081,197)	(6,946,925)		(31,028,122)	(33,176,018)
Related to Net OPEB Liability	(57,678,612)	(5,475,244)		(63,153,856)	(65,378,803)
Total Net Position	232,441,293	(6,846,186)	-	225,595,107	252,772,018
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,219,512,831	$ 241,996,495	$ (135,711,469)	$ 1,325,797,857	$ 1,372,287,104

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	Expressway	Airport	Consolidation Eliminations	Totals 2025	Totals 2024
Operating Revenue:					
Tolls	$ 125,445,948			$ 125,445,948	$ 123,506,749
Concessions	1,113,441			1,113,441	1,064,223
ETC Administrative Revenue	12,935,475			12,935,475	11,810,238
Marina Parking Revenue	3,078,488			3,078,488	66,912
Rentals	2,920,776			2,920,776	4,162,520
FEMA Grant Reimbursement				-	193,105
Naming Rights	491,733			491,733	391,322
SJTPO Programs	3,390,483			3,390,483	3,585,224
Transportation Services	6,352,856			6,352,856	5,560,760
Other	1,616,464			1,616,464	1,168,302
Airport		$ 11,192,866		11,192,866	13,896,179
Total Operating Revenue	157,345,664	11,192,866	-	168,538,530	165,405,534
Operating Expenses:					
Executive	986,597			986,597	969,409
Business Administration	1,741,915			1,741,915	1,637,814
Engineering	1,196,258			1,196,258	1,714,902
Finance	1,533,809			1,533,809	1,541,740
Central Accounts	18,262,685			18,262,685	14,563,737
Other Post-Employment Benefits	2,931,429	362,312		3,293,741	3,046,185
Communications & Marketing	459,054			459,054	300,452
Transportation Technology	13,969,429			13,969,429	12,560,541
Expressway Operations	22,145,514			22,145,514	18,266,823
Police	8,210,169			8,210,169	8,022,434
Information Technology	2,021,295			2,021,295	1,500,550
SJTPO Programs	3,390,483			3,390,483	3,585,224
Transportation Services	7,366,206			7,366,206	6,030,190
Airport		19,262,765		19,262,765	19,570,889
Depreciation	27,302,716	9,503,222		36,805,938	35,494,925
Total Operating Expenses	111,517,559	29,128,299	-	140,645,858	128,805,815
Operating Income (Loss)	45,828,105	(17,935,433)	-	27,892,672	36,599,719
Non-Operating Revenue (Expenses):					
Interest and Dividends	23,404,594	74,849		23,479,443	28,755,893
Market Value Adjustment on Investments	794,533			794,533	374,990
Gain (Loss) on Disposal of Assets				-	(437,728)
Other Income (Expenses)				-	55,772
Bad Debt Expense	(150,892)			(150,892)	-
Effect of Change in Pension Liability	1,660,253	889,706		2,549,959	2,195,020
Effect of Change in OPEB Liability	1,120,677	138,510		1,259,187	155,584
Cost of Issuance Expense	(1,347,624)			(1,347,624)	-
Amortization of Bond Premium	2,319,360	1,509,612		3,828,972	3,708,059
Interest on Bonds	(37,870,303)	(1,981,774)		(39,852,077)	(41,516,935)
State Payment	(2,500,000)			(2,500,000)	(2,500,000)
Total Non-Operating Income (Expense)	(12,569,402)	630,903	-	(11,938,499)	(9,209,345)

South Jersey Transportation Authority
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

			Consolidation	Totals	
	Expressway	**Airport**	**Eliminations**	**2025**	**2024**
Income (Loss) before Contributions and Transfers	$ 33,258,703	$ (17,304,530)	$ -	$ 15,954,173	$ 27,390,374
Capital Contributions		10,444,159		10,444,159	14,013,249
Local Goverment Contributions	(53,575,243)			(53,575,243)	
Transfers In		(102,167,123)	102,167,123	-	-
Transfers Out	102,167,123		(102,167,123)	-	-
Change in Net Position	81,850,583	(109,027,494)	-	(27,176,911)	41,403,623
Total Net Position -- Beginning	150,590,710	102,181,308	-	252,772,018	211,368,395
Total Net Position -- Ending	$ 232,441,293	$ (6,846,186)	$ -	$ 225,595,107	$ 252,772,018

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	Expressway	Airport	Totals 2025	Totals 2024
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers, Users and Grants	$ 155,098,310	$ 11,840,224	$ 166,938,534	$ 167,120,846
Payments to Suppliers	(48,146,440)	(15,624,217)	(63,770,657)	(48,705,124)
Payments to Employees	(36,520,230)	(3,993,365)	(40,513,595)	(47,883,735)
Net Cash Provided (Used) by Operating Activities	70,431,640	(7,777,358)	62,654,282	70,531,987
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment of State Payment Obligation	(2,500,000)	-	(2,500,000)	(2,500,000)
Payment of Capital Contribution	(9,285,752)	-	(9,285,752)	
Operating Subsidies and Transfers to Other Funds	(25,400,337)	25,400,337	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(37,186,089)	25,400,337	(11,785,752)	(2,500,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Grants	-	7,293,883	7,293,883	14,245,166
Proceeds from Sale of Fixed Assets	-	-	-	10,702
Other Income (Expenses)	-	-	-	55,772
Payments for Capital Acquisitions	(41,600,860)	(12,582,915)	(54,183,775)	(78,748,684)
Arbitrage Payments	(7,170,043)	-	(7,170,043)	-
Principal Paid on Capital Debt	(16,950,000)	-	(16,950,000)	(14,530,000)
Interest Paid on Capital Debt	(38,312,689)	(1,793,216)	(40,105,905)	(41,583,526)
Loans Payments Received	1,090,000	-	1,090,000	1,050,000
Proceeds from Refunding Bonds Issued	89,515,000	9,210,000	98,725,000	-
Bond Issue Premium	6,284,304	646,578	6,930,882	-
Bond Issuance Costs	(1,347,624)	-	(1,347,624)	-
Bonds Redeemed	(96,473,861)	(9,825,000)	(106,298,861)	-
Net Cash Used by Capital and Related Financing Activities	(104,965,773)	(7,050,670)	(112,016,443)	(119,500,570)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	4,019,970	-	4,019,970	315,009
Interest and Dividends	23,414,326	78,717	23,493,043	33,400,868
Net Cash Provided by Investing Activities	27,434,296	78,717	27,513,013	33,715,877
Net Increase (Decrease) in Cash and Cash Equivalents	(44,285,926)	10,651,026	(33,634,900)	(17,752,706)
Balance - Beginning of Period	653,580,515	24,947,994	678,528,509	696,281,215
Balance - End of Period	$ 609,294,589	$ 35,599,020	$ 644,893,609	$ 678,528,509

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	Expressway	Airport	Totals 2025	Totals 2024
Reconciliation to Statement of Net Position:				
Unrestricted Cash and Cash Equivalents	$ 136,295,815	$ 2,496,007	$ 138,791,822	$ 126,181,556
Change Funds	35,000	-	35,000	142,491
Restricted Cash and Cash Equivalents	472,963,774	33,103,013	506,066,787	552,204,462
	$ 609,294,589	$ 35,599,020	$ 644,893,609	$ 678,528,509
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income	$ 45,828,105	$ (17,935,433)	$ 27,892,672	$ 36,599,719
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	27,302,716	9,503,222	36,805,938	35,494,925
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Receivables, Net	(1,640,485)	(77,147)	(1,717,632)	899,183
Grants Receivable	(973,473)	-	(973,473)	493,709
Prepaid Expenses	(18,784)	2,817	(15,967)	346,302
Security Deposits	4,886	-	4,886	4,000
Inventory	21,951	-	21,951	9,372
Accounts and Other Payables	843,626	(467,621)	376,005	807,846
Unearned Income	(83,196)	445,631	362,435	(86,996)
Pension and Other Post Employment Benefits	(859,528)	295,831	(563,697)	(5,482,794)
Leases and Related	444,914	278,874	723,788	405,416
Escrow Deposits	15,314	5,000	20,314	102,071
Insurance and Labor Reserves	(1,514,046)	(9,232)	(1,523,278)	8,969
Accrued Expenses	1,059,640	180,700	1,240,340	930,265
Net Cash Provided (Used) by Operating Activities	$ 70,431,640	$ (7,777,358)	$ 62,654,282	$ 70,531,987

Noncash Capital Financing Activities:
Capital assets of $8,400,107 were acquired through contributions from governmental agencies and private developers.

The Notes to Financial Statements are an integral part of this statement.

South Jersey Transportation Authority
Statement of Fiduciary Net Position - Other Postemployment Benefit Trust
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

ASSETS	**2025**	**2024**
Cash and Cash Equivalents	36,101,362	23,150,032
Accrued Income	192,095	180,377
Investments	25,808,934	31,418,675
Total assets	62,102,391	54,749,084
LIABILITIES	-	-
NET POSITION		
Restricted for OPEB	62,102,391	54,749,084

South Jersey Transportation Authority
Statement of Changes in Fiduciary Net Position -
Other Postemployment Benefit Trust
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

ADDITIONS	2025	2024
Employer Contributions	$ 4,259,501	$ 5,327,210
Benefits	3,293,741	2,890,601
Investment income (loss)		
Net realized gains (loss)	(19,095)	(6,314)
Interest and dividend income	1,851,642	1,631,965
Net unrealized gains	1,261,259	316,990
Total investment income (loss)	$ 3,093,806	$ 1,942,641
Total additions	$ 10,647,048	$ 10,160,452
DEDUCTIONS		
Benefit payments	$ 3,293,741	$ 2,890,601
Net increase (decrease)	$ 7,353,307	$ 7,269,851
NET POSITION		
Beginning of year	$ 54,749,084	$ 47,479,233
Restricted for OPEB, end of year	$ 62,102,391	$ 54,749,084

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The South Jersey Transportation Authority ("Authority") was created in 1991 by the South Jersey Transportation Authority Act ("Act"), Chapter 252 of the Laws of New Jersey. The Authority became the successor to the New Jersey Expressway Authority and the Atlantic County Transportation Authority ("ACTA"). Pursuant to the Act, the Authority acquired the Civil Terminal Area of the Atlantic City International Airport as a transportation project. The purpose of the Authority is to coordinate South Jersey's transportation system in its regional jurisdiction of the counties of Atlantic, Camden, Cape May, Cumberland, Gloucester and Salem, and deal particularly with the highway network, aviation facilities and the transportation problems of Atlantic County.

The Authority's responsibility is to maintain, repair and operate the 46.4-mile Atlantic City Expressway along with portions of Routes 30, 187, and 42. Other functions of the Authority include those assumed with the acquisition of ACTA as follows: automobile parking in Atlantic City, New Jersey; traffic management; and transportation planning in Atlantic County. The Airport Division is responsible for operating and improving the Airport.

The Authority operates under a Board of Commissioners. There are nine Commissioners, comprised of the Commissioner of New Jersey Department of Transportation, who also currently serves as the Chair, the CEO and Secretary of the New Jersey Commerce and Economic Growth Commission, and seven members appointed by the Governor with Senate approval. Serving under the Authority's Commissioners is the Executive Director, Chief of Administration, Chief of Operations, Chief Financial Officer, Chief of Staff and various Department Directors.

The financial statements of the Authority include all funds controlled by or dependent on the Authority Commissioners in accordance with accounting principles generally accepted in the United States of America.

The Authority is a component unit included in the State of New Jersey's annual comprehensive financial report.

Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

The assets, liabilities and net position of the Authority are reported in a self-balancing set of accounts, which include restricted and unrestricted resources, representing funds available for support of the Authority's operations.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (continued)

All funds of the Authority follow Governmental Accounting Standards Board ("GASB") Statements and Interpretations.

Operating Revenue and Expenses

The Authority's operating revenue and expenses consist of revenue earned and expenses incurred relating to the operation and maintenance of its Transportation System, which specifically includes the operations of the Atlantic City Expressway and the Atlantic City International Airport. Grant revenue and expenses for South Jersey Transportation Planning Organization ("SJTPO") and Transportation Services (see Footnotes 16 and 22, respectively) are included in operations of the Atlantic City Expressway. All other revenue and expenses are reported as non-operating revenue and expenses. The Authority has allocated certain direct costs to Airport operations. Among the direct cost allocations are expenses for health insurance coverage for eligible employees and reserve requirements for the Authority's self-insurance program, which includes coverage for worker's compensation insurance, auto liability and general liability coverage. Additional direct cost allocations are made pertaining to pension expenses and other post-employment benefits. Costs such as administrative staff time and other indirect costs remain in the expressway fund.

Cash and Cash Equivalents

For purposes of the statement of cash flows, demand deposit accounts, short term treasuries with commercial banks, investments with maturities of less than 90 days, and cash invested in commercial money market funds (including restricted assets) are considered cash equivalents.

Investments

Investments consist of both unrestricted and restricted investments and are carried at fair value as determined in an active market.

Accounts Receivable

Accounts receivable for the Authority is reflected net of allowance for doubtful accounts. The allowance account is adjusted at the end of every year for estimated bad debt. The estimate is based on the age of the receivables and the likelihood of collection.

Restricted Assets

Restricted assets of the Authority represent bond proceeds designated for construction and other monies and assets required to be restricted for debt service, the state payment, arbitrage rebate, rehabilitation and repair, subordinated debt, and capital projects.

Basis of Organization: Description of Funds

The accounts of the Authority are organized on the basis of funds, each of which is a separate entity with its own self-balancing accounts that is comprised of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Organization: Description of Funds (Continued)

Resources are accounted for in individual funds based upon the purpose for which they are to be spent and the restrictions, if any, on the spending activities. The accrual basis of accounting in accordance with generally accepted accounting principles is used for all the funds, which are consolidated and reported as Proprietary Funds in the accompanying financial statements.

The Authority is subject to the provisions and restrictions of the third amended and restated resolution authorizing revenue bonds and other obligations adopted May 19, 2009 ("Bond Resolution"). A summary of the activities of each Fund created by the Bond Resolution is covered below.

Revenue Fund – accounts for resources and expenditures for Authority operations of a general nature. The Revenue Fund contains two sub-funds; one relating to revenue and expenses of the SJTPO and one relating to revenue and expenses of Transportation Services Program (see footnotes 16 and 22 for further details).

Construction Fund – accounts for the receipt and disbursement of funds for the acquisition and construction of capital projects. Included in this Fund are proceeds from the issuance of Transportation System Revenue Bonds, as well as receipt of federal grants, state grants and other contributed capital.

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Debt Service Reserve Fund – maintenance of an amount equal to the maximum annual Debt Service requirement on all outstanding bonds in a calendar year. The monies in this fund are utilized to make up any deficiency in the Debt Service Fund. In accordance with the Bond Resolution, the Authority may maintain a surety bond or an insurance policy payable to the trustee in lieu of required cash deposit in the Debt Service Reserve. The Debt Service Reserve requirement was $59,903,133 at December 31, 2025 and 2024. As of December 31, 2025 and 2024, the total cash and investments in the Debt Service Reserve Fund was $62,136,856 and $65,727,793, respectively.

Rehabilitation and Repair Fund – accounts for monies that shall be used to pay the costs of major resurfacing, repairs, renewals or reconstruction of each Pledged Project or any part thereof, whether buildings, improvements, fixtures, or equipment as determined in writing by the Authority and filed with the Trustee. The Authority is required to maintain a minimum balance of $7,000,000 at December 31, 2025.

State Payment Fund – accounts for the accumulation of resources for, and the payment of, the Authority's State payment obligation.

Rebate Fund – established for the purpose of paying to the United States Treasury, the rebatable arbitrage or the penalty amount in lieu of rebate and, if elected, any amount required to terminate such penalty.

Subordinated Debt Fund – The Authority issued 2020 and 2019 subordinated bonds. These bonds are secured by amounts on deposit from the Subordinated Debt Fund or the General Reserve Fund. The Debt Service Reserve balance for the Subordinated Debt was $3,135,496 as of December 31, 2025.

General Reserve Fund – makes up deficiencies in payments to the other funds to cover operating expenses of any general project or for any other corporate purpose of the Authority permitted by the Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Organization: Description of Funds (Continued)

Airport Revenue Fund – accounts for the resources and expenditures of the Atlantic City International Airport.

Interest Income on Funds

Pursuant to Article I of the Bond Resolution, all earnings on the investment of monies in other funds are eligible to be included as revenue in the Revenue Fund subject to Section 5.15 of the Bond Resolution which restricts the transfer of earnings on investments in the General Reserve Fund to first being applied to other funds to meet any deficiencies in funding requirements. Earnings on the Debt Service, Debt Service Reserve (after all required transfers have been made to the Construction Fund), Rehabilitation and Repairs and State Payment Funds shall be transferred to the Revenue Fund if such Funds are at their requirements.

Earnings in the Construction Fund shall remain there until the project to which such earnings relate has been substantially completed, at which time any excess funds may be transferred to other accounts established in the Construction Fund or, if no other account is so specified, (1) the Debt Service Reserve Fund if such fund shall be below the Debt Service Requirement, and (2) the Rehabilitation and Repair Fund, to the extent of any remaining balances of such monies.

Inability to Meet Debt Service Requirements

If amounts held in the Debt Service Fund are insufficient to pay the Debt Service Requirement coming due on bonds, the Trustee shall transfer from the following funds an amount sufficient to eliminate such deficiency: the Debt Service Reserve Fund, the State Payment Fund, the Rehabilitation and Repair Fund, the Subordinated Debt Fund, and the General Reserve Fund.

Pledged and General Projects

Pledged Projects are the projects for which the Bonds were issued (except for the project constituting the Airport facilities) and, in addition to those projects, a project:

(a) which generates revenue sufficient to pay the operating expenses and rehabilitation and repair requirement associated with such project in the fiscal year in which such project becomes operational or is designated a Pledged Project by the Authority; and

(b) which is reasonably projected by the Authority to generate revenue sufficient to pay such project's associated operating expenses and rehabilitation and repair requirement for each of the five fiscal years following the year in which such project becomes operational or is designated a Pledged Project by the Authority.

General Projects are projects that do not generate revenue sufficient to fully pay associated operating expenses and rehabilitation and repair requirements. General Projects may become Pledged Projects if they meet certain net revenue tests. The Airport Parking Garage is a General Project. Since the Airport Parking Garage Project is related to the Airport, such project is considered a General Project under the Resolution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Information

In accordance with Section 7.06 of the Bond Resolution, on or before the fifteenth day of each year, the Authority adopts by resolution an Annual Operating Budget for such year. All operating appropriations lapse at the end of such year. As with all resolutions of the Authority, the budget resolution is subject to a fifteen-day Governor's veto period. The resolution comes into full force and effect if no veto is exercised.

The Budget is prepared at the Department Division level. All Division Managers are responsible for maintaining expenditures below budget. The Department Directors may make line-item transfers of appropriations within their departments. All line-item transfers must be approved in writing by the Executive Director or his designee. The accounting system will not allow charges to accounts where the budget is expended.

Inventory

Inventory consists of fuel for the Authority's vehicles valued at cost of the most recent purchases and SJTA logo clothing available for purchase by employees.

Capital Assets

Cost Basis – All capital assets are recorded at historical cost. The cost of property and equipment includes costs for infrastructure assets, right of ways, land and improvements, electronic toll equipment, buildings, and equipment (including software). Costs for infrastructure assets include construction costs, design and engineering fees, and legal and administrative expenses paid from construction monies, incurred during the period of construction**.** Idle assets, if any, are carried at fair value until they are disposed of.

Capitalization Policy – Costs to construct or acquire additional capital assets, which in some cases replace existing assets or otherwise prolong their useful lives, are capitalized for buildings and improvements, electronic toll equipment, other equipment and intangible assets (including software). Under the Authority's policy of accounting for infrastructure assets, property costs represent a historical accumulation of costs expended to acquire right of ways and to construct, improve, and place in operation the various projects and related facilities. The Authority has established that capital expenditures with an original unit cost of at least $5,000, with a useful life of one year or greater are required to be capitalized.

Construction in Progress – Costs related to the construction of capital assets that have been classified as ongoing projects and are not yet being used for their intended purpose have been reported as Construction in Progress. These assets are not being depreciated until the Authority has determined that they are substantially completed and are being utilized for their intended purpose. At that time, the costs will be reclassified to the respective asset class and depreciated in accordance with the depreciation policy noted below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation Policy – The Authority depreciates its assets using the straight-line method over the estimated useful lives of the assets as follows:

Infrastructure	30 years
Infrastructure-Equipment	10 years
Buildings	30 years
Building Improvements	5 to 10 years
Electonic Tolls	10 years
Vehicles and Equipment	5 years
Heavy Duty Fire Truck	20 years
Road Overlay	10 years

Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System and the Police and Firemen's Retirement System (the "Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Bond Discount and Premium Amortization

Bond discounts are presented as a reduction of the face amount of revenue bonds payable. Bond discounts and premiums are associated with the issuance of bonds and are amortized using the bonds outstanding method.

Restricted Net Position

Restricted net position is comprised of amounts reserved for debt service, debt service reserve, arbitrage rebate, rehabilitation and repair, capital projects and state payment fund.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's Retiree Benefits Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Adopted Accounting Pronouncements

Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The adoption of this Statement had no impact on the Authority's financial statements.

Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. That objective is achieved by improving the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. Management has identified a transaction that meets the definition of an infrequent nonoperating item as discussed in this GASB. See Note 4 Capital Assets in the Notes to Financial Statements for more information.

Statement No. 104, *Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. That objective is achieved by improving financial reporting by providing users of financial statements with essential information about certain types of capital assets to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The adoption of this Statement had no impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

Statement No. 105, *Subsequent Events.* The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

This Statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events. Management is currently evaluating the impact this Statement will have on the basic financial statements of the Authority.

2. DEPOSITS AND INVESTMENTS

Pursuant to Article VI, Sections 6.02(a) and (b) and Section 6.03 of the Authority's Bond Resolution, all monies held by any depository may be placed on demand or time deposit, as directed by the Authority, provided that such deposits shall permit the monies so held to be available for use when needed. All monies held by the Trustee, or any other fiduciary, or any depository shall be insured by the Federal Deposit Insurance Corporation and to the extent not so insured, shall be continuously and fully secured either by federal securities having a market value of not less than the amount of such monies or in such other manner as may then be required by applicable federal or state laws and regulations to provide security for the deposit of public funds.

All investments shall be made in "investment securities" as defined by Article I, Section 1.01 of the Bond Resolution and shall mature or become subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before the dates the invested amounts are reasonably expected to be needed.

Article I, Section 1.01 of the Authority's Bond Resolution provides a list of investment securities that may be purchased by the Authority. The investment securities, as defined by the Bond Resolution, consist of the following:

(a) Federal securities,

(b) Bonds, debentures, notes or other evidence of indebtedness issued by any agency or instrumentality of the United States to the extent such obligations are guaranteed by the United States or by another such agency, the obligations (including guarantees) of which are guaranteed by the United States,

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any corporation chartered by the United States, including but not limited to: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Resolution Funding Corporation, Export-Import Bank, Federal Financing Bank, and Student Loan Marketing Association,

(d) Negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, including a Fiduciary, which certificates of deposit shall be continuously secured or collateralized by obligations described in subparagraphs (a) or (b) above, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit,

(e) Uncollateralized negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, the unsecured obligations of which are rated in one of the two highest rating categories, without regard to sub-categories, by Moody's and Standard & Poor's ("S&P"),

(f) Repurchase agreements collateralized by obligations described in subparagraphs (a), (b) or (c) with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rate of "Prime-1" or

2. DEPOSITS AND INVESTMENTS (CONTINUED)

(g) "A-3" or better by Moody's, and "A-1" or "A" or better by S&P, or any commercial bank with the above ratings, provided:
   (i) a master repurchase agreement or specific written repurchase agreement governs the transaction which characterizes the transaction as a purchase and sale of securities.
   (ii) the securities are held free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than $75,000,000, or (iii) a bank approved in writing for such purpose by each credit issuer, if any, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee.
   (iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. or a successor provision in such securities is created for the benefit of the Trustee.
   (iv) the repurchase agreement has a term of six months or less, or the Authority will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation.
   (v) the repurchase agreement matures on or before a debt service payment date (or, if held in a fund other than the Debt Service Fund, Debt Service Reserve Fund or Subordinated Debt Fund, other appropriate liquidation period).
   (vi) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to the collateral levels established by a rating agency for the ratings assigned by the rating agency to the seller.

(h) Banker's acceptances, Eurodollar deposits and certificates of deposit, in addition to the certificates of deposit provided for by subparagraphs (d) and (e) above of the domestic branches of foreign banks having a capital and surplus of $1,000,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or any state or province thereof, having capital and surplus, in the amount of $1,000,000,000, provided that the aggregate maturity value of all such bankers' acceptances and certificates of deposit held at any time as investments of funds under the Bond Resolution with respect to any particular bank, trust company, or national association shall not exceed 5% of its capital and surplus; and provided further that any such bank, trust company, or national association shall be rated in one of the two highest rating categories, without regard to rating sub-categories, by Moody's and S&P;

(i) Other obligations of the United States of America or any agency thereof which may then be purchased with funds belonging to the State of New Jersey or which are legal investments for savings banks in the State of New Jersey.

(j) Deposits in the New Jersey Cash Management Fund.

(k) Obligations of any state, commonwealth or possession of the United States or a political subdivision thereof of any agency or instrumentality of such a state, commonwealth, possession or political subdivision, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories by both Moody's and S&P.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

(l) Commercial paper with a maturity date not more than 270 days rated by the rating agencies at least equal to the rating assigned by the rating agencies to the applicable series of bonds and in no event lower than the "A" category established by a rating agency (which may include sub-categories indicated by plus or minus or by numbers) at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof.

(m) Shares of diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a money-market fund which is then rated in any of the three highest rating categories by any nationally recognized bond rating agency which is then rating the bonds or money-market accounts of the Trustee or any bank or trust company organized under the laws of the United States or any state thereof which has a combined capital and surplus of not less than $50,000,000.

(n) Investment contracts:
- (i) providing for the future purchase of securities of the type described in (a), (b), (c), (h) and (k) above, which contacts have been approved for sale by a national securities exchange and all regulatory authorities having jurisdiction; or
- (ii) the obligor under which or the guarantor thereof shall have a credit rating such that its long-term debt is rated at least "A+" by S&P if the bonds are then rated by such rating agency and at least "A-1" by Moody's if the bonds are then rated by such rating agency.

(o) any other investments permitted by State and Federal law.

"Federal Securities" shall mean (i) any direct and general obligations of, or any obligations guaranteed by, the United States of America, including but not limited to interest obligations of the Resolution Funding Corporation or any successor thereto, (ii) any obligations of any state or political subdivision of a state ("Refunded Bonds") which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Refunded Bonds, and (iii) certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System; and (iv) non-redeemable and AAA rated (a) municipal securities of any state, commonwealth or possession of the United States or a political subdivision thereof or any agency or instrumentality of such a state, commonwealth, possession or political subdivision, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories by any two Rating Agencies, (b) negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, including a Fiduciary, which certificates of deposit shall be continuously secured or collateralized by obligations described in subparagraphs (i) or (ii) of this definition, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit; (c) bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States to the extent such obligations are guaranteed by the United States or by another such agency the obligations (including guarantees) of which are guaranteed by the United States; and (d) Bonds, debentures, notes or other evidences of indebtedness issued by any corporation chartered by the United States, including, but not limited to: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Intermediate Credit

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Resolution Funding Corporation, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association.

All monies held under the Bond Resolution shall be continuously and fully secured by lodging, as collateral security, direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. The Authority's total book (cash and investments) balances were $648,036.19 at December 31, 2025. The Authority's total bank (cash and investments) balances were $668,650,863 at December 31, 2025. The difference between bank balance and book balance is due primarily to the timing of deposits and outstanding checks. In accordance with GASB 40, the Authority is also required to disclose custodial credit risk, concentration of credit risk, and interest rate risk of its investments.

Concentration of Credit Risk:

Concentration of credit risk is the inability to recover the value of deposit, investment, or collateral securities in the possession of an outside party caused by a lack of diversification. The Authority's Investment Policy does not limit the amount of funds that can be in invested with any one financial institution or issuer. However, the Authority mitigates concentration of credit risk by depositing cash and purchasing investments among several financial institutions. The following schedule lists the allocation of cash and investments by financial institution.

Institution/Issuer	Amount	% of Portfolio
U.S. Treasury	$ 44,957,191	6.94%
Wells Fargo	14,820,264	2.29%
Bank of New York/Mellon	334,324,065	51.59%
NJ Cash Management Fund	253,899,499	39.17%
Change Funds	35,000	0.01%
	$ 648,036,019	100.00%

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the Authority will not be able to recover the value of its investment. The Authority mitigates this risk by depositing or investing most of its funds available for investment in insured or collateralized investments or in pooled investments of US government securities from time to time, as well as investing in high rated uncollateralized financial instruments. As of December 31, 2025, the Authority's custodial credit risk is classified as follows:

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk:	**12/31/2025**
Insured	$ 500,000
Collaterialized:	
Collateral Held by Pledging Bank in Authority's Name	348,644,329
Pooled Investments	253,899,499
Government Securities	44,957,191
Change Funds	35,000
	$ 648,036,019

Interest Rate Risk:

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value. The Authority manages interest rate risk on its short-term investments by purchasing investments with staggering maturity. The weighted average maturity is calculated taking into consideration the maturity dates of the securities in the consolidated portfolio. The Authority had no short-term investments as of December 31, 2025.

The Authority's long-term investments are related to amounts on deposit in the debt service reserve fund, subordinated debt service fund, capital programs fund and OPEB trust fund. The Authority mitigates interest rate risk on its long-term investments by trying to match the life of these investments to the life of the obligation related to these investments using guaranteed investment contracts and long-term treasury obligations.

The Authority also has two (2) investments in United States Treasury Notes in the face amount totaling $19,172,668. This investment relates to the debt service reserve for the Senior 2019 Transportation System Revenue Refunding Bonds. These investments mature 3/31/26 and 2/15/31. Earnings are restricted to the bond yield of 1.98%.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Authority's fair value measurements as of December 31, 2025 are as follows:

Investment	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Treasury Bonds and Notes	$ 18,228,239	$ 18,228,239		
Municipal Bonds	4,964,400		$ 4,964,400	
Repurchase Agreement	1,439,175		1,439,175	
Total Investments	$ 24,631,814	$ 18,228,239	$ 6,403,575	$ -

While the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of user fees and other amounts from private entities. The following provides a summary of the amounts of accounts and other receivables:

	2025	2024
Unrestricted Assets:		
Airport User Fees	$ 1,641,958	$ 1,564,811
Airport Leases	2,290,924	2,406,940
Transportation Service User Fees	1,243,084	743,017
EZ-Pass Toll Revenue Receivable	3,579,419	2,158,761
Billboard & Concession Leases	3,571,707	3,835,003
Other Expressway User Fees	1,448,357	1,611,570
Grants Receivable	2,957,181	1,983,708
Gross Receivables	16,732,630	14,303,810
Less: Allowance for Uncollectibles	(209,341)	(92,314)
Net Receivables	$ 16,523,289	$ 14,211,496
Restricted Assets:		
Grants Receivable	$ 2,029,650	$ 205,433
New Jersey DOT- South Inlet Project	2,040,000	3,130,000
	$ 4,069,650	$ 3,335,433

The receivable from the New Jersey Department of Transportation of $2,040,000 in Restricted Assets represents the unpaid principal portion of the $17,000,000 originally borrowed from the Authority for the South Inlet Transportation Improvements Program (See Footnote #25 for additional information).

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, is as follows:

	December 31, 2024	Additions	Transferred to Completed/ Deletions	December 31, 2025
Capital Assets not being Depreciated:				
Land and Improvements	$ 145,464,608	-	-	$ 145,464,608
Construction in Progress	151,789,454	$ 72,929,694	$ (62,902,687)	161,816,461
	297,254,062	72,929,694	(62,902,687)	307,281,069
Non-Infrastructure Capital Assets:	219,932,931		8,659,068	228,591,999
Infrastructure Capital Assets:				
Infrastructure - Equipment	31,567,113		504,702	32,071,815
Infrastructure	688,721,346		163,674	688,885,020
	940,221,390	-	9,327,444	949,548,834
Less:				
Accumulated Depreciation	(614,091,916)	(36,805,938)		(650,897,854)
Total Capital Assets	$ 623,383,536	$ 36,123,756	$ (53,575,243)	$ 605,932,049

Each year the Authority performs a review of capital assets to determine whether any assets were obsolete or no longer in use. Fully depreciated assets are reviewed, and a determination is made as to whether the item was obsolete or no longer utilized. Also identified are items that had been upgraded with new construction, replaced due to damage, outdated due to new technology, and obsolete engineering costs no longer applicable to the Authority's capital projects. These items are removed from the statement of net position along with their associated accumulated depreciation.

The Authority entered an agreement with the Delaware River Port Authority (DRPA) to fund the pre-development of a Glassboro-Camden rail line in the amount of $200,000,000. As of December 31, 2024, a cumulative amount of $44,289,491 had been paid to the DRPA and was recorded as construction in progress. An evaluation of the agreement has determined that the DRPA will be the sole operator/owner of the project and the SJTA will have no ownership or control in the completed project. As a result, the previous balance of $44,289,491, along with an additional amount of $9,285,752 paid in 2025, totaling $53,575,243 has been recorded as a capital contribution in the Statement of Revenue, Expenses and Change in Net Position as of December 31, 2025. All future payments will also be recorded as a capital contribution.

5. CAPITAL CONTRIBUTIONS

The Authority's net Capital Contributions in 2025 were $(45,175,136). These contributions are detailed as follows:

Source	2025	2024
Federal Aviation Administration	$ 7,334,992	$ 13,586,052
Passenger Facility Charges	1,065,115	230,432
Customer Facility Charges	2,044,052	-
Atlantic County Economic Alliance	-	173,455
State of New Jersey - DOT	-	23,310
Glassboro-Camden Rail Line	(53,575,243)	-
	$ (43,131,084)	$ 14,013,249

The capital funding the Authority receives from the United States Department of Transportation Federal Aviation Administration ("FAA") and the Passenger Facility Charges, as well as other local funds received, are designated and utilized towards the development and improvement of the Atlantic City International Airport and expressway projects. The capital funding the Authority received from the Transportation Security Administration ("TSA") is for a De-icing Pad.

The Authority has been approved by the Federal Aviation Administration ("FAA") to impose a Passenger Facility Charge ("PFC") of $4.50 on passengers enplaned at the Atlantic City International Airport. PFC collections, including any interest earned after such collections, may be used only to finance the allowable costs of approved projects at the Airport. PFC collections are classified as PFC Advanced until allowable costs are incurred. The Authority collected $1,507,355 in PFC fees in 2025. The balance of PFC Advance as of December 31, 2025 was $2,547,154. At the time costs are incurred, the associated PFC revenue is recognized as Capital Contributions. The Authority recognized $1,065,115 in PFC Capital Contributions in 2025.

As part of the Airport Development Plan, the Authority relocated the car rental operations at Atlantic City International Airport ("Airport") into the parking garage subject to the private use limitations set forth in the indenture related to the financing of the construction of the parking garage. These improvements in the construction of the parking garage directly benefit the rental car companies.

The rental car companies at the Airport impose a Customer Facility Charge ("CFC") of $3.00 per vehicle, per day, which is remitted to the Authority. These charges, along with any interest earned on cash balances, are dedicated to the improvements in the construction of the parking garage associated with rental cars. CFC collections are classified as CFC Advanced until allowable costs are incurred. At the time costs are incurred, the associated CFC revenue is recognized as Capital Contributions. The balance of CFC Advance as of December 31, 2025 was $4,210,216. At the time costs are incurred, the associated PFC revenue is recognized as Capital Contributions. The Authority recognized no CFC Capital Contributions in 2024.

6. COMMITMENTS AND CONTINGENCIES

A. The Authority recognizes expenses when they are incurred. Commitments do not constitute expenses or liabilities; they relate to unperformed contracts for goods or services. As of December 31, 2025, commitments for projects still in progress was $104,434,326.

B. The Authority is the subject of, or a party to, various pending or threatened legal actions. The Authority believes that any ultimate liability arising from these legal actions should not have a material effect on its financial position or operations. Public liability claim exposures are self-insured by the Authority. The Authority self-insures the initial retention limit which ranges from $100,000 to $500,000, per occurrence, depending on the nature of the claim, after which exists $15,000,000 of excess liability insurance per occurrence to respond to any large losses exceeding the retention.

   The Authority is a defendant in several claims and suits resulting from the normal course of business. The Authority plans to vigorously defend these claims.

C. The Authority receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and may require repayment to the grantor agency.

7. ACCOUNTS PAYABLE

Accounts payable consists of liabilities payable from unrestricted and restricted assets. The following provides a summary of the amounts of accounts payable at December 31, 2025 and 2024:

	2025	2024
Unrestricted:		
Electronic toll collection expense	$ 1,772,580	$ 379,116
State Police	3,052,147	3,120,128
Airport	2,899,042	3,318,444
SJTPO	124,825	381,074
Contingent liability-lawsuit		112,979
Expressway operating expenses	2,586,124	2,746,970
	$ 10,434,718	$10,058,711

7. ACCOUNTS PAYABLE (CONTINUED)

	2025	2024
Restricted:		
Roadway Improvements	$ 68,562	$ 47,664
Roadway Equipment	3,575	65,855
Vehicles and Equipment	116,252	102,417
Tunnel Equipment and Upgrades	185,606	7,298
Third Lane widening	3,003,713	569,458
Road Overlay & Rehabilitation	1,615,821	53,430
Bridge Repair/Restoration	32,202	-
Electronic Tolls	3,259,454	2,757,180
Facility Improvements	556,325	86,412
Other expressway improvements	126,755	172,404
Baggage Handling Improvements	-	179,859
Airport Deicing Pad/Recovery System	99,722	581,253
Taxiway Rehabilitation	210,281	24,638
Runway Improvements	1,395,677	528,452
Security Upgrades	16,041	35,173
Loading Bridge Replacement/Rehabilitation	123,587	365,498
Parking Garage Rehabilitation and Upgrades	-	39,097
Terminal Improvements	131,615	68,696
Airport Facilities Rehabilitation	114,280	81,964
Escalator/Elevator Maintenance	-	32,845
Airport Equipment	9,312	850
Airport State Police Equipment	-	19,590
Airport Fire Station Equipment	-	82,176
Mitigation and Security Fencing	24,335	74,178
Landside Improvements	-	35,703
Airport Switch Refresh	-	45,150
Other airport improvements	364,913	10,106
	$ 11,458,028	$ 6,067,346

The most significant changes in Unrestricted Accounts Payable were increases in legal and consultant fees, fuel costs, and ETC fees. Restricted Accounts Payable increased mainly due to the Third Lane Widening and Runway Improvement Projects.

8. BONDS PAYABLE

Transportation System Revenue Refunding Bonds, Series 2025 A

In January of 2025, the Authority issued $98,725,000 Series A Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Because these bonds were issued over par value, a premium in the amount of $6,930,882 was also received with this issue. Proceeds from the 2025 A Bonds were used for the following purposes:

A current refunding of its outstanding 2014 Series A Bonds maturing on November 1 in the years 2025 through 2039. Proceeds of $105,655,882, along with other available funds of the authority, were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of this defeasance, the Authority reduced its total debt requirements by $13,100,803 which resulted in net present value savings in the amount of $8,610,378

Transportation System Revenue Bonds, Series 2022 A

In September of 2022, the Authority issued $225,000,000 Series A Transportation System Revenue Bonds. The proceeds of the 2022 Bonds will be used to: (i) pay a portion of the costs of certain Transportation Projects, each of which constitutes either a Pledged Project or a General Project pursuant to the Resolution, contained in the Authority's ten-year Capital Plan, as amended and supplemented from time to time; (ii) fund the amount required to increase the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Requirement; and (iii) pay costs of issuance of the 2022 Bonds.

Optional Redemption

The 2022 Series A Bonds maturing on November 1, 2032 are subject to redemption, at the option of the Authority, on and after November 1, 2032 in whole or in part (and if in part, by lot) at any time or from time to time at 100% of the principal amount thereof, together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The 2022 Series A Bonds maturing on November 1, 2047 shall be subject to mandatory sinking fund redemption as hereinafter described, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of the 2022 Bonds on November 1 in each of the years and in the principal amount as follows:

Year (November 1)	Principal Amount
2043	$ 13,445,000
2044	14,065,000
2045	14,715,000
2046	15,400,000
2047*	16,110,000

* Final Maturity

8. BONDS PAYABLE (CONTINUED)

The 2022 Series Bonds maturing November 1, 2052 in the principal amount of $58,620,000 and bearing CUSIP number 838536MR8 shall be subject to mandatory sinking fund redemption as hereinafter described, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of such 2022 Series A Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2048	$ 10,560,000
2049	11,110,000
2050	11,695,000
2051	12,305,000
2052*	12,950,000

* Final Maturity

The 2022 Series Bonds maturing on November 1, 2052 in the principal amount of $35,000,000 and bearing CUSIP number 838536MQ0 shall be subject to mandatory sinking fund redemption as hereinafter described, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of such 2022 Series A Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2048	$ 6,300,000
2049	6,635,000
2050	6,980,000
2051	7,350,000
2052*	7,735,000

* Final Maturity

Transportation System Revenue Bonds, Series 2020 A

In October of 2020, the Authority issued $298,910,000 Series A Transportation System Revenue Bonds. The proceeds will be used to: (i) pay a portion of the costs of certain Expressway Projects; (ii) pay capitalized interest on the 2020 Series A Bonds through and including May 1, 2022, (iii) fund the amount, if any, required to increase the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Requirement; and (iv) pay cost of issuance of the 2020 Series A Bonds.

Optional Redemption

The 2020 Series A Bonds maturing on November 1, 2045 are subject to redemption, at the option of the Authority, on and after November 1, 2020 in whole or in part (and if in part, by lot) at any time or from time to time at 100% of the principal amount thereof, together with accrued interest to the date of redemption.

8. BONDS PAYABLE (CONTINUED)

Mandatory Sinking Fund Redemption

The 2020 Series A Bonds maturing on November 1, 2045 shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of such 2020 Series A Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2042	$ 23,420,000
2043	24,595,000
2044	25,825,000
2045*	27,115,000

* Final Maturity

The 2020 Series A Bonds maturing November 1, 2050 shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of such 2020 Series A Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2046	$ 28,470,000
2047	29,610,000
2048	30,790,000
2049	32,025,000
2050*	33,305,000

* Final Maturity

Transportation System Revenue Refunding Bonds, Series 2020 B (Federally Taxable)

In October of 2020, the Authority issued $48,000,000 Series B Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Proceeds from the 2020 B Bonds were used for the following purposes:

A current refunding of its outstanding 2020A Series A Bonds to achieve a reduction in debt service. Proceeds of $47,581,928 along with other funds of $1,084,125 were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of this defeasance, the Authority reduced its total debt requirements by $1,575,352 which resulted in net present value savings in the amount of $1,482,188.

The 2020 Series B Bonds are not subject to redemption prior to their stated maturity dates.

8. BONDS PAYABLE (CONTINUED)

2020 Subordinated Bonds, Series A

In October of 2020, the Authority issued 2020 Subordinated Bonds in the principal amount of $26,090,000. The proceeds will be used to: (i) pay a portion of the costs of the Light Rail Project, which constitutes a General Project pursuant to the Resolution, as part of the Authority's ten-year Capital Plan, as amended and supplemented from time to time; (ii) fund the amount, if any, required to increase the amount on deposit in the Subordinated Bonds Debt Service Reserve Fund to the Subordinated Bonds Debt Service Reserve Requirement; (iii) pay capitalized interest on the 2020 Subordinated Bonds through and including May 1 2022, and (iv) pay cost of issuance of the 2020 Subordinated Bonds.

Optional Redemption

The 2020 Subordinated Bonds are subject to redemption, at the option of the Authority, on or after November 1, 2030 in whole or in part (and if in part, by lot) at any time or from time to time at 100% of the principal amount thereof, together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The 2020 Subordinated Bonds maturing on November 1, 2045 shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of such 2020 Subordinated Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2040	$ 1,855,000
2041	1,950,000
2042	2,045,000
2043	2,150,000
2044	2,255,000
2045*	2,370,000

* Final Maturity

The 2020 Subordinated Bonds maturing on November 1, 2050 shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of such 2020 Subordinated Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2046	$ 2,485,000
2047	2,585,000
2048	2,690,000
2049	2,795,000
2050*	2,910,000

* Final Maturity

8. BONDS PAYABLE (CONTINUED)

Transportation System Revenue Refunding Bonds, Series 2019 A

In October of 2019, the Authority issued $62,435,000 Series A Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Because these bonds were issued over par value, a premium in the amount of $17,360,478 was also received with this issue. Proceeds from the 2019 A Bonds were used for the following purposes:

A current refunding of its outstanding 2006 Series A Bonds and 2009 Series A Bonds to achieve a reduction in debt service. Proceeds of $80,851,167 were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of this defeasance, the Authority reduced its total debt requirements by $28,025,593 which resulted in net present value savings in the amount of $20,326,710.

Optional Redemption

The 2019 Series A Bonds maturing prior to November 1, 2030 are not subject to optional redemption prior to maturity. The 2019 Series A Bonds maturing on or after November 1, 2030 are subject to redemption, at the option of the Authority, on or after November 1, 2029 in whole or in part (and if in part, by lot) at any time or from time to time at 100% of the principal amount thereof, together with accrued interest to the date of redemption.

Transportation System Revenue Refunding Bonds, Series 2019 B (Federally Taxable)

In October of 2019, the Authority issued $38,630,000 Series B Transportation System Revenue Refunding Bonds to achieve a reduction in debt service over the next five years. Proceeds from the 2019B Bonds were used for the following purposes:

An advance refunding of a portion of its outstanding 2012 Series A Bonds, 2014 Series A Bonds, and 2014 Series B Bonds on a taxable basis. Proceeds of $39,189,356 were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called. As a result of the defeasance, the Authority increased its total debt service requirement over the life of the issue by $7,052,270 which resulted in negative net present value savings in the amount of $3,708,156. Although there was an increase in debt service requirements over the life of the issue, the Authority will save $38,698,605 during the first five (5) years of the new issue.

Mandatory Sinking Fund Redemption

The 2019 Series B Taxable Bonds maturing on November 1, 2035 shall be subject to mandatory sinking fund redemption as hereinafter described, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of the 2019 Series B Taxable Bonds on November 1 in each of the years and in the principal amounts as follows:

8. BONDS PAYABLE (CONTINUED)

Year (November 1)	Principal Amount
2034	$ 9,320,000
2035*	9,760,000

* Final Maturity

Notice of Redemption – 2019 Senior Bonds

Notice of the call for redemption shall be given by the Trustee (on behalf of the Authority) by mailing a copy of the redemption notice by first class mail (postage prepaid) at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owners of each 2019 Senior Bond to be redeemed at the address shown on the registration books of the Trustee, as bond registrar.

Notice having been given in the manner provided in the Resolution, the 2019 Senior Bond will be due and payable on the redemption date so designated at a redemption price equal to the principal amount thereof, without premium, plus interest accrued and unpaid to the redemption date, upon presentation and surrender thereof at the office specified in such notice. If, on the redemption date, moneys for the redemption of all the 2019 Senior Bond of a Series, together with interest to the redemption date, shall be held by the Trustee to be available therefore on said date and, if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on such Series of the 2019 Senior Bond will cease to accrue and become payable. If said moneys shall not be so available on the redemption date, the 2019 Senior Bond of such Series will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

If at the time of mailing of any notice of redemption the Authority shall not have deposited with the Trustee moneys sufficient to redeem all the 2019 Senior Bond of a Series called for redemption, such notice shall state that it is conditional and subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

Transportation System Revenue Refunding Bonds, Series 2019 A Subordinated Bonds

In October of 2019, the Authority issued $8,930,000 Series A Subordinated Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Because these bonds were issued over par value, a premium in the amount of $1,476,296 was also received with this issue. Proceeds from the 2019 A Subordinated Bonds were used for the following purposes:

A current refunding of its outstanding 2009 Series A Subordinated Bonds to achieve a reduction in debt service. Proceeds of $10,852,937 were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of this defeasance, the Authority reduced its total debt requirements by $2,198,037 which resulted in net present value savings in the amount of $1,426,116.

Optional Redemption

The 2019 Subordinated Bonds are not subject to optional redemption.

8. BONDS PAYABLE (CONTINUED)

Transportation System Revenue Refunding Bonds, Series 2014 B (Federally Taxable)

In December of 2014, the Authority issued $17,255,000 of Federally Taxable Transportation System Revenue Refunding Bonds Series 2014B. Proceeds from this issue were used to finance the termination the Authority's outstanding swap agreements with Bank of America; Merrill Lynch and Wells Fargo, N.A. in the amount of $16,493,671 and $11,015,193, respectively. The Authority provided $10,400,000 from its Capital Projects Revolving Fund to offset the costs of termination.

A portion of the Transportation System Revenue Refunding Bonds, Series 2019B, issued in October 2019 were used to complete an advance refunding of a portion of the Transportation System Revenue Bonds, Series 2014 B.

Mandatory Sinking Fund Redemption

The 2014 Series B Taxable Bonds maturing on November 1, 2027 shall be subject to mandatory sinking fund redemption as hereinafter described, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of the 2014 Series B Taxable Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2025	$ 2,140,000
2026	2,220,000
2027*	2,305,000

* Final Maturity

Make Whole Redemption

The 2014 Series B Taxable Bonds are subject to redemption prior to maturity by written direction of the Authority, in whole or in part, on any Business Day at the "Make-Whole Redemption Price" (as defined herein). The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2014 Series B Taxable Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2014 Series B Taxable Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2014 Series B Taxable Bonds are to be redeemed, discounted to the date on which the 2014 Series B Taxable Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined herein) plus thirty (30) basis points, plus, in each case, accrued and unpaid interest on the 2014 Series B Taxable Bonds to be redeemed on the redemption date.

8. BONDS PAYABLE (CONTINUED)

Transportation System Revenue Refunding Bonds, Series 2014 B (Federally Taxable) (Continued)

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2014 Series B Taxable Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

Transportation System Revenue Refunding Bonds, Series 2012

In June of 2012, the Authority refunded a portion of certain maturities of its outstanding 1999 Series Bonds by issuing $25,680,000 of Series 2012 Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Proceeds from the 2012 Bonds were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of the defeasance, the Authority reduced its total debt service requirements by $4,568,985 which resulted in net present value savings in the amount of $3,654,068.

Optional Redemption

The 2012 Senior Bonds are not subject to optional redemption prior to maturity.

Transportation System Revenue Refunding Bonds, Series 2012 A

In October of 2012, the Authority refunded the remaining portion of certain maturities of its outstanding 1999 Series Bonds by issuing $76,780,000 of Series 2012A Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Proceeds from the 2012A Bonds were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of the defeasance, the Authority reduced its total debt service requirements by $11,437,611, which resulted in net present value savings in the amount of $7,488,864.

A portion of the Transportation System Revenue Refunding Bonds, Series 2019 B, issued in October 2019 were used to complete an advance refunding of a portion of the Transportation System Revenue Bonds, Series 2012 A.

A portion of the Transportation System Revenue Refunding Bonds, Series 2020 B, issued in October 2020 were used to complete an advance refunding of a portion of the Transportation System Revenue Bonds, Series 2012 A.

8. BONDS PAYABLE (CONTINUED)

Transportation System Revenue Bonds, Series 2009 A-5; Federally Taxable – Issuer Subsidy- Build America Bonds

On August 4, 2009, the Authority issued $96,260,000 of Transportation System Revenue Bonds, 2009 Series A-5, Federally Taxable-Issuer Subsidy - Build America Bonds. The proceeds of the 2009 A-5 Taxable Senior Bonds were used to (i) pay a portion of the costs of the 2009 Expressway Project consisting of, among other things, westbound third lane widening, bridge rehabilitation and repair, electronic toll collection upgrades, and pavement overlay: (ii) fund the amount required to increase the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Requirements and: (iii) pay certain costs of issuing the 2009 A-5 Taxable Senior Bonds.

The 2009 Taxable Senior Bonds have been issued as taxable, Build America Bonds as authorized by The American Recovery and Reinvestment Act of 2009 signed into law by President Obama on February 17, 2009 ("Recovery Act"). Pursuant to the Recovery Act, the Authority will receive cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2009 Taxable Senior Bonds.

The cash subsidy payments received are treated as an offset to interest expense pursuant to the Third Amended and Restated Resolution. During 2024, the Authority received $2,242,067. Through December 31, 2024, the Authority has received a total of $34,143,433 in cash subsidy payments from the United States Treasury.

Redemption

The 2009 Taxable Senior Bonds are subject to redemption prior to maturity by written direction of the Authority, in whole or in part, on any Business Day at the “Make-Whole Redemption Price”. The “Make-Whole Redemption Price” is the greater of (i) 100% of the principal amount of the 2009 Taxable Senior Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2009 Taxable Senior Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2009 Taxable Senior Bonds are to be redeemed, discounted to the date on which the 2009 Taxable Senior Bonds are to be redeemed on a semi-annual basis, at the adjusted “Treasury Rate” plus 40 basis points, plus, in each case, accrued and unpaid interest on the 2009 Taxable Senior Bonds to be redeemed on the redemption date.

The “Treasury Rate” is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity that has become publicly available at least two (2) business days prior to the redemption date most clearly equal to the period from the redemption date to the maturity date of the 2009 Taxable Senior Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

8. BONDS PAYABLE (CONTINUED)

Transportation System Revenue Bonds, Series 2009 A-5; Federally Taxable – Issuer Subsidy- Build America Bonds (Continued)

Extraordinary Optional Redemption

The 2009 Taxable Senior Bonds are subject to redemption prior to maturity at the option of the Authority, in whole or in part upon the occurrence of an Extraordinary Event, at a redemption price equal to the greater of: (1) 100% of the principal amount of the 2009 Taxable Senior Bonds to be redeemed; and (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2009 Taxable Senior Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2009 Taxable Senior Bonds are to be redeemed, discounted to the date on which the 2009 Taxable Senior Bonds are to be redeemed on a semi-annual basis, at the Treasury Rate, plus 100 basis points; plus, in each case, accrued interest on the 2009 Taxable Senior Bonds to be redeemed at the redemption date. An "Extraordinary Event" will have occurred if a material adverse change has occurred to Section 54AA or 6431 of the Code pursuant to which the Authority's 35% cash subsidy payment from the United States Treasury is reduced or eliminated.

Mandatory Sinking Fund Redemption

The 2009 Taxable Senior Bonds maturing on November 1, 2038 shall be subject to mandatory sinking fund redemption as hereinafter described, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of the 2009 Taxable Senior Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2030	$ 5,460,000
2031	5,725,000
2032	6,020,000
2033	11,710,000
2034	12,775,000
2035	13,375,000
2036	19,555,000
2037	19,725,000
2038*	1,915,000

* Final Maturity

Sources of Payment and Security for Bonds and Subordinated Indebtedness

The Bond Resolution provides that, subject only to the rights of the Authority to apply amounts for Operating Expenses of Pledged Projects, the Revenue of the Transportation System (excluding Airport Revenue), all Scheduled Counterparty Payments, all Government Direct Subsidies and any moneys, other than the foregoing, received by the Authority from any other source for operating, maintaining, or repairing the Transportation System are pledged on a senior lien basis to secure the payment of Bonds issued under the Resolution, Qualified Swap Obligations, if any, and Credit Facility Reimbursement Obligations, if any.

8. BONDS PAYABLE (CONTINUED)

In addition to the foregoing, the 2019 A Bonds and a portion of the 2014 A Bonds are also payable from and secured by a lien on and pledge of the Authority's Airport Revenue.

Subordinated Indebtedness issued pursuant to the provisions of the Resolution are not Bonds within the meaning of the Resolution and are secured solely by amounts in the Subordinated Debt Fund or the General Reserve Fund, subject to the provisions of the Resolution requiring prior application of amounts in such Funds to other purposes, including, but not limited to, the payment of Debt Service on Bonds issued under the Resolution, Qualified Swap Obligations, if any, and Credit Facility Reimbursement Obligations.

As of December 31, 2025, the outstanding bonds payable balance has been offset with unamortized bond discounts in the amount of $668,890 and increased by the unamortized bond premium of 47,696,697.

Below is a schedule of annual debt service for principal and interest for long term-debt issued and outstanding:

Calendar	Non-Airport		Airport		
Year	Principal	Interest	Principal	Interest	Total
2026	$ 17,680,000	$ 36,573,163		$ 3,558,550	$ 57,811,713
2027	19,155,000	36,030,511		3,558,550	58,744,061
2028	18,555,000	35,422,116	$ 1,215,000	3,558,550	58,750,666
2029	4,065,000	34,717,740	16,565,000	3,497,800	58,845,540
2030	9,705,000	34,514,490	11,960,000	2,669,550	58,849,040
2031-2035	90,260,000	163,993,540	34,970,000	4,999,000	294,222,540
2036-2040	150,730,000	135,847,317	6,935,000	1,047,450	294,559,767
2041-2045	201,380,000	95,794,600			297,174,600
2046-2050	252,455,000	44,721,363			297,176,363
2051-2052	40,340,000	3,203,813			43,543,813
	$ 804,325,000	$ 620,818,651	$ 71,645,000	$ 22,889,450	$ 1,519,678,103

8. BONDS PAYABLE (CONTINUED)

Below is a schedule reconciling the Outstanding Bond Principal to the Bonds Payable, net of Discount and Premium:

	2025	2024
Principal on Expressway Bonds	$ 804,325,000	$ 826,865,000
Principal on Airport Bonds	71,645,000	72,260,000
Discount on Bonds Payable	(668,890)	(737,861)
Premium on Bonds Payable	47,696,697	49,975,045
	$ 922,997,807	$ 948,362,184
Short Term portion of Bonds Payable	$ 21,440,001	$ 21,827,101
Long Term portion of Bonds Payable	901,557,806	926,535,083
	$ 922,997,807	$ 948,362,184

Below is a schedule that details the outstanding bonds payable net of discount on bonds payable and premium on bonds payable:

	Principal Balance	Unamortized Bond Discount	Unamortized Bond Premium	Defeasance Discount and Premium
2009 A-5	$ 96,260,000	$ (668,890)		$ 95,591,110
2014 B	5,405,000			5,405,000
2019 A	62,435,000		$ 8,326,893	70,761,893
2019 B	36,450,000			36,450,000
2019 Sub	3,430,000		179,234	3,609,234
2020 A	298,910,000		26,056,662	324,966,662
2020 B	23,700,000			23,700,000
2020 A Sub	26,090,000		2,566,097	28,656,097
2022 A	225,000,000		4,239,855	229,239,855
2025 A	98,290,000		6,327,956	104,617,956
	$ 875,970,000	$ (668,890)	$ 47,696,697	$ 922,997,807

Debt Defeasance

In January 2025, the Authority refunded the outstanding balance of its 2014 Series A Transportation System Revenue Refunding Bonds in the amount of $104,930,000 by issuing $98,725,000 of 2025 Series A Transportation System Revenue Refunding Bonds to realize debt saving on its 2014 Series A obligations. Upon issuance of the 2025 Series A bonds, the 2014A bonds were considered defeased and were fully called on March 3, 2025.

9. ARBITRAGE REBATE PAYABLE

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liabilities on issuers of tax-exempt debt. This Act requires the remittance to the IRS of 90% of the cumulative rebatable arbitrage within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The estimated amount of arbitrage payable represents the excess of amounts earned on "taxable" investments over the interest cost of the tax-exempt borrowing, plus income attributable to the excess. During 2025, the Authority paid $7,170,043 in arbitrage and had no arbitrage rebate due on any of its outstanding debt as of December 31, 2025. However, a reserve for potential arbitrage rebates payable of $2,174,932 has been established in the Rebate Fund as of December 31, 2025.

10. CONDUIT DEBT OBLIGATIONS

Conduit debt obligations are defined as certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not part of the issuer's financial reporting entity.

The Authority issued and sold Special Revenue Bonds to Mirage Resorts, Incorporated in 1999, 2000, and 2001 to provide funds to pay a portion of Mirage's share of the cost of the Atlantic City Expressway Connector Project ("Connector"). The Special Revenue Bonds are payable solely by CRDA pursuant to the Pledge Agreement dated October 10, 1997 between the Authority and CRDA.

The Authority has no other responsibility for the payment of this debt. The amounts payable by CRDA under the CRDA Pledge Agreement are Governmental Grants, which do not constitute Revenue under the Bond Resolution, and the Special Revenue Bonds are not payable from or secured by such Revenue.

The total amount of this outstanding conduit debt as of December 31, 2025 is as follows:

Year Issued	Amount Issued	Accreted Value	Maturity Value
1999	$ 20,003,701	$ 24,425,000	$ 24,425,000
2000	24,999,328	30,075,000	30,075,000
2001	9,996,322	11,390,000	11,390,000
	$ 54,999,351	$ 65,890,000	$ 65,890,000

All the Special Revenue Bonds mature on October 1, 2037 and have interest rates ranging from 3.5% to 4.05%.

In 2007, the Authority began receiving payments pursuant to the CRDA Pledge Agreement described above. As of December 31, 2025, the Authority has cumulatively received $19,224,215. This amount was applied to outstanding interest payable proportionally to all series and remitted to the bondholders by the trustee in accordance with the terms of the indenture.

11. LONG-TERM LIABILITIES

Long-Term Liabilities as of December 31, 2025 were as follows:

	Balance 1/1/2025	Additions	Deductions	Balance 12/31/2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds	$ 899,125,000	$ 98,725,000	$(121,880,000)	$ 875,970,000	$21,440,001
Less Amount:					
Issuance Premiums	49,975,045	6,930,882	(9,209,230)	47,696,697	3,828,971
Issuance Discounts	(737,861)		68,971	(668,890)	(68,970)
Total Bonds Payable	948,362,184	105,655,882	(131,020,259)	922,997,807	25,200,002
Other Liabilities:					
Acrued Expenses	35,000			35,000	
Compensated Absences	1,896,492	4,021,229	3,162,927	2,754,794	
Net Pension Liabilities	37,055,754		(3,180,590)	33,875,164	
Postemployment Benefits	50,832,876	16,319,142	(4,259,501)	62,892,517	
Total Other Liabilities	89,820,122	20,340,371	(4,277,164)	99,557,475	-
Total Long-Term Liabilities	$1,038,182,306	$ 125,996,253	$(135,297,423)	$1,022,555,282	$25,200,002

12. RATES AND CHARGES

Section 7.08 of the Bond Resolution states as follows:

(a) (1) The Authority shall at all times fix, impose, charge and collect tolls, fares, fees and other charges for the use of the Transportation System as shall be required in order that, in each fiscal year, net revenue and net revenue available for debt service shall at least equal the net revenue requirements for such year; and

(2) The Authority shall at all times fix, impose, charge and collect tolls, fares, fees and other charges for the use of the Transportation System as shall be required in order that, in each fiscal year, current revenue and airport revenue available for debt service shall at least equal the Operating Expenses for Pledged Projects for such fiscal year and the debt service on all outstanding bonds (net of capitalized interest) and subordinated indebtedness for such fiscal year and any required deposits to the Debt Service Reserve Fund and the Rehabilitation and Repair Fund, if any such deposits are required.

The net revenue requirement means an amount of net revenue for the period under consideration equal to the greater of:

- 120% of the debt service payable on all outstanding bonds (net of capitalized interest available for the purpose), or

12. RATES AND CHARGES

- 100% the aggregate of debt service payable on all outstanding bonds (net of available capitalized interest as aforesaid), Rehabilitation and Repair Requirements, State Payment Requirement, debt service payable during the period on subordinated indebtedness, operating expenses of general projects, and other required deposits to funds, including the Debt Service Reserve Fund and Rebate Fund.

	Section 7.08 (a)(1) 120.00%	Section 7.08 (a)(1) 100.00%	Section 7.08 (a)(2) 100.00%
Operating Revenue	$ 168,538,530	$ 168,538,530	$ 168,538,530
Contract Payments - South Inlet		1,090,000	
Interest Revenue - Unrestricted	4,814,024	4,814,024	4,814,024
Total Revenue	173,352,554	174,442,554	173,352,554
Less:			
Grant Revenue	6,594,577	6,594,577	6,594,577
Airport Revenue	11,192,866	11,192,866	11,192,866
Airport Interest	42,210	42,210	42,210
Total Available Revenue	155,522,901	156,612,901	155,522,901
Pledged Project Expenses	77,368,241	77,368,241	77,368,241
Net Revenues	78,154,660	79,244,660	78,154,660
Airport Revenue Available for Debt Service (ARAFDS)	3,450,563	3,450,563	3,450,563
Net Revenue + ARAFDS	81,605,223	82,695,223	81,605,223
Total Available Revenue + ARAFDS			158,973,464
Senior Debt Service	53,990,077	53,990,077	53,990,077
Subordinated Debt Service		2,422,850	
State Payment Requirement		2,500,000	
General Project Operating Expenses		8,390,001	
Total Debt Service & Other Obligations	$ 53,990,077	$ 67,302,928	N/A
Total Pledged Projects and Debt Service	N/A	N/A	$131,358,318
Coverage Ratio	151.15%	122.87%	121.02%
Required Coverage	120.00%	100.00%	100.00%
Excess Coverage	31.15%	22.87%	21.02%

13. PENSION PLANS

General Information about the Pension Plans

Plan Descriptions

All full-time and eligible part-time Authority employees participate in the Public Employees' Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS") (collectively "Plans") which are cost-sharing multiple-employer defined benefit pension plans administered by the State of New Jersey, Division of Pension and Benefits (the Division) to provide pension benefits for State and local government employees. The authority to amend the provision of these plans rests with legislation passed by the State of New Jersey.

Pension reforms enacted pursuant to P.L. 201, C.78 included provisions creating a special Pension Plan Design Committee for PERS, once a Target Funded Ratio (TFR) is met. These Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost-of-living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the target funded ratio (TFR) in any one year of a 30-year projection period. The Local portion of the Plan attained the required TFR in Fiscal Year 2012, thus a pension committee has been established for the Local Employer portion of the Plan.

The State Legislature adopted P.L. 2018, C.55 in July 2018, which transferred management of PFRS from the Division to a newly constituted twelve-member PFRS Board of Trustees (PFRSNJ). The PFRSNJ was established February 2019 per the legislation. In addition to overseeing the management of PFRS, the PFRSNJ has the authority to direct investment decisions, to adjust current benefit levels, and to change member and employer contribution rates. With regard to changes to current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) or the twelve (12) members of the PFRSNJ. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS.

A publicly available Annual Comprehensive Financial Report (ACFR) of the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, is issued which include the financial statements, required supplementary information, and detailed information about the PERS and PFRS fiduciary net position can be obtained at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

Public Employees' Retirement System

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pension benefits generally vest after ten years of service.

13. PENSION PLANS (CONTINUED)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement Fund

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% of each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

13. PENSION PLANS (CONTINUED)

Contributions

The contribution policy for PERS and PFRS is set by N.J.S.A. 43:15A and N.J.S.A. 43:16A, respectively, and requires contributions by active members and contributing employers. PERS and PFRS covered employees are required by state statute to contribute a certain percentage of their salaries to the Plans. The contribution requirements of employees are established and may be amended by the Pension Plan Design Committee of the respective plan. The PERS employee contribution rate is 7.5%. The rate for PFRS employee contributions is 10.0%.

The required employer contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

The State of New Jersey is a non-employer entity that is legally responsible for making contributions directly to PFRS due to the following legislation:

Chapter 511, P.L. 1991	Requires the State to pay for an increase in the benefit payable to the surviving spouse of a retiree from 35% to 50% and raise the minimum benefit from $1,600 to $4,500.
Chapter 247, P.L. 2001	Requires the State to pay the increase in costs related to certain members who transfer from PERS to PFRS.
Chapter 8, P.L. 2000	Requires the State to fund certain costs and accrued liabilities if the valuation of assets is insufficient.
Chapters 86 and 318, P.L. 2001	Requires the State to pay for an increase in active-duty benefits to the beneficiary of a member who died in active duty.
Chapter 109, P.L.1979	Requires extra State contributions of 1.1 percent of covered salary to provide for an increase in retirement benefits from 50% to 60% of final average compensation for members who retire with 25 years of service.

13. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Authority's proportionate share of the net pension liability at December 31, 2025 and 2024 is as follows:

	2025	2024
PERS	$ 29,805,231	$ 32,810,248
PFRS	4,069,932	4,245,506
Total	$ 33,875,163	$ 37,055,754

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. The Authority's proportion at June 30, 2025 and 2024 were:

	6/30/2025	6/30/2024
PERS	0.2423455485%	0.2414640678%
PFRS	0.0405815000%	0.0411123300%

For the year ended December 31, 2025, the Authority recognized pension expense (benefit) as follows:

	Expressway	Airport	Total
PERS	$ 1,431,066	$ 124,441	$ 1,555,507
PERS - State Support	94,215	8,193	102,408
PFRS		248,078	248,078
PFRS - State Support		97,927	97,927
Total	$ 1,525,281	$ 478,639	$ 2,003,920

The Authority recognized revenue in 2025 for support provided by the State in the amount of $102,408 for PERS and $97,927 for PFRS.

13. PENSION PLANS (CONTINUED)

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	PERS	PFRS	TOTAL
Difference between expected and actual experience	$ 849,803	$ 333,436	$ 1,183,239
Changes of assumptions	4,706	203,577	208,283
Difference between expected and actual investment earnings on pension plan investments	-	-	-
Changes in proportion	762,037	137,373	899,410
Difference between actual employer contributions and employer's prorata share	-	-	-
Total Deferred Outflows of Resources from Pensions	$ 1,616,546	$ 674,386	$ 2,290,932

Deferred Inflows of Resources Related to Pensions

	PERS	PFRS	TOTAL
Difference between expected and actual experience	$ 31,851	$ 77,353	$ 109,204
Changes of assumptions	343,383	51,452	394,835
Difference between expected and actual investment earnings on pension plan investments	2,485,363	199,376	2,684,739
Changes in proportion	37,657	109,349	147,006
Total Deferred Outflows of Resources from Pensions	$ 2,898,254	$ 437,530	$ 3,335,784
Net Deferred Outflows and Inflows of Resources	$ (1,281,708)	$ 236,856	$ (1,044,852)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PERS	PFRS	Total
Year ending December 31:			
2026	$ 352,695	$ 258,040	$ 610,735
2027	(736,154)	(73,816)	(809,970)
2028	(568,060)	(38,153)	(606,213)
2029	(332,522)	20,271	(312,251)
2030	2,332	70,514	72,846
		-	
Total	$ (1,281,709)	$ 236,856	$ (1,044,853)

13. PENSION PLANS (CONTINUED)

Actuarial Assumptions

The collective total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2025, which was rolled forward to June 30, 2025. The actuarial valuation used the following actuarial assumptions:

	PERS
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	3.25 - 7.75% based on years of service
Investment rate of return	7.00%

	PFRS
Inflation rate:	
Price	2.50%
Wage	3.00%
Salary increases:	All Future Years 4.00 - 17.50% based on years of service
Investment rate of return	7.00%

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability Retiree retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

13. PENSION PLANS (CONTINUED)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	28.00%	8.55%
Emerging Markets Large-Cap Equity	12.75%	8.77%
Emerging Markets Small-Cap Equity	1.25%	8.77%
U.S. Treasury Bond	5.50%	10.30%
U.S. Corporate Bond	13.00%	12.00%
U.S. Mortgage-Backed Securities	8.00%	10.78%
Global Multisector Fixed Income	3.00%	7.90%
Cash	4.50%	6.63%
Real Estate Core	8.00%	9.00%
Real Estate Non-Core	7.00%	5.47%
Infrastructure	2.00%	3.61%
Private Debt/Credit	4.00%	3.61%
Private Equity	3.00%	7.26%

For PFRS, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

13. PENSION PLANS (CONTINUED)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Dewloped Large-Cap Equity	9.50%	6.70%
Non-U.S. Dewloped Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

Discount Rate

Public Employees' Retirement System

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan member will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payment to determine the total pension liability.

13. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement Fund

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan member will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefits payment to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Authority's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	PERS		
Pension Plan	At 1% Decrease (6.00%)	At Current Discount (7.00%)	At 1% Increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	$ 40,833,166	$ 29,805,231	$ 20,565,609

	PFRS		
	At 1% Decrease (6.00%)	At Current Discount (7.00%)	At 1% Increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	$ 5,901,401	$ 4,069,932	$ 2,523,358
State of New Jersey's Proportional Share of Net Pension Liability associated with the Authority	371,783	826,185	313,950
	$ 6,273,184	$ 4,896,117	$ 2,837,308

Pension Plans Fiduciary Net Position

Detailed information about the Pension Plans' fiduciary net position is available in the separately issued PERS and PFRS financial reports.

14. RISK MANAGEMENT AND HEALTH INSURANCE

Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, error and omission, injury to employees, professional liability, airport liability, environmental and natural disasters. The Authority established a self-insurance fund program for certain areas of risk and purchased excess commercial insurance to further protect against these risks. Settled claims have not exceeded this coverage in any of the past three years.

Expressway

The Authority has established a self-insurance fund program for certain risk areas. The Authority's per occurrence self-insurance retention levels are $500,000 for worker's compensation, $500,000 for auto liability, $500,000 for Shuttle liability, $500,000 for general liability $100,000 for law enforcement liability, $100,000 for public officials' liability, and $150,000 for employment practices liability. The Reserve for Insurance Claims is $3,131,793 as of December 31, 2025.

Airport

The Authority established a self-insurance reserve for certain risk areas related to Airport activity. The Authority's per occurrence self-insurance retention levels are $500,000 for worker's compensation, $500,000 for auto liability, and $500,000 for general liability. The Authority also purchased a separate Aviation Liability program for the Airport. An allocation of these retention levels has been made based on the number of employees currently employed at the Airport. The reserve balance as of December 31, 2025 is $1,000,000.

The Authority purchased excess commercial insurance policies over the self-insurance retention levels described above and additionally purchased Cyber, Property & Inland Marine, Pollution, Auto Physical Damage, Bridge Physical Damage, and EMT Professional coverages to protect against various exposures at both the Expressway and Airport.

The Authority is party to various legal actions and disputes. Although the ultimate effect, if any, of these matters is not presently determinable, management believes that collectively they will not have a material effect on the results of operations or the financial position of the Authority.

Health Insurance

Beginning July 1, 2015, the Authority enrolled its employees in the New Jersey State Health Benefits Plan (SHBP). In accordance with Chapter 78, P.L. 2011, employees are required to contribute to their premiums based on their salary and the type of coverage selected.

15. COMPENSATED ABSENCES

The Authority has recorded a liability through December 31, 2025 totaling $2,789,794 for vacation and sick pay, with $353,002 paid out to employees during 2025. Benefits are earned according to the following policies: It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accumulation and payment of vacation and sick leave for agreement employees is based on the collective bargaining agreements with the various unions. As required under GASB Statement No. 16, *Accounting for Compensated Absences*, the compensated absences should be accrued as a liability when earned and the liability should be measured using the pay rates in effect at the statement of net position date.

A. Non-Union Employees

Full-time, non-union employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. If an employee was hired prior to February 2005, the Authority compensates them for unused sick leave upon retirement if the employee vests in the pension system when retirement age has been reached or upon resignation. For employees hired after February 2005, the Authority only compensates them for unused sick leave upon retirement or upon resignation if the employee is eligible to immediately retire under the pension system.

Effective November 18, 2010, the maximum payout to an employee at retirement is $15,000 at the employee's current rate of pay. Any employee having a balance of $17,500 or over on the effective date will be eligible to cash out at the higher rate. Additionally, if the employee's balance falls below the $17,500 prior to retirement they are no longer eligible to cash out at the higher rate. A full year's vacation entitlement may be carried to the next calendar year. Any carried-over vacation time must be taken during the subsequent year, or it is lost.

Effective October 29, 2018, new legislation was enacted that granted part-time employees' sick time. Part-time employees not governed by a collective bargaining agreement began accruing paid sick leave in accordance with the New Jersey Paid Sick Leave Act ("Act"). Eligible employees receive forty hours of sick leave each year. Employees may not have more than forty hours of sick leave at any time.

Compensatory time for full-time employees cannot accrue beyond eighty hours and must be taken within twelve months of being earned. The use of compensatory time must be approved by a department Director. The Authority may, at its discretion, purchase back compensatory time at the employee's rate of pay when the compensatory time was earned.

B. Union Employees

Vacation Time

In accordance with the union contract in effect in 2025, members of the International Federation of Professional and Technical Engineers, Local 196, Chapter 2 and Local 193, Chapter A, states that ten vacation days may be carried to the next calendar year for Local 196 and Local 193. Any carried-over vacation time must be taken during the subsequent year, or it is lost.

Members of the Atlantic City International Airport Fire Fighters, Local S-18 of the International Association of Fire Fighters, AFL-CIO, CLC may carry up to one year's vacation allotment. Any carried over vacation time must be taken during the subsequent year, or it is lost.

15. COMPENSATED ABSENCES (CONTINUED)

Sick Time
Members of the International Federation of Professional and Technical Engineers, Local 196, Chapter 2 and Local 193, Chapter A, are entitled to cash out sick time up to $17,500. The following percentages apply:

(a) For employees who resign in good standing or retire, but are not eligible to receive pension payments under PERS:

- 50% of present salary for the first 150 days of accumulated sick days.
- 100% of present salary for accumulated sick leave in excess of 150 days.
- Maximum of $17,500

(b) For employees who retire and are immediately eligible to receive payments under PERS:

- Seventy-five percent of present salary for the first 150 days of accumulated sick days.
- 100% of present salary for accumulated sick leave in excess of 150 days.
- Maximum of $17,500.

Local S-18 members are entitled to cash out sick leave up to $17,500 at the employee's rate of pay at retirement. Unused sick time earned will not be paid upon resignation, termination or layoff.

Part-time employees, unless governed by a collective bargaining agreement, are entitled to receive one (1) hour of sick leave for every thirty (30) hours worked. This policy became effective on October 29, 2018.

Compensatory Time

Under the contract for Local 196, Chapter 2, compensatory time can be accrued up to a maximum of forty hours per contract year but can re-accumulate up to forty hours as the time is used. Under the contract for S-18, compensatory time can be accrued up to a maximum of two hundred and forty (240) hours per contract year. Compensatory time must be taken within twelve (12) months of being earned, otherwise payment of unused time will be paid in the first pay of December.

C. Accrued Expense

The Authority's liability for compensated absences is included in Current Liabilities Payable from Unrestricted Assets in the accompanying Statement of Net Position. The Authority's accrued liability for compensated absences, including additional amounts accrued for Social Security, Medicare and pension plan contributions as of December 31, 2025is as follows:

	Expressway	Airport	Total
Sick Time	$ 800,072	$ 259,266	$ 1,059,338
Vacation Time	583,311	120,892	704,203
Compensatory Time	909,454	116,799	1,026,253
	$ 2,292,837	$ 496,957	$ 2,789,794

16. SOUTH JERSEY TRANSPORTATION PLANNING ORGANIZATION

The South Jersey Transportation Planning Organization is a metropolitan planning organization whose function is to develop transportation programs for urbanized areas of the State in order to encourage and promote the development of intermodal transportation systems that maximize mobility and minimize air pollution. The Department of Transportation Grant for Administration Staff Support for the SJTPO is designed to reimburse the Authority for its expenses incurred each year for the SJTPO. These expenses typically include salaries, fringe benefits and non-salary direct expenses.

17. AIRPORT MANAGEMENT

Pursuant to N.J.S.A. 27:25A-24, the Authority established a transportation project known as the Atlantic City International Airport ("ACY"). Effective April 15, 1998, the Authority assumed control of the runways and taxiways at ACY pursuant to Resolution 1998-14. The Authority executed a lease and cooperative agreement with the William J. Hughes Technical Center for certain lands, facilities and equipment for the Atlantic City International Airport. The execution of this agreement requires the Authority to maintain the airfield at ACY, but it also allows for the collection of landing fees.

Pursuant to the Act, the Authority has the power to set rates and charges at ACY. The Authority has adopted a compensatory rates and charges methodology. Rates and charges are subject to review and adjustment every two years. Currently, the Authority is operating under the Rates and Charges Resolution adopted December 18, 2019.

Effective October 1, 2016, the Authority entered into an operating and maintenance agreement with TBI Airport Management, Inc. for five years and exercised five one-year renewal options at the discretion of the Authority. Also, on October 1, 2021, the Authority entered into an agreement with U.S. Facilities, Inc. for maintenance and janitorial services at the airport. This agreement is for five years. Under these arrangements, the Authority is entitled to receive all the revenue and must pay all the expenses associated with the operation of ACY terminal operations.

18. STATE PAYMENT

Pursuant to an agreement dated November 17, 1983 ("State Contract"), between the Authority (as successor to the New Jersey Expressway Authority) and the New Jersey Department of Transportation ("NJDOT"), the Authority is obligated to pay to the NJDOT annually, during the term of the State Contract, a guaranteed minimum sum of $2,500,000 ("State Payment"). The State Payment is payable in equal monthly installments on or before the twenty-first day of each month for deposit into the State Payment Fund.

Subject to the pledge of the Third Amended and Restated Resolution, the Authority has pledged, pursuant to the terms of the State Contract, all revenue for the payment of the State Payment, which pledge is subordinate in rank and right of payment to that of Subordinated Indebtedness issued pursuant to the Third Amended and Restated Resolution.

On May 19, 2009, the State Contract was amended to provide for a reduction in the amount of the State Payment by the amount of the NJDOT's Payment Obligation regarding the 2009 Subordinated Bonds (as hereinafter defined) to the extent such NJDOT's Payment Obligation is unpaid in any Fiscal Year. See Note 25 ("South Inlet Transportation Improvements Project") regarding the Authority's issuance of the 2009 Subordinated Bonds.

19. ELECTRONIC TOLL COLLECTION

The Authority, along with the New Jersey Turnpike Authority ("Turnpike Authority"), the Delaware River Port Authority ("DRPA"), The Delaware River and Bay Authority ("DRBA"), the Burlington County Bridge Commission ("BCBC") and the Delaware River Joint Toll Bridge Commission ("DRJTBC") (each an "Agency" and, collectively, the "Agencies") entered into a contract with Xerox State & Local Solutions, Inc. (now "Conduent") on October 15, 2015 to design, install, implement, operate and maintain a new Customer Service Center ("CSC") for E-ZPass® electronic toll collection. The contract is for a period of 8 years from the date on which the new CSC system is implemented.

Conduent invoices the Authority on a monthly basis for its proportion of amounts due for those services ("CSC Services") pertaining to establishment, operation and maintenance of the Customer Service Center, including the portion of the CSC to be used for the processing of toll collection violations ("VPC").

Payments to be made by the Authority under the Xerox Agreement constitute Operating Expenses of the Expressway Project. In addition, the Authority receives its proportion of violation toll revenue and administrative fee revenue earned by the New Jersey EZPass Group. The proportions allocated to the Agencies are updated annually.

20. INTERFUNDS AND AIRPORT SUBSIDY

The total interfund payable from the Airport Fund to the Expressway Fund at December 31, 2025 is $135,711,469 which is payable from unrestricted funds.

The third amended and restated resolution authorizing bonds and other obligations, Section 5.02(I) establishes an Airport Fund. Accordingly, the Airport Fund is maintained separately from the Expressway Fund and the financial results are separately presented in the accompanying Proprietary Fund Financial Statements. Any excess direct operating expense incurred over revenue earned at the Airport is subsidized by the Expressway Fund and is a liability of the Airport Fund to the Expressway Fund. The Authority periodically transfers amounts from the Expressway Fund to the Airport Fund to subsidize Airport operations. When such transfers are made, the Authority establishes a loan receivable from the Airport Fund to the Expressway Fund for the amount transferred. The loan is payable to the Expressway Fund from unrestricted funds of the Airport Fund when the monies are used on Airport operating expenses, and the loan is payable from restricted funds of the Airport Fund when the monies are used on Airport capital expenditures. These loans are payable to the Expressway Fund when Airport revenue exceeds Airport direct operating expense in any given year, but in no event later than ten years from the date of the loan. Any amounts not repaid by the end of the term due will be written off at the end of the ten-year period. During 2025, $4,357,284 was written off.

21. CRDA PARKING FEE AGREEMENT

On October 10, 1997, in connection with the Atlantic City Expressway Connector Project, the Authority entered into a Parking Fee Agreement with the Casino Reinvestment Development Authority ("CRDA").

Pursuant to the Agreement, a portion of certain statutory parking fees ("Marina Parking Fees") receivable by CRDA from marina parking facilities used in conjunction with any new licensed casino hotel construction and located on land in the Marina District (also commonly known as the H-Tract) will be

21. CRDA PARKING FEE AGREEMENT (CONTINUED)

payable to the Authority. These parking fees pertain to the minimum charge per day for each motor vehicle parked, garaged, or stored in a parking space in the parking facility, other than for motor vehicles owned or leased by the owner or operator of such facility or by an employee of the casino hotel which owns or leases such facility.

The maximum amount payable by CRDA under the Parking Fee Agreement is an amount sufficient to amortize $65 million in Authority bonds issued to finance the Atlantic City Expressway Connector Project and certain allocated costs of issuance. CRDA's payment obligations under the Parking Fee Agreement, as amended by the First, Second and Third Amendments dated June 15, September 20, 2001, and March 2005 respectively are subordinate to the prior lien on the Marina Parking Fees of certain parking revenue bonds of CRDA, plus liens associated with two additional issuances of CRDA parking revenue bonds. During 2025, the Authority received revenue of $3,078,488 compared to $66,912 in 2024.

Through December 31, 2025, CRDA has paid the Authority a total of $50,755,124. As of December 31, 2025, CRDA no longer has subordinated obligations pursuant to this agreement. As a result, the Authority expects to receive increased payments going forward.

22. TRANSPORTATION SERVICES

Effective January 1, 2004, the Authority acquired and assumed the operation of the "Comprehensive Transportation System" in Camden and Gloucester Counties, previously operated by the Camden County Improvement Authority. The Comprehensive Transportation System includes (i) the transportation needs of the Work Force New Jersey and Temporary Assistance to Needy Families ('TANF") recipients, post-TANF recipients, welfare clients, low-income individuals, and other transit dependents, (ii) the operation of a Job Access/Reverse Commute Program in Camden, Atlantic, and Gloucester Counties, (iii) a partnership with New Jersey Transit to provide local shuttle motor bus passenger service. Funding from the various state grants above are used to fund operating costs. Operating expenses incurred are offset by operating revenue from each respective grantor agency, as well as revenue from local private employers.

The Authority also continued to provide shuttle services at the airport for passengers' convenience to and from surface parking lots, as well as transportation services for Camden County Department of Health and Senior Services to provide residents a means to get to dialysis and deliver meals. The Transportation Services Division provides shuttle bus services for Rowan University and Camden County College. Also, provides shuttles services in the City of Camden for colleges, universities and businesses.

During 2025, the Authority realized $6,352,856 in program revenue compared to $5,560,760 in 2024.

23. LEASES

SJTA leases portions of its land, buildings and other assets to unrelated entities for the use and convenience of the Authority's patrons. The terms of current leases expire between December 31, 2025– December 31, 2061. No leases transfer ownership of the underlying asset.

Lease receivables are measured at the present value of lease payments expected to be received during the lease term using a discount rate of 4% and is included in Lease Receivables in the accompanying Statement of Net Position. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. Under the lease agreements, the Authority may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded in the period the payment is received.

The balance of the Leases Receivable and related Interest Receivable at December 31, 2025 is shown below:

	Expressway	Airport	Total
Beginning Balance	$ 3,835,003	$ 2,406,940	$ 6,241,943
Lease revenue			
Billboards	(148,735)		(148,735)
Land	(113,031)	(48,380)	(161,411)
Office		(67,253)	(67,253)
	3,573,237	2,291,307	5,864,544
Interest Receivable			
Billboards	$ (1,154)		$ (1,154)
Land	(376)	$ (222)	(598)
Office		(161)	(161)
	(1,530)	(383)	(1,913)
Total Receivable	$ 3,571,707	$ 2,290,924	$ 5,862,631

23. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

The South Jersey Transportation Authority Retiree Benefits Plan (the "Plan") provides medical, prescription drug, vision, dental and Medicare Part B reimbursement to retirees and their covered dependents, in accordance with the terms of the applicable collective bargaining agreements or Authority personnel policies for non-bargaining unit members. The Plan is a single employer defined benefit OPEB plan that is administered through a Trust. Active employees who retire from the Authority and meet the eligibility criteria will receive these benefits.

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits Provided

The Plan provides healthcare, prescription, dental and vision benefits for eligible retirees and their dependents. The Plan also reimburses Medicare Part B premiums to its retired employees, and their eligible dependents and surviving spouses. Healthcare and prescription benefits are provided through the New Jersey State Health Benefits Plan whose premiums are based on the benefits paid during the year. Dental benefits are paid through a plan under which benefits are paid by a third-party service provider on behalf of the Authority. Vison benefits and Medicare Part B premium reimbursements are paid by the Authority.

Contributions

SJTA management determines the annual contribution rate based on the prior year's OPEB Valuation. The contribution rate is the amount of the change in the Net OPEB Liability less the deferral amounts. The contribution rate for 2025 was $4,259,501. For 2026 the contribution rate will be $3,200,000. Employees are not required to contribute to the Plan.

Net OPEB Liability

The Authority's net OPEB liability was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions used to value the postretirement medical liabilities can be categorized into three groups:

- Economic Assumptions – the discount rate and health care trend rates.
- Benefit Assumptions – the initial per capita cost rates for medical and prescription drug coverage.
- Demographic assumptions – including the probabilities of retiring, dying, terminating (without a benefit), becoming disabled, recovery from disability, election (participating rates) and coverage levels.

In accordance with local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, we used demographic and health care assumptions consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan (SHBP) as reported in their July 1, 2020 Actuarial Valuation to value the GASB obligations.

Economic Assumptions

The economic assumptions used in the valuation are the discount rate and the heath care cost trend rates, and salary and Social Security Taxable Wage Base increases for the determination of projected pension payments. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/Aa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. Effective in 2018, SJTA established an irrevocable OPEB Trust and expects to fund the trust based on the increase in the benefit obligation during the prior year. The discount rate used for determining the Total OPEB Liability as of December 31, 2025 is the long-term expected rate of return on plan investments of 3.26%. Given that the plan assets are 100% invested in fixed income securities, we estimated the expected rate of return using the "The Bond Buyer 20-Bond GO Index" as of the measurement date.

Salary Increases
3.0% per year.

Inflation Rate
2.5% per year.

Health Care Cost Trend Rates

Year	Pre-65 Medical	Post -65 Medical	Prescription Drug	Medicare Part B	Dental/Vision
2025	31.62%	51.18%	30.75%	5.00%	3.50%
2026	7.50%	4.50%	11.50%	5.00%	3.50%
2027	7.00%	4.50%	10.00%	5.00%	3.50%
2028	6.50%	4.50%	8.00%	5.00%	3.50%
2029	6.00%	4.50%	7.00%	5.00%	3.50%
2030	5.50%	4.50%	6.00%	5.00%	3.50%
2031	5.00%	4.50%	5.00%	5.00%	3.50%
2032 +	4.50%	4.50%	4.50%	5.00%	3.50%

Benefit Assumptions

The valuation projects the cost to the SJTA of providing healthcare benefits to employees who remain in the medical plan after retirement (postemployment coverage). Medical and prescription drug benefits are provided through the NJ State Heath Benefit Program. Dental and vision benefits are provided by the Authority as stand-alone self-funded benefit programs. Under the rules set out in GASB 75, both the direct contribution and any implicit subsidy must be considered in measuring post-retirement medical benefit obligation. Following actuarial standards, specifically ASOP 6, we have developed incurred claims costs for the prescription drug benefits based on current costs for the plans adjusted to age-specific health care cost estimates.

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

2025 Annual age-adjusted claims cost for retirees and spouses are as follows:

Age	Medical	Prescription Drug	Dental/Vision
45	12,492.88	2,402.58	670.00
50	14,872.72	3,022.50	670.00
55	18,144.99	3,801.34	670.00
60	22,373.18	4,759.54	670.00
65	1,712.01	3,066.23	670.00
70	1,929.55	3,696.72	670.00
75	2,092.46	4,183.55	670.00
80	2,311.94	4,352.74	670.00
85	2,627.03	4,392.65	670.00
90	2,803.60	4,416.59	670.00

In addition, to the claims costs defined above, we have also assumed a Medicare Part B reimbursement for future retirees of $185 per month for 20255. The Medicare Part B rate assumed for current retirees is $147.93, which is based on actual premium reimbursement amounts for current retirees, adjusted for the change in the Medicare Part B premium amount from 2024 to 2025.

Demographic Assumptions

Mortality

Pre-Retirement:	PUB-2010 (G) Headcount-Weighted Healthy Employee Male/Female Mortality Projected with Scale MP-2021.
Post-Retirement:	PUB-2010 (G) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021.
Disabled:	PUB-2010 (G) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021.

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Retirement Rates

Civilians are assumed to retire according to the following rates that vary by age and service, with 100% of Civilians assumed to retire at age 75.

Age	<25	25	>25	Age	<25	25	>25
48	N/A	3.00%	2.25%	62	7.50%	34.00%	25.00%
49	N/A	3.00%	3.00%	63	7.50%	34.00%	22.00%
50	N/A	3.50%	3.50%	64	7.50%	34.00%	20.00%
51	N/A	4.25%	3.75%	65	11.00%	35.00%	20.00%
52	N/A	4.75%	3.75%	66	15.00%	43.00%	26.00%
53	N/A	7.00%	5.00%	67	14.00%	40.00%	26.00%
54	N/A	7.00%	6.00%	68	13.00%	40.00%	22.00%
55	N/A	15.00%	15.00%	69	13.00%	37.00%	22.00%
56	N/A	17.00%	13.00%	70	13.00%	37.00%	24.00%
57	N/A	18.00%	12.00%	71	13.00%	37.00%	24.00%
58	N/A	18.00%	12.00%	72	13.00%	37.00%	20.00%
59	N/A	18.00%	12.00%	73	13.00%	37.00%	20.00%
60	4.50%	18.00%	14.00%	74	13.00%	37.00%	20.00%
61	4.50%	18.00%	14.00%	75	100.00%	100.00%	100.00%

Withdrawal

Turnover rates vary by age and service. No termination is assumed after attainment of retirement eligibility.

Service	Less than 31 Years Old	31 Years or Older	Service	Less than 31 Years Old	31 Years or Older
0	19.00%	11.50%	13	1.20%	1.20%
1	19.00%	11.50%	14	1.10%	1.10%
2	15.50%	8.50%	15	0.90%	0.90%
3	14.00%	7.50%	16	0.80%	0.80%
4	11.50%	6.50%	17	0.70%	0.70%
5	10.50%	6.00%	18	0.60%	0.60%
6	8.50%	5.50%	19	0.60%	0.60%
7	8.00%	5.00%	20	0.50%	0.50%
8	7.50%	4.50%	21	0.50%	0.50%
9	6.50%	4.00%	22	0.50%	0.50%
10	1.70%	1.70%	23	0.40%	0.40%
11	1.50%	1.50%	24-29	0.30%	0.30%
12	1.40%	1.40%			

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Disability Rates
Disability rates vary by age.

Decrement Timing
All decrements and benefit payments are assumed to occur at the middle of the year.

Participation Rates
We have assumed 100% of future retirees who meet the eligibility requirements will participate in the postemployment welfare plans upon retirement.

Spousal Coverage
55% of future retirees are assumed to have dependent coverage upon retirement, with males assumed to be 3 years older than females. Current retiree dependent coverage information was provided by SJTA.

Chapter 78 Retiree Contributions
Retiree contributions are based on current medical premium rates indexed for future increases in assumed healthcare trend rates.

Expenses
Administrative expenses for medical and prescription drug costs are included in the above per capita claims costs.

Assumption Changes
The discount rate was changed from 3.70% at the beginning of the year to 3.26% at the end of the year to reflect changes in the "The Bond Buyer 20-Bond GO Index."

Actuarial Methods

GASB 75 Actuarial Cost Method
The actuarial cost method used to determine the plan's cost is the Entry Age Normal Cost Method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The Service Cost is the portion of this actuarial present value allocated to a valuation year. The Total Pension Liability is the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future service costs.

Asset Valuation Method
The Fiduciary Net Position is equal to the market value of plan assets plus receivable interest.

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in Net OPEB Liability:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	A	B	A-B
Beginning Balance	$ 105,581,960	$ 54,749,084	$ 50,832,876
Changes for the year:			
Service cost	3,658,998		3,658,998
Interest cost	4,389,839		4,389,839
Difference between expected and actual experience loss (gain)			-
Changes in assumptions	14,657,852		14,657,852
Contributions - employer		7,553,242	(7,553,242)
Contributions - employee			-
Plan asset gain or (loss)		3,093,806	(3,093,806)
Benefits payments, including refunds	(3,293,741)	(3,293,741)	-
Net changes	19,412,948	7,353,307	12,059,641
Ending Balance	$ 124,994,908	$ 62,102,391	$ 62,892,517

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate and healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate and healthcare trend rate.

The Net OPEB liability at December 31, 2025 calculated using a discount rate that is:

	1% Decrease 3.83%	Current Rate 4.83%	1% Increase 5.83%
Total OPEB liability	$ 144,326,006	$ 124,994,908	$ 109,322,150
Plan fiduciary net position	62,102,391	62,102,391	62,102,391
Net OPEB liability	$ 82,223,615	$ 62,892,517	$ 47,219,759
Plan fiduciary net position as a percentage of the total OPEB liability	43.0%	49.7%	56.8%

The Net OPEB liability at December 31, 2025 calculated using a healthcare cost trend rate that is:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	$ 106,968,091	$ 124,994,908	$ 147,942,654
Plan fiduciary net position	62,102,391	62,102,391	62,102,391
Net OPEB liability	$ 44,865,700	$ 62,892,517	$ 85,840,263
Plan fiduciary net position as a percentage of the total OPEB liability	58.1%	49.7%	42.0%

OPEB plan Fiduciary Net Position

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Authority recognized OPEB expense of $5,328,295. At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resource related to the OPEB from the following sources:

24. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual demographic experience	$ 5,315,757	$ 1,171,382
Changes of assumptions	15,862,109	19,943,069
Net difference between projected and actual investment performance		324,754
Total	$21,177,866	$21,439,205

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2025	$ (2,304,382)
2026	(4,110,146)
2027	(993,354)
2028	(923,354)
2029	(923,122)
Thereafter	(923,188)

Payable to the OPEB Plan

At December 31, 2025, there was no amount outstanding for contributions payable to the Plan.

25. SOUTH INLET TRANSPORTATION IMPROVEMENTS PROJECT

Pursuant to a tri-party agreement, dated May 18, 2009, by and among the Casino Reinvestment Development Authority (“CRDA”), New Jersey Department of Transportation (“NJDOT”) and the Authority (“South Inlet Funding Agreement”), CRDA has agreed to undertake the construction of the South Inlet Transportation Improvements Project. The Authority has agreed to finance the NJDOT’s construction portion of the costs of the South Inlet Transportation Improvements Project, in the amount of $17,000,000 through the issuance of the 2009 Subordinated Bonds pursuant to the Subordinated Resolution. See footnote #8 for more information regarding the 2009 Subordinated Bonds.

Pursuant to the terms of the South Inlet Funding Agreement, NJDOT has agreed to pay the Authority, subject to State Legislative appropriations and the availability of funds therefore, in each State Fiscal Year for a period not to exceed twenty (20) years, an amount equal to debt service on the 2009 Subordinated Bonds, plus all costs, liabilities and administrative expenses incurred by the Authority in connection therewith (collectively, “NJDOT’s Payment Obligation”), which aggregate amount shall not exceed $2,500,000 in each year. The amount received by the Authority from the NJDOT for NJDOT’s Payment Obligation payable under the South Inlet Funding Agreement constitutes revenue under the Third Amended and Restated Bond Resolution.

25. SOUTH INLET TRANSPORTATION IMPROVEMENTS PROJECT (CONTINUED)

On August 4, 2009, the Authority issued $19,085,000 of Subordinated Bonds, $17,000,000 of which was transferred to the CRDA on behalf of the NJDOT in accordance with the terms of the South Inlet Funding Agreement.

During 2019, the outstanding balance in the amount of $10,835,000 was refunded as part of the 2019 Series A Subordinated Transportation System Revenue Refunding Bonds. As a result of this refunding, the Authority reduced its total debt requirements by $2,198,037 which resulted in a reduction in the total debt obligation related to NJDOT. The updated NJDOT repayment schedule is outlined below:

Year	Amount
2026	1,261,500
2027	1,257,000
2028	1,260,000

26. CONCENTRATION OF FINANCIAL RESOURCE PROVIDER

16% percent of the Airport Fund's revenues are associated with Spirit Airlines, which entered Chapter 7 liquidation and ceased operations as of May 2, 2026. A loss of revenue from that airline could adversely affect the Airport Fund. Of the Airports $11,192,866 in operating revenues for 2025, Spirit accounting for $1,761,013. Of the Airports $13,896,179 in operating revenues for 2024, Spirit accounting for $2,245,101.

To mitigate potential deficits from lost revenue, all Airport fund debt obligations are guaranteed with toll revenue from the Expressway. Further, the Authority has signed a new operating agreement with Allegiant Air to operate out of the airport and expects to receive $195,000 in 2026. To encourage further service expansion, the Airport also offers a $125,000 marketing support incentive program to any new or existing airline that expands service to a new route, which Allegiant participates in. In addition to the marketing incentives for new routes, the Authority has waived Allegiant's landing and ramp fees for 2 years.

27. ATLANTIC CITY INTERNATIONAL AIRPORT

Below are detailed schedules of Atlantic City International Airport's operating revenue and expenses. These schedules are presented to provide additional detail of the single-line item entitled "Airport" presented in the Statement of Revenue, Expenses and Changes in Net Position in the accompanying financial statements.

	2025	2024
Revenue:		
Non-Aeronautical		
Airside	$ 124,100	$ 94,561
Landside	1,261,040	1,340,085
Parking	5,118,936	6,162,996
Terminal	1,238,949	1,855,857
Aeronautical		
Airside	2,808,382	3,793,850
Landside	84,200	42,000
Terminal	557,259	606,829
	$ 11,192,866	$ 13,896,178
Expenses:		
Central Accounts	$ 2,017,318	$ 1,996,946
Marketing	447,816	177,169
SJTA Administration	1,346,863	1,108,361
ACY Customer Service	130,276	112,666
Firefighter Administration	2,390,488	2,514,064
Operations - Airside	24,230	33,200
Operations - Landside	19,899	18,337
Operations - Terminal	2,982,286	3,253,942
NJ State Police-LEO/ACY	4,461,612	4,247,230
Maintenance - Airside	903,197	928,426
Maintenance - Landside	84,845	58,629
Maintenance - Terminal	3,659,655	3,730,238
Parking	1,156,592	1,136,354
ACY Shuttle	-	255,327
	$ 19,625,077	$ 19,570,889

28. SUBSEQUENT EVENTS

Management has evaluated events occurring after December 31, 2025 for possible adjustment to or disclosure in the financial statements through July 31, 2025, the date on which the financial statements were available to be issued.

Toll Indexing

On January 1, 2026, the Authority implemented toll rate indexing of 3% on both of the roadways.

All Electronic Tolling (AET)

On January 4, 2026, the Authority implemented All Electronic Tolling (AET) and no longer accepts cash tolls. AET will allow for increased throughput, reduced plaza congestion, improve convenience, enhanced safety, lower emissions, and allows for touchless tolling. Vehicles that have a E-Zpass tag will not be affected by this change. Vehicles without an E-ZPass tag will be mailed a toll bill to the vehicle's registered owner after 30 days or once $50 in tolls are recorded, whichever occurs first. A photo of the vehicle's license plate will be taken at the time of the transaction, and the plate number is used to obtain the vehicle's registered owner information.

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REQUIRED SUPPLEMENTARY INFORMATION

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South Jersey Transportation Authority
Schedules of Proportionate Share of the Net Pension Liability
December 31, 2025

Public Employees' Retirement System

Measurement Date Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.242345549%	0.241464068%	0.241873107%	0.235000726%	0.230744732%	0.226093513%	0.221312426%	0.215793%	0.217251%	0.210408%
Authority's proportionate share of the net pension liability	$ 29,805,231	$ 32,810,248	$ 35,033,805	$ 35,464,845	$ 27,335,173	$ 36,869,939	$ 39,877,142	$42,488,523	$50,572,598	$62,316,827
Authority's covered payroll (plan measurement period)	$ 20,743,526	$ 19,434,119	$ 18,544,875	$ 18,256,137	$ 17,022,188	$ 16,589,176	$ 16,095,568	$15,749,013	$15,078,852	$14,774,681
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	143.7%	168.8%	188.9%	194.3%	160.6%	222.3%	247.8%	269.8%	335.4%	421.8%
Plan fiduciary net position as a percentage of the total pension liability	71.8%	68.2%	65.2%	62.9%	70.3%	58.3%	56.3%	53.6%	48.1%	40.1%

Police and Firemen's Retirement System*

Measurement Date Ended June 30,	2025	2024	2023	2021	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.040581500%	0.041112330%	0.041952870%	0.041065951%	0.041065951%	0.038008331%	0.039823263%	0.042547%	0.044675%	0.045559%
Authority's proportionate share of the net pension liability	$ 4,069,932	$ 4,245,506	$ 4,635,281	$ 3,001,573	$ 3,001,573	$ 4,911,178	$ 4,873,499	$ 5,757,247	$ 6,896,991	$ 8,708,697
Authority's covered payroll (plan measurement period)	$ 1,379,352	$ 1,390,014	$ 1,378,676	$ 1,371,219	$ 1,314,756	$ 1,280,488	$ 1,158,359	$ 1,225,875	$ 1,223,495	$ 1,264,577
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	295.1%	305.4%	336.2%	218.9%	228.3%	383.5%	420.7%	469.6%	563.7%	688.7%
Plan fiduciary net position as a percentage of the total pension liability	74.5%	72.7%	70.2%	77.3%	77.3%	63.5%	65.0%	62.5%	58.6%	52.0%

* The 2022 PFRS information is reflective of the 6/30/2021 valuation.

South Jersey Transportation Authority
Schedules of Authority's Pension Contributions
December 31, 2025

Public Employees' Retirement System

Year Ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$3,312,072	$ 3,285,651	$ 3,232,700	$ 2,842,316	$ 2,702,289	$ 2,473,349	$ 2,152,718	$ 2,146,441	$ 2,012,600	$ 1,869,235
Contributions in relation to the contractually required contribution	3,312,072	3,285,651	3,232,700	2,842,316	2,702,289	2,473,349	2,152,718	2,146,441	2,012,600	1,869,235
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll (Calendar Year)	$1,651,519	$20,081,046	$18,975,797	$18,256,137	$17,526,825	$16,722,193	$16,166,495	$15,749,013	$15,078,852	$14,774,681
Contributions as a percentage of covered payroll	200.5%	16.4%	17.0%	15.6%	15.4%	14.8%	13.3%	13.6%	13.3%	12.7%

Police and Firemen's Retirement System

Year Ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 579,822	$ 568,682	$ 558,477	$ 478,609	$ 491,702	$ 424,618	$ 402,259	$ 415,955	$ 395,384	$ 371,707
Contributions in relation to the contractually required contribution	579,822	568,682	558,477	478,609	491,702	424,618	402,259	415,955	395,384	371,707
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll (Calendar Year)	$ 126,270	$ 1,425,822	$ 1,376,958	$ 1,373,559	$ 1,344,212	$ 1,288,244	$ 1,094,328	$ 1,225,875	$ 1,223,495	$ 1,264,577
Contributions as a percentage of covered payroll	459.2%	39.9%	40.6%	34.8%	36.6%	33.0%	36.8%	33.9%	32.3%	29.4%

South Jersey Transportation Authority
Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios*
December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 3,658,998	$ 3,812,066	$ 3,267,381	$ 4,778,785	$ 4,488,723	$ 3,679,559	$ 3,238,571	$ 3,109,466
Interest	4,389,839	3,585,397	3,645,876	2,636,826	2,609,583	2,926,282	3,394,643	3,334,258
Differences between			-	-	-	-	-	-
expected and actual experience	-	7,442,059	(185,922)	(3,164,253)	(253,583)	(4,371,758)	(12,115,048)	1,193,720
Changes of assumptions	14,657,852	(13,903,909)	7,155,593	(30,035,118)	2,615,990	14,147,184	9,105,267	4,037,351
Benefit payments	(3,293,741)	(3,046,185)	(2,920,396)	(2,666,207)	(2,335,934)	(2,113,570)	(2,095,856)	(3,139,880)
Net change in total OPEB liability	19,412,948	(2,110,572)	10,962,532	(28,449,967)	7,124,779	14,267,697	1,527,577	8,534,915
Total OPEB liability-beginning	105,581,960	107,692,532	96,730,000	125,179,967	118,055,188	103,787,491	102,259,914	93,724,999
Total OPEB liability-ending	$124,994,908	$105,581,960	$107,692,532	$96,730,000	$125,179,967	$118,055,188	$103,787,491	$102,259,914
Plan fiduciary net position								
Contributions - employer	$ 7,553,242	$ 8,373,395	$ 7,369,857	$ 5,479,019	$ 6,015,493	$ 5,293,099	$ 6,294,662	$ 29,632,315
Net investment income	3,093,806	1,942,641	2,342,697	(3,085,395)	(59,911)	1,466,259	1,540,564	462,417
Benefit payments	(3,293,741)	(3,046,185)	(2,920,396)	(2,666,207)	(2,335,934)	(2,113,570)	(2,095,856)	(3,139,880)
Administrative expense	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	7,353,307	7,269,851	6,792,158	(272,583)	3,619,648	4,645,788	5,739,370	26,954,852
Plan fiduciary net position-beginning	54,749,084	47,479,233	40,687,075	40,959,658	37,340,010	32,694,222	26,954,852	-
Plan fiduciary net position-ending	$ 62,102,391	$ 54,749,084	$ 47,479,233	$40,687,075	$ 40,959,658	$ 37,340,010	$ 32,694,222	$ 26,954,852
Authority's net OPEB liability-ending	$ 62,892,517	$ 50,832,876	$ 60,213,299	$56,042,925	$ 84,220,309	$ 80,715,178	$ 71,093,269	$ 75,305,062
Plan fiduciary net position as a percentage of the total OPEB liability	50%	52%	44%	42%	33%	32%	32%	26%
Covered-employee payroll	$ 22,967,840	$ 21,506,868	$ 20,352,755	$19,629,696	$ 18,871,037	$ 18,010,437	$ 17,126,649	$ 16,307,396
Authority's net OPEB liability as a percentage of covered employee payroll	274%	236%	296%	286%	446%	448%	415%	462%
Authority's Total OPEB liability as a percentage of covered employee payroll	544%	491%	529%	493%	663%	655%	606%	627%

*This schedule is intended to show information for 10 years. The Authority adopted GASB 75 in 2018. Additional years will be presented as they become available.

South Jersey Transportation Authority
Schedule of Authority's OPEB Contributions*
December 31, 2025

	2025	2024	2023	2022	2021	2020	2019
Actuarily determined contribution	$ 3,658,998	$ 3,812,066	$ 3,267,381	$ 4,778,785	$ 4,488,723	$ 3,179,529	$ 4,198,806
Contributions in relation to the actuarily determined contribution	3,658,998	3,812,066	3,267,381	4,778,785	4,488,723	3,179,529	4,198,806
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee-payroll	$22,967,840	$21,506,868	$20,352,755	$19,629,696	$18,871,037	$18,010,437	$17,126,649
Contributions as a percentage of covered-employee payroll	15.93%	17.72%	16.05%	24.34%	23.79%	17.65%	24.52%

Notes to Schedule
Valuation date: December 31.
Actuarially determined contribution rates are calculated as of December 31 one year prior to the end of the year in which contributions are reported.
For actuarial assumptions and methods see Note 24 of the Notes to the Financial Statements.

*This schedule is intended to show information for 10 years. The Authority adopted GASB 75 in 2018. Additional years will be presented as they become available.

OTHER SUPPLEMENTARY INFORMATION

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South Jersey Transportation Authority
Statement of Net Position - Fund Financial Statement
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	Unrestricted Accounts			Restricted Accounts								Totals	
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Arbitrage Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidation Eliminations	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES													
Unrestricted Assets:													
Cash and Cash Equivalents	$ 29,700,557	$ 2,496,007	$ 106,595,258									$ 138,791,822	$ 126,181,556
Change Funds	35,000											35,000	142,491
Accounts Receivable, net of allowance for uncollectible accounts of $209,341	6,061,519	1,641,958										7,703,477	5,985,845
Leases Receivable	3,571,707	2,290,924										5,862,631	6,241,943
Grants Receivable	2,843,717	113,464										2,957,181	1,983,708
Prepaid Expenses	2,389,093	400,198										2,789,291	2,773,324
Security Deposits	140,000	1,530										141,530	146,416
Inventory	93,555											93,555	115,506
Interfunds Receivable	11,509,895		79,507,147								$ (91,017,042)	-	-
Total Unrestricted Assets	56,345,043	6,944,081	186,102,405	-	-	-	-	-	-	-	(91,017,042)	158,374,487	143,570,789
Restricted Assets:													
Cash and Cash Equivalents				$ 6,932,368	$ 7,102,113	$ 1,875,277	$ 41,525,012		$ 3,519,485	$ 445,112,532		506,066,787	552,204,462
Investments							20,611,844					20,611,844	24,631,814
Accounts Receivable									2,040,000			2,040,000	3,130,000
Grants Receivable										2,029,650		2,029,650	205,433
Interest Receivable							73,507					73,507	87,107
Interfunds Receivable				6,465,062				$ 4,349,864	30,448,888		(41,263,814)	-	-
Total Restricted Assets	-	-	-	13,397,430	7,102,113	1,875,277	62,210,363	4,349,864	36,008,373	447,142,182	(41,263,814)	530,821,788	580,258,816
Capital Assets:													
Non-Depreciable Capital Assets:													
Land and Right of Ways										145,464,608		145,464,608	145,464,608
Construction in Progress										161,816,461		161,816,461	151,789,454
Total Non-Depreciable Capital Assets	-	-	-	-	-	-	-	-	-	307,281,069	-	307,281,069	297,254,062
Non-Infrastructure Capital Assets:													
Buildings and Equipment										228,591,999		228,591,999	219,932,931
Less Accumulated Depreciation										(173,080,082)		(173,080,082)	(160,557,175)
Total Non-Infrastructure Capital Assets	-	-	-	-	-	-	-	-	-	55,511,917	-	55,511,917	59,375,756
Infrastructure Capital Assets:													
Infrastructure - Equipment										32,071,815		32,071,815	31,567,113
Infrastructure										688,885,020		688,885,020	688,721,346
Less Accumulated Depreciation										(477,817,772)		(477,817,772)	(453,534,741)
Total Infrastructure Capital Assets	-	-	-	-	-	-	-	-	-	243,139,063	-	243,139,063	266,753,718
Total Assets	56,345,043	6,944,081	186,102,405	13,397,430	7,102,113	1,875,277	62,210,363	4,349,864	36,008,373	1,053,074,231	(132,280,856)	1,295,128,324	1,347,213,141
Deferred Outflows of Resources:													
Related to Pensions	4,534,329	1,648,497										6,182,826	6,338,026
Related to OPEB	18,848,301	2,329,565										21,177,866	14,896,102
Loss on Early Extinguishment of Debt										3,308,841		3,308,841	3,839,835
Total Deferred Outflows of Resources	23,382,630	3,978,062	-	-	-	-	-	-	-	3,308,841	-	30,669,533	25,073,963
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 79,727,673	$ 10,922,143	$ 186,102,405	$ 13,397,430	$ 7,102,113	$ 1,875,277	$ 62,210,363	$ 4,349,864	$ 36,008,373	$ 1,056,383,072	$ (132,280,856)	$ 1,325,797,857	$ 1,372,287,104

South Jersey Transportation Authority
Statement of Net Position - Fund Financial Statements
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	Unrestricted Accounts		Restricted Accounts									Totals	
	Revenue Fund	**Airport Fund**	**General Reserve Fund**	**Debt Service Fund**	**Rehabilitation and Repair Fund**	**State Payment Fund**	**Debt Service Reserve Fund**	**Arbitrage Rebate Fund**	**Subordinated Debt Fund**	**Construction Fund**	**Consolidation Eliminations**	**2025**	**2024**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES													
Current Liabilities Payable From													
Unrestricted Assets:													
Accounts Payable	$ 7,493,226	$ 2,941,492										$ 10,434,718	$ 10,058,713
Unearned Income	139,474	807,253										946,727	584,292
Escrow Deposits	161,319	169,423								$ 10,012		340,754	320,440
Accrued Expenses	1,193,645	118,658										1,312,303	2,826,757
Interfunds Payable	10,952,103	12,356,551									$ (23,308,654)	-	-
Total Current Liabilities Payable From Unrestricted Assets	19,939,767	16,393,377	-	-	-	-	-	-	-	10,012	(23,308,654)	13,034,502	13,790,202
Current Liabilities Payable From													
Restricted Assets:													
Accrued Interest Payable				$ 6,465,062					$ 223,558			6,688,620	6,863,997
Accrued Expenses								$ 2,174,932				2,174,932	5,844,975
Accounts Payable										11,458,028		11,458,028	6,067,346
Retainages Payable										2,063,981		2,063,981	1,899,256
Due to Other Governmental Agencies						$ 208,335						208,335	208,335
PFC Advanced										2,989,394		2,989,394	2,547,154
CFC Advanced										2,166,163		2,166,163	3,934,462
Insurance and Labor Reserves	2,115,662	1,016,131										3,131,793	4,655,071
Bonds Payable, Net of Discounts and Premiums of ($3,828,972)									17,449,058	16,878,556		34,327,614	21,827,101
Interfunds Payable					$ 102,113	1,666,942	2,307,230			104,895,917	(108,972,202)	-	-
Total Current Liabilities Payable From Restricted Assets	2,115,662	1,016,131	-	6,465,062	102,113	1,875,277	2,307,230	2,174,932	17,672,616	140,452,039	(108,972,202)	65,208,860	53,847,697
Noncurrent Liabilities:													
Accrued Expenses	2,292,837	496,957										2,789,794	35,000
Net Pension Liability	27,420,813	6,454,351										33,875,164	37,055,754
Net OPEB Liability	55,974,340	6,918,177										62,892,517	50,832,876
Bonds Payable, Net of Discounts and Premiums of ($43,867,726)									14,816,272	873,853,921		888,670,193	926,535,083
Total Non-Current Liabilities	85,687,990	13,869,485	-	-	-	-	-	-	14,816,272	873,853,921	-	988,227,668	1,014,458,713
Total Liabilities	107,743,419	31,278,993	-	6,465,062	102,113	1,875,277	2,307,230	2,174,932	32,488,888	1,014,315,972	(132,280,856)	1,066,471,030	1,082,096,612
Deferred Inflows of Resources:													
Related to Pensions	2,666,394	669,390										3,335,784	2,458,290
Related to OPEB	19,080,892	2,358,313										21,439,205	29,442,029
Related to Leases	3,034,257	1,946,514										4,980,771	5,518,155
Gain on Early Extinguishment of Debt										3,975,960		3,975,960	
Total Deferred Inflows of Resources	24,781,543	4,974,217	-	-	-	-	-	-	-	3,975,960	-	33,731,720	37,418,474
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 132,524,962	$ 36,253,210	$ -	$ 6,465,062	$ 102,113	$ 1,875,277	$ 2,307,230	$ 2,174,932	$ 32,488,888	$ 1,018,291,932	$ (132,280,856)	$ 1,100,202,750	$ 1,119,515,086

South Jersey Transportation Authority
Statement of Net Position - Fund Financial Statements
As of December 31, 2025
With Summarized Comparative Information as of December 31, 2024

	Unrestricted Accounts			Restricted Accounts								Totals	
	Revenue Fund	**Airport Fund**	**General Reserve Fund**	**Debt Service Fund**	**Rehabilitation and Repair Fund**	**State Payment Fund**	**Debt Service Reserve Fund**	**Arbitrage Rebate Fund**	**Subordinated Debt Fund**	**Construction Fund**	**Consolidation Eliminations**	**2025**	**2024**
NET POSITION													
Net Investment in Capital Assets										$ 201,632,446		$ 201,632,446	$ 178,585,272
Restricted for:													
Debt Service				$ 6,932,368								6,932,368	3,139,697
Rehabilitation and Repair					$ 7,000,000							7,000,000	7,295,703
Debt Service Reserve							$ 59,903,133					59,903,133	38,789,379
State Payment						$ -						-	269
Capital Projects										(163,541,306)		(163,541,306)	(6,114,813)
Arbitrage Rebate								$ 2,174,932				2,174,932	(5,844,806)
Subordinated Debt Fund									$ 3,519,485			3,519,485	20,407,006
Unrestricted for:													
Unrestricted Net Position	$ 28,962,520	$ (12,908,898)	$ 186,102,405									202,156,027	115,069,132
Related to Net Pension Liability	(25,552,878)	(5,475,244)										(31,028,122)	(33,176,018)
Related to Total OPEB Liability	(56,206,931)	(6,946,925)										(63,153,856)	(65,378,803)
Total Net Position	(52,797,289)	(25,331,067)	186,102,405	6,932,368	7,000,000	-	59,903,133	2,174,932	3,519,485	38,091,140	-	225,595,107	252,772,018
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 79,727,673	$ 10,922,143	$ 186,102,405	$ 13,397,430	$ 7,102,113	$ 1,875,277	$ 62,210,363	$ 4,349,864	$ 36,008,373	$ 1,056,383,072	$ (132,280,856)	$ 1,325,797,857	$ 1,372,287,104

South Jersey Transportation Authority
Statement of Revenue, Expenses and Changes in Net Position - Fund Financial Statements
For the Year Ended December 31, 2025
With Summarized Comparative Information for the Year Ended December 31, 2024

	Unrestricted Accounts		Restricted Accounts									Totals	
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Arbitrage Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidation Eliminations	2025	2024
Operating Revenue:													
Tolls	$ 125,445,948											$ 125,445,948	$ 123,506,749
ETC Administration Revenue	12,935,475											12,935,475	11,810,238
Concessions	1,113,441											1,113,441	1,064,223
Marina Parking Revenue	3,078,488											3,078,488	66,912
Rentals	2,920,776											2,920,776	4,162,520
FEMA Grant Reimbursement												-	193,105
Naming Rights	491,733											491,733	391,322
SJTPO Programs	3,390,483											3,390,483	3,585,224
Transportation Services	6,352,856											6,352,856	5,560,760
Other	1,616,464											1,616,464	1,168,302
Airport		$ 11,192,866										11,192,866	13,896,179
Total Operating Revenue	157,345,664	11,192,866	-	-	-	-	-	-	-	-	-	168,538,530	165,405,534
Operating Expenses:													
Executive	986,597											986,597	969,409
Business Administration	1,741,915											1,741,915	1,637,814
Engineering	1,196,258											1,196,258	1,714,902
Finance	1,533,809											1,533,809	1,541,740
Central Accounts	18,262,685											18,262,685	14,563,737
Other Post-Employment Benefits	2,931,429	362,312										3,293,741	3,046,185
Communications & Marketing	459,054											459,054	300,452
Transportation Technology	13,969,429											13,969,429	12,560,541
Expressway Operations	22,145,514											22,145,514	18,266,823
Police	8,210,169											8,210,169	8,022,434
Information Technology	2,021,295											2,021,295	1,500,550
SJTPO Programs	3,390,483											3,390,483	3,585,224
Transportation Services	7,366,206											7,366,206	6,030,190
Airport		19,262,765										19,262,765	19,570,889
Depreciation										$ 36,805,938		36,805,938	35,494,925
Total Operating Expenses	84,214,843	19,625,077	-	-	-	-	-	-	-	36,805,938	-	140,645,858	128,805,815
Operating Income (Loss)	73,130,821	(8,432,211)	-	-	-	-	-	-	-	(36,805,938)	-	27,892,672	36,599,719
Non-Operating Revenue (Expenses)													
Interest and Dividends	702,451	42,210	$ 4,046,545	$ 274,481	$ 295,670	$ 22,818	$ 2,317,810		$ 74,075	15,703,383		23,479,443	28,755,893
Market Value Adjustments on Investments							794,533					794,533	374,990
Gain (Loss) on Disposal of Assets												-	(437,728)
Other Income (Expenses)												-	55,772
Bad Debt Expense	(150,892)											(150,892)	-
Effect of Change in Pension Liability	1,660,253	889,706										2,549,959	2,195,020
Effect of Change in OPEB Liability	1,120,677	138,510										1,259,187	155,584
Cost of Issuance Expense										(1,347,624)		(1,347,624)	-
Amortization of Bond Premium				3,540,416					288,556			3,828,972	3,708,059
Interest on Bonds				(38,467,811)					(1,384,266)			(39,852,077)	(41,516,935)
State Payment						(2,500,000)						(2,500,000)	(2,500,000)
Total Non-Operating Income/(Expense)	3,332,489	1,070,426	4,046,545	(34,652,914)	295,670	(2,477,182)	3,112,343	-	(1,021,635)	14,355,759	-	(11,938,499)	(9,209,345)
Income (Loss) before Contributions and Transfers	76,463,310	(7,361,785)	4,046,545	(34,652,914)	295,670	(2,477,182)	3,112,343	-	(1,021,635)	(22,450,179)	-	15,954,173	27,390,374
Capital Contributions										10,444,159		10,444,159	14,013,249
Local Goverment Contributions										(53,575,243)		(53,575,243)	
Transfers (To) From Unrestricted Funds	3,308,859	4,357,284	88,774,801	38,445,585		2,476,913	18,001,411	8,019,738				163,384,591	77,354,263
Transfers (To) From Restricted Funds			(78,129,276)		(591,373)				(15,865,886)	(68,798,056)		(163,384,591)	(77,354,263)
Change in Net Position	79,772,169	(3,004,501)	14,692,070	3,792,671	(295,703)	(269)	21,113,754	8,019,738	(16,887,521)	(134,379,319)	-	(27,176,911)	41,403,623
Total Net Position Balance -- Beginning	(132,569,458)	(22,326,566)	171,410,335	3,139,697	7,295,703	269	38,789,379	(5,844,806)	20,407,006	172,470,459	-	252,772,018	211,368,395
Total Net Position -- Ending	$ (52,797,289)	$ (25,331,067)	$ 186,102,405	$ 6,932,368	$ 7,000,000	$ -	$ 59,903,133	$ 2,174,932	$ 3,519,485	$ 38,091,140	$ -	$ 225,595,107	$ 252,772,018

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2025

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2024	Issued	Refunded	Paid	Balance December 31, 2025
Transportation System Revenue Bonds,	08/04/2009	$ 96,260,000	7.000%	11/01/2030	$ 5,460,000				$ 5,460,000
2009 Series A-5			7.000%	11/01/2031	5,725,000				5,725,000
(Federally Taxable-Issuer Subsidy-Build America Bonds)			7.000%	11/01/2032	6,020,000				6,020,000
			7.000%	11/01/2033	11,710,000				11,710,000
			7.000%	11/01/2034	12,775,000				12,775,000
			7.000%	11/01/2035	13,375,000				13,375,000
			7.000%	11/01/2036	19,555,000				19,555,000
			7.000%	11/01/2037	19,725,000				19,725,000
			7.000%	11/01/2038	1,915,000				1,915,000
					96,260,000	-	-	-	96,260,000
Transportation System Revenue Refunding Bonds,	12/29/2014	$ 112,305,000	5.000%	11/01/2025	1,705,000		$ 1,705,000		-
2014 Series A (Tax Exempt)			5.000%	11/01/2026	1,790,000		1,790,000		-
			5.000%	11/01/2027	1,880,000		1,880,000		-
			5.000%	11/01/2028	3,485,000		3,485,000		-
			5.000%	11/01/2029	4,555,000		4,555,000		-
			5.000%	11/01/2030	4,755,000		4,755,000		-
			5.000%	11/01/2031	4,965,000		4,965,000		-
			5.000%	11/01/2032	5,190,000		5,190,000		-
			5.000%	11/01/2033	5,415,000		5,415,000		-
			5.000%	11/01/2034	4,435,000		4,435,000		-
			5.000%	11/01/2035	4,585,000		4,585,000		-
			5.000%	11/01/2036	5,180,000		5,180,000		-
			5.000%	11/01/2037	5,780,000		5,780,000		-
			5.000%	11/01/2038	24,100,000		24,100,000		-
			5.000%	11/01/2039	27,110,000		27,110,000		-
					104,930,000	-	104,930,000	-	-
Transportation System Revenue Refunding Bonds,	12/29/2014	$ 17,255,000	4.900%	11/01/2025	2,140,000			$ 2,140,000	-
2014 Series B (Federally Taxable)			4.900%	11/01/2026	2,220,000				2,220,000
			4.900%	11/01/2027	2,305,000				2,305,000
			5.050%	11/01/2028	880,000				880,000
					7,545,000	-	-	2,140,000	5,405,000
Transportation System Revenue Refunding Bonds,	10/24/2019	$ 62,435,000	5.000%	11/01/2028	1,075,000				1,075,000
2019 Series A (Tax Exempt)			5.000%	11/01/2029	16,305,000				16,305,000
			5.000%	11/01/2030	11,690,000				11,690,000
			5.000%	11/01/2031	12,290,000				12,290,000

(Continued)

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2025

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2024	Issued	Refunded	Paid	Balance December 31, 2025
Transportation System Revenue Refunding Bonds,	10/24/2019	$ 62,435,000	5.000%	11/01/2032	$ 12,900,000				$ 12,900,000
2019 Series A (Tax Exempt) (Continued)			5.000%	11/01/2033	8,175,000				8,175,000
					62,435,000	-	-	-	62,435,000
Transportation System Revenue Refunding Bonds	10/24/2019	$ 38,630,000	3.020%	11/01/2025	2,180,000			$ 2,180,000	-
2019 Series B (Federally Taxable)			3.120%	11/01/2026	2,265,000				2,265,000
			3.260%	11/01/2027	2,365,000				2,365,000
			3.360%	11/01/2028	12,740,000				12,740,000
			3.936%	11/01/2034	9,320,000				9,320,000
			3.936%	11/01/2035	9,760,000				9,760,000
					38,630,000	-	-	2,180,000	36,450,000
Subordinated Refunding Bonds	10/24/2019	$ 8,930,000	5.000%	11/01/2025	1,030,000			1,030,000	-
2019 Series A (Tax Exempt)			5.000%	11/01/2026	1,090,000				1,090,000
			5.000%	11/01/2027	1,140,000				1,140,000
			5.000%	11/01/2028	1,200,000				1,200,000
					4,460,000	-	-	1,030,000	3,430,000
Transportation System Revenue Bonds,	10/29/2020	$ 298,910,000	4.000%	11/01/2040	21,450,000				21,450,000
2020 Series A (Tax Exempt)			5.000%	11/01/2041	22,305,000				22,305,000
			5.000%	11/01/2042	23,420,000				23,420,000
			5.000%	11/01/2043	24,595,000				24,595,000
			5.000%	11/01/2044	25,825,000				25,825,000
			5.000%	11/01/2045	27,115,000				27,115,000
			4.000%	11/01/2046	28,470,000				28,470,000
			4.000%	11/01/2047	29,610,000				29,610,000
			4.000%	11/01/2048	30,790,000				30,790,000
			4.000%	11/01/2049	32,025,000				32,025,000
			4.000%	11/01/2050	33,305,000				33,305,000
					298,910,000	-	-	-	298,910,000
Transportation System Revenue Refunding Bonds,	10/29/2020	$ 48,000,000	2.195%	11/01/2025	11,165,000			11,165,000	-
2020 Series B (Federally Taxable)			2.401%	11/01/2026	11,410,000				11,410,000
			2.381%	11/01/2027	11,680,000				11,680,000
			2.561%	11/01/2028	610,000				610,000
					34,865,000	-	-	11,165,000	23,700,000

(Continued)

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2025

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2024	Issued	Refunded	Paid	Balance December 31, 2025
Subordinated Bonds,	10/29/2020	$ 26,090,000	5.000%	11/01/2040	$ 1,855,000				$ 1,855,000
2020 Series A (Tax Exempt)			5.000%	11/01/2041	1,950,000				1,950,000
			5.000%	11/01/2042	2,045,000				2,045,000
			5.000%	11/01/2043	2,150,000				2,150,000
			5.000%	11/01/2044	2,255,000				2,255,000
			5.000%	11/01/2045	2,370,000				2,370,000
			4.000%	11/01/2046	2,485,000				2,485,000
			4.000%	11/01/2047	2,585,000				2,585,000
			4.000%	11/01/2048	2,690,000				2,690,000
			4.000%	11/01/2049	2,795,000				2,795,000
			4.000%	11/01/2050	2,910,000				2,910,000
					26,090,000	-	-	-	26,090,000
Transportation System Revenue Bonds,	9/22/2022	$ 225,000,000	5.000%	11/01/2036	4,160,000				4,160,000
2022 Series A (Tax Exempt)			5.000%	11/01/2037	4,775,000				4,775,000
			5.000%	11/01/2038	5,715,000				5,715,000
			5.000%	11/01/2039	6,200,000				6,200,000
			5.000%	11/01/2040	11,670,000				11,670,000
			5.000%	11/01/2041	12,255,000				12,255,000
			4.500%	11/01/2042	12,870,000				12,870,000
			4.625%	11/01/2043	13,445,000				13,445,000
			4.625%	11/01/2044	14,065,000				14,065,000
			4.625%	11/01/2045	14,715,000				14,715,000
			4.625%	11/01/2046	15,400,000				15,400,000
			4.625%	11/01/2047	16,110,000				16,110,000
			5.250%	11/01/2048	16,860,000				16,860,000
			5.250%	11/01/2049	17,745,000				17,745,000
			5.250%	11/01/2050	18,675,000				18,675,000
			5.250%	11/01/2051	19,655,000				19,655,000
			5.250%	11/01/2052	20,685,000				20,685,000
					225,000,000	-	-	-	225,000,000
Transportation System Revenue Refunding Bonds,	1/16/2025	$ 98,725,000	5.000%	11/01/2025		$ 435,000		$ 435,000	-
2025 Series A			5.000%	11/01/2026		695,000			695,000
			5.000%	11/01/2027		1,665,000			1,665,000
			5.000%	11/01/2028		3,265,000			3,265,000
			5.000%	11/01/2029		4,325,000			4,325,000
			5.000%	11/01/2030		4,515,000			4,515,000
			4.500%	11/01/2031		4,710,000			4,710,000

(Continued)

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2025

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2024	Issued	Refunded	Paid	Balance December 31, 2025
Transportation System Revenue Refunding Bonds,	1/16/2025	$ 98,725,000	4.625%	11/01/2032		$ 4,920,000			$ 4,920,000
2025 Series A (Continued)			4.625%	11/01/2033		5,135,000			5,135,000
			4.625%	11/01/2034		4,140,000			4,140,000
			4.625%	11/01/2035		4,275,000			4,275,000
			4.625%	11/01/2036		4,855,000			4,855,000
			5.250%	11/01/2037		5,440,000			5,440,000
			5.250%	11/01/2038		23,740,000			23,740,000
			5.250%	11/01/2039		26,610,000			26,610,000
					-	98,725,000	-	435,000	98,290,000
					$ 899,125,000	$ 98,725,000	$ 104,930,000	$ 16,950,000	$ 875,970,000

South Jersey Transportation Authority
Schedule of Toll Revenue and Transactions
Year Ended December 31, 2025

Interchange:	Toll Revenue	Vehicle Count
Pleasantville	$ 29,972,161	17,599,983
Exit 5, Route 9	1,398,859	886,074
Mays Landing	2,961,596	2,080,712
Egg Harbor	78,226,235	15,630,519
Hammonton	2,387,400	1,577,361
Winslow	1,232,156	807,776
Williamstown	2,776,198	3,171,453
Pomona	3,138,478	2,119,821
Berlin Crosskeys	2,045,505	2,367,793
Route 50	1,307,360	271,496
Unusual and Toll Free		84,431
	$ 125,445,948	46,597,419

Unusual vehicles include vehicles with special transit permits, fire equipment, ambulance, and patrons without funds.

Toll-free vehicles include Authority vehicles, emergency vehicles, vendors servicing the Expressway System, and other whom the Authority deems to be necessary and convenient to the operation of the Expressway System.