ANNUAL REPORT
2023

NJ TRANSIT

Reaching NEW HEIGHTS

The Transformation Continues...

APTA
AMERICAN PUBLIC TRANSPORTATION ASSOCIATION
2023
Outstanding Public Transportation System Achievement
NJ TRANSIT

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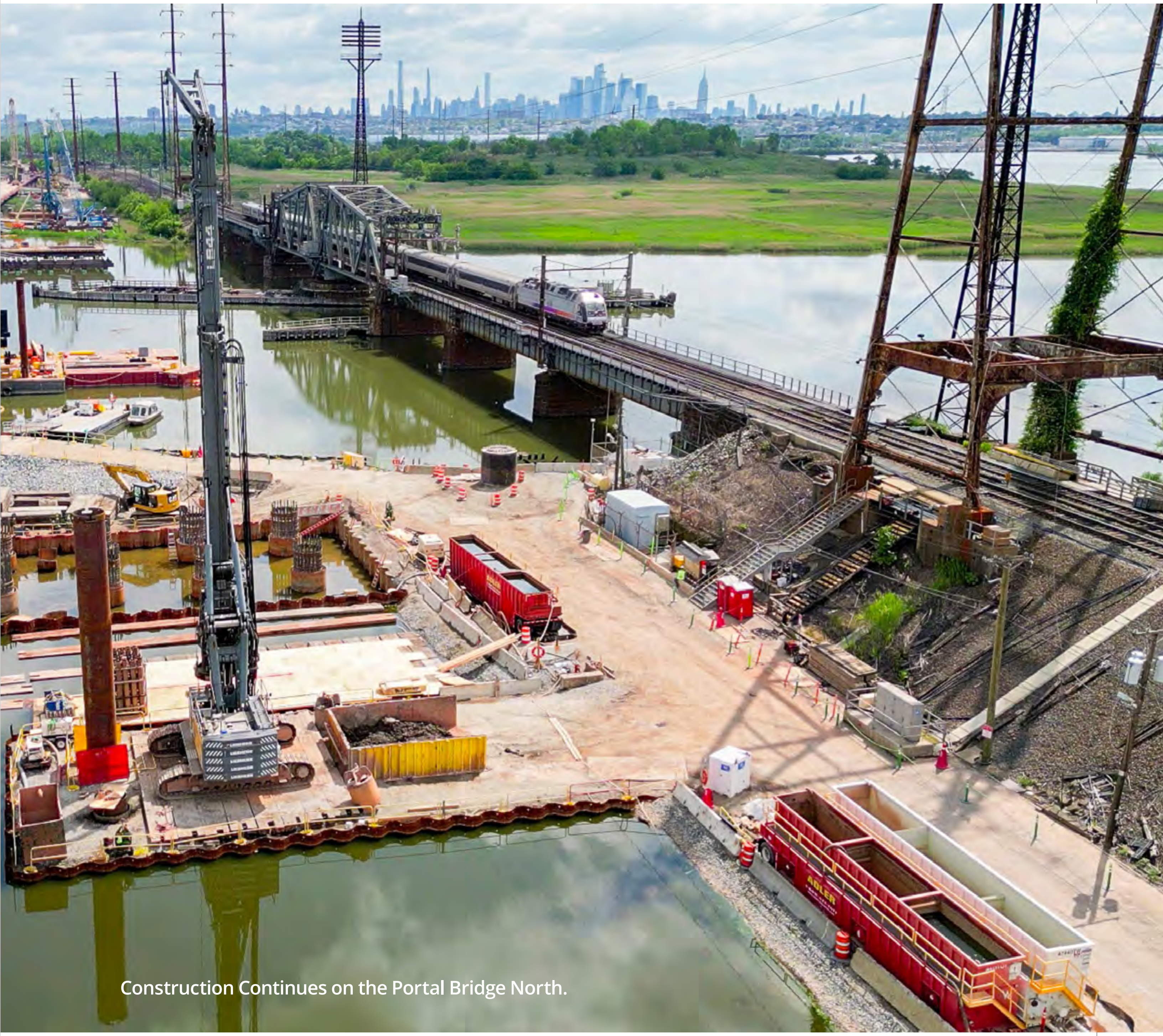


Construction Continues on the Portal Bridge North.

Letter from New Jersey Governor Phil Murphy

GOVERNOR, STATE OF NEW JERSEY

As we reflect on the past year and look ahead to the future, it's clear that our collective efforts to build a more resilient, sustainable, and efficient transportation system in New Jersey are paying off. Our work is not just about moving people from Point A to Point B; it's about improving the quality of life for every family that calls the Garden State home.

Over the past six years, we have taken extraordinary steps forward – from increasing State support to NJ TRANSIT, to investing heavily in overhauling our fleet and infrastructure, to navigating the challenges of the COVID-19 pandemic, to our ongoing improvements in service reliability for all of our riders. Simply put, we are building a world with less traffic, less pollution, and far fewer headaches in getting where you need to be.

Toward that end, NJ TRANSIT is now leveraging unprecedented State support to invest more than $1 billion into modernizing our largest and most critical transportation hubs across the state, including Newark Penn Station, Hoboken Terminal, and the Walter Rand Transportation Center. With these efforts, we are completely re-envisioning and reinvigorating these facilities to buttress our state's future growth and development.

And as we prepare for the future of NJ TRANSIT, as always, we are prioritizing sustainability and environmental responsibility at every turn. Last year, NJ TRANSIT launched its first-ever Sustainability Plan and rolled out its first-ever fleet of electric buses to the streets of Camden. These initiatives are paving the way for our state to deploy a 100 percent zero-emissions bus fleet by 2040, and – in turn –enabling us to reduce pollution and create a more sustainable future for all of New Jersey's children.

We are also moving full speed ahead in completing the Gateway Program, the largest and most important infrastructure project in America, with two major components of this Program – the Portal North Bridge Replacement Project and the Hudson Tunnel Project – now progressing at a blistering pace.

Even during the earliest days of our Administration, when NJ TRANSIT faced seemingly overwhelming challenges – including a Positive Trail Control project woefully behind schedule, a severe shortage of Locomotive Engineers, no five-year Capital Plan, and so much more – we set down the marker and directed NJ TRANSIT to commence with the Portal North project. As a result, this project remains on time and on budget, and the first track is scheduled to open in 2026.

We are also proud to have broken ground, in 2023, on the Hudson Tunnel Project, which will significantly improve capacity, reliability, and service delivery for the most critical piece of infrastructure along the Northeast Corridor. With shovels now in the ground, we have officially moved the Gateway Program further along than any administration in history.

Of course, we owe a significant amount of credit to President Biden, and his administration, as they are embarking on the most ambitious infrastructure agenda in a generation. And their investments – through legislation like the Bipartisan Infrastructure Law – are benefitting New Jersey in a big way.

This past September, for example, the Federal Highway Administration announced it will provide $425 million to New Jersey to support both NJ TRANSIT and NJDOT projects across our state. This is the largest amount of funding New Jersey has ever received as part of the August redistribution process. In fact, it was the fourth-largest amount of funding that any state received – even though New Jersey is the fourth-smallest state in the country – and it will go a long way in supporting vital projects that benefit our communities.

What this funding really proves, however, is that the federal government understands that the future of America runs right through the heart of New Jersey, the most densely populated state in the most densely populated region of the country.

In short: the decisions we make today will define the next century for New Jersey, as well as the entire country. And together, we are paving the way for a better future – from building out our fleet of zero-emission buses to completing construction of the Secaucus to Meadowlands Transitway.

Soon enough, the rest of the world will have a chance to experience a new era of world-class transportation, right here in the Garden State, with the 2026 FIFA World Cup.

There is no other place on the planet better prepared to host the world's biggest sporting event.

And with the World Cup, we will have a chance to prove to our friends across the country, and across the globe, that New Jersey is the definitive destination for live sports and entertainment – thanks, in no small part, to the strength and reliability of our transportation system.

So I want to extend my gratitude to all of our state and federal leaders – including New Jersey's Congressional Delegation – for their continued focus on the future of our state's transportation system.

And of course, none of this progress would have been possible without the phenomenal NJ TRANSIT team. I thank NJDOT Commissioner and my Chief of Staff Diane Gutierrez-Scaccetti, NJ TRANSIT President & CEO Kevin Corbett, and every one of our partners and stakeholders for their dedication and hard work.

Our vision for the future of infrastructure in New Jersey is clear: building safer, more sustainable, and more accessible cities and communities. Together, we will continue to seize this once-in-a-generation opportunity to rebuild the very foundation of our state. And together, we will set the stage for a better quality of life for every family in New Jersey.

Phil Murphy
Governor, State of New Jersey

Letter from Diane Gutierrez-Scaccetti

CHIEF OF STAFF TO GOVERNOR MURPHY, COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF TRANSPORTATION, AND NJ TRANSIT BOARD CHAIR

This past year has been one of progress and innovation for NJ TRANSIT, as we have made considerable strides in our journey toward a more efficient and sustainable public transportation system.

We marked a major milestone in 2023 by introducing NJ TRANSIT's first-ever battery-electric buses, a landmark move toward zero-emissions public transportation. The conversion to a fully electric fleet, now well underway, is an ambitious undertaking requiring considerable planning and investment, but it's an investment we believe is critical for the health of our communities and our planet.

Our dedication to sustainability extends far beyond electric vehicles, as reflected in the release of NJ TRANSIT's first-ever Sustainability Plan – a comprehensive roadmap underscoring our commitment to future generations by integrating environmental, social, and governance considerations into all aspects of our operation.

I am especially proud of NJ TRANSIT's Secaucus/Meadowlands Transitway project, which advanced again in July 2023, when our Board approved a contract that will provide full design and engineering of a Transitway route and development. As we prepare for our role as host city for the 2026 FIFA World Cup, this critical initiative will support economic growth in the state, while effectively meeting the anticipated travel demands to New Jersey's premier sports, retail, and entertainment destinations.

Our overall progress was recognized and rewarded this past August, when NJ TRANSIT was named Outstanding Public Transportation System for 2023 by the American Public Transportation Association (APTA), putting NJ TRANSIT above every major transit system across the U.S. and Canada who deliver 50 million or more annual passenger trips.

This achievement – and all we have accomplished since 2018 – would not have been possible without the support and partnership of Governor Murphy, whose unwavering commitment to public transportation has been instrumental in shaping a resilient and sustainable transportation system for our state. I am also grateful to President & CEO Corbett for his leadership, and to all the dedicated staff, engineers, planners, and partners who have worked tirelessly to move NJ TRANSIT forward.

Together, we are building a cleaner, more sustainable, and more efficient NJ TRANSIT. Our progress in FY2023 provides a promising glimpse into a future where we not only meet the transportation needs of our state, but also contribute significantly to a more sustainable New Jersey.

Sincerely,

Diane Gutierrez-Scaccetti
Chief of Staff to Governor Murphy,
Commissioner, NJ Department of Transportation
Board Chair, NJ TRANSIT

Letter from Kevin S. Corbett

NJ TRANSIT PRESIDENT & CEO

I am pleased to present NJ TRANSIT's Fiscal Year 2023 Annual Report, highlighting a year marked by resilience, innovation, and growth. Our rebounding ridership – at approximately 80 percent of pre-COVID levels – continues to outpace many other transit agencies in the nation, on a relative basis, demonstrating our critical importance to our state and region. Our year was capped off by an extraordinary achievement, when – for the first time in more than twenty years – we received the American Public Transportation Association's (APTA) 2023 Outstanding Public Transportation System, the highest accolade and top achievement among North America's largest public transportation systems. NJ TRANSIT was also recognized nationally for the second consecutive year by APTA for our advancements in safety and security, receiving the prestigious 2023 Bus Safety and Security Excellence Gold Award.

We also proved our ability time and again to provide seamless transportation to major, worldwide events, as evidenced by our success moving customers to and from a series of blockbuster concerts at MetLife Stadium featuring Taylor Swift, Ed Sheeran, Beyoncé, and many others. Our success clearly shows what we've been able to accomplish over the past six years with a strong management team and the necessary resources.

In addition to our improvements in service delivery, we have made substantial progress advancing our Capital Program. Our Portal North Bridge Replacement Project, now more than 30 percent complete, continues to advance at a furious pace. I routinely hear from both public officials and regular riders who are amazed at how large the scope of the project is, and how quickly it's progressing. In addition to Portal North, we are pleased to be collaborating closely with Amtrak, the Port Authority, the Gateway Development Commission, and our partners in New York to advance the Hudson Tunnel Project, another central Gateway Program component.

We are also supporting the advancement of several Transit-Oriented Development projects around the state, including one of the largest and most transformative called "Hoboken Connect". This project includes an infusion of approximately $625 million of private capital and $176 million of public investment committed by the Murphy Administration to reimagine our Hoboken Terminal, the community around it, and the historic ferry terminal. In addition to Hoboken Terminal, Governor Murphy has committed $190 million to modernize and reimagine Newark Penn Station, and $250 million to replace the Walter Rand Transportation Center – both of which are currently advancing.

In total, NJ TRANSIT is currently advancing more than 60 projects that are either in design or construction as part of what the Federal Transit Administration (FTA) calls the second largest capital program in the country, behind only New York's MTA. Since 2018, we have advanced nearly $6 billion dollars' worth of projects, including both infrastructure projects and train and bus vehicle purchases – a figure that would have seemed unimaginable in 2017. Looking forward, we are poised to advance approximately $8 billion in capital expenditures over the next three years, marking the largest investment in our system in NJ TRANSIT's 40-year history.

Technology continues to play a significant role in both customer-facing and internal projects and programs. This year, we have made several updates to our NJ TRANSIT mobile app, which is currently rated at an impressive 4.8 out of 5 stars, with more than 209,000 reviews! Internally, we are implementing Enterprise Asset Management systems throughout our organization, to maximize capital program dollars and the lifecycle value of all our assets. We are also upgrading and replacing obsolete internal IT software, hardware, and platforms throughout the organization – advancing the automation of key processes across the agency.

Sustainability is one of the five overarching goals in our 10-Year Strategic Plan, NJT2030, and remains a high priority at NJ TRANSIT. Several key sustainability initiatives and projects continue to advance, not the least of which is our agency's first-ever Sustainability Plan. Following a robust public engagement effort,

APTA Award Meet & Greet at Ferry Street

we introduced a draft version of the plan in June 2023. We launched an additional public comment period to obtain feedback from the public on the draft plan, and we expect to release the final Sustainability Plan in the spring of 2024.

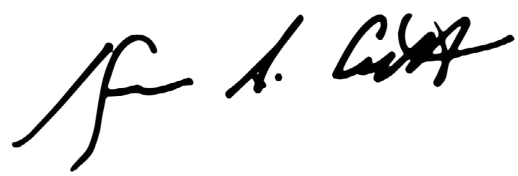
We are continuing to aggressively advance toward our goal of a 100 percent zero-emissions bus fleet by 2040, in support of Governor Murphy's Energy Master Plan. Our Bus Garage Modernization Program, which will transform all 18 of our bus garages to support future zero-emissions buses, continues to advance. This includes our Hilton Bus Garage in Maplewood, which is advancing to accommodate zero-emission buses on several routes serving Newark and Maplewood, thanks to a $47 million federal grant, awarded in July 2023, from the Infrastructure Investment and Jobs Act. This grant builds on our success in Camden, where all eight of our first-ever electric buses are operating on several routes, gathering important information and data that will allow us to continually advance our Zero-Emission Bus Program, responsibly and reliably.

Another exciting sustainability pilot that is moving forward is battery electric locomotives. In early 2023, NJ TRANSIT initiated a project to conduct a feasibility study to convert an existing EPA Tier III ALP-45 dual-power locomotive to a zero-emission locomotive. We'll be sharing more on the progress of this innovative pilot later in 2024.

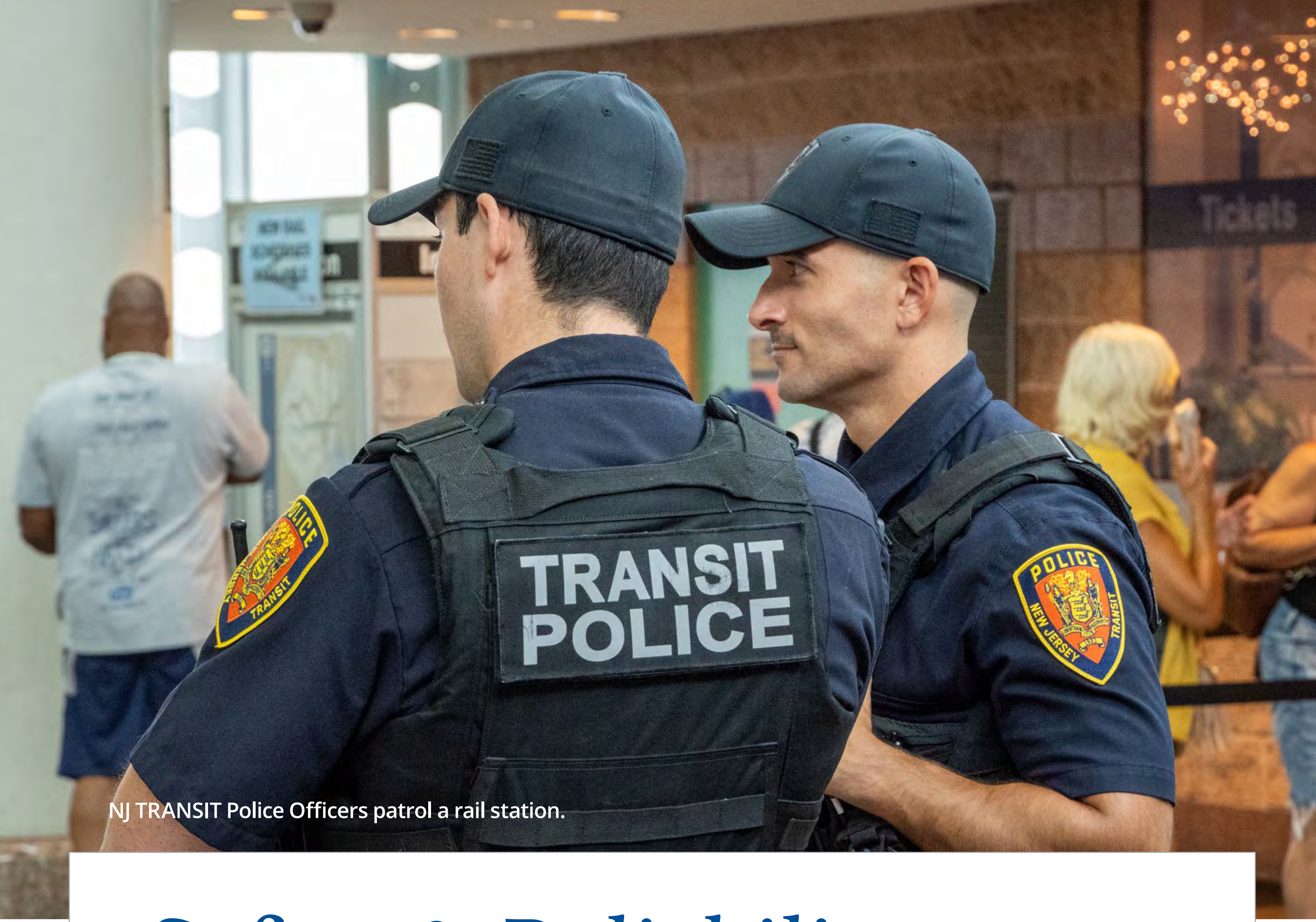
I'm pleased that our agency's hard work and relentless focus on the customer experience is being felt by our riders. Our most recent Customer Satisfaction Survey saw the highest ratings since we started conducting the survey in 2011, including 82 percent of our customers indicating they would recommend us to a friend or family member. As an employer, NJ TRANSIT was also again recognized by Forbes for the third consecutive year as one of America's 2023 Best-in-State Employers.

I would be remiss if I did not take a moment to thank Governor Murphy for his leadership and support since 2018 – we simply could not have accomplished so much in six years without the support we have received from the Governor, as well as the Legislature. I would also like to thank our Board, and in particular outgoing NJDOT Commissioner Diane Gutierrez-Scaccetti, for her leadership and support. I look forward to working with incoming Acting NJDOT Commissioner Francis K. O'Connor.

While we have accomplished a lot in 2023, we know full well that there is still much work to do. NJ TRANSIT is committed to building on this past year's progress to continue delivering the best possible travel experience for our customers. We won't be satisfied until NJ TRANSIT solidifies its position as a model for transit agencies nationwide.



Kevin S. Corbett
NJ TRANSIT President & CEO



NJ TRANSIT Police Officers patrol a rail station.

Safety & Reliability

INTRODUCTION

Thank you for reading the NJ TRANSIT Fiscal Year 2023 (FY2023) Annual Report. This report highlights the agency's major activities and accomplishments for the fiscal year (July 1, 2022 to June 30, 2023). This includes customer-focused initiatives, current and future project milestones, safety and technology enhancements, sustainability plans, resiliency efforts and much more. This report also includes information on the NJ TRANSIT leadership team and advisory committees, FY2023 on-time performance numbers, and the FY2023 NJ TRANSIT Financial Report.

This year was unlike any other in that NJ TRANSIT earned itself not one, but two, prestigious honors on top of making significant strides in technology, service and safety to elevate the customer experience.

The agency was awarded the **American Public Transportation Association's (APTA) highest honor by being named the 2023 winner of the Outstanding Public Transportation System award** from among North America's largest transit systems. This achievement reflects the hard work and dedication of NJ TRANSIT's employees that continues to transform the agency, delivering significant improvements across every area in the organization, including service, customer experience, technology & innovation, and advancing major capital projects.

In addition, for the third straight year, ***Forbes*** **named NJ TRANSIT to its renowned *America's Best-in-State Employers 2023 list.*** This marks the fourth time in the last six years that NJ TRANSIT has been recognized as one of New Jersey's best places to work.

These accolades round out a successful year as NJ TRANSIT continues its path forward in innovation and progress, enabling the agency to reach new heights.

OPERATIONS PERSONNEL

In April 2023, NJ TRANSIT was presented the **American Public Transportation Association (APTA) Bus Safety and Security Excellence Gold Award** at the 2023 APTA Mobility Conference in Minneapolis, Minnesota. NJ TRANSIT was chosen for its De-Escalation/ Operator Assault training program, developed by NJ TRANSIT Bus Operations, which includes an additional module introduced by the NJ TRANSIT Police Department (NJTPD). This training is presented to front-line bus employees to help manage difficult situations and minimize the potential for employee assaults. This training provides operators with the latest tools and measures to help reduce assault risks by defusing confrontational and volatile situations with difficult or dangerous customers. It also provides guidance on how to report dangerous customers to NJTPD and/ or local law enforcement. Additionally, the training also reviews the State of New Jersey's protections for front-line public transit workers.

In addition, a new one-day training program for garage managers and supervisors was developed and implemented during FY23. Participants learned about the behind-the-scenes work that goes into attracting and hiring new talent and ways to keep employees engaged. A roundtable format encouraged

Congratulations, @NJTRANSIT you were officially the best part of my holiday travels today.

Tamar @tamarauber

APTA Bus Gold Award

garage managers and supervisors, whose leadership impacts thousands of NJ TRANSIT operators, to discuss employee satisfaction and job challenges – their own as well as that of our operators – in order to come up with solutions to improve employee retention and relations in the garage.

Lastly, more than 200 non-agreement staff from Bus Operations Transportation, Maintenance, and support groups attended "Leading for Respect: How Supervisors and Managers Can Create Respectful Workplaces", a two-hour virtual and interactive training. The training modules – Leading for Respect (for supervisors) and Respect in the Workplace (for all employees) – go beyond traditional harassment prevention training to focus on respect, acceptable workplace conduct, and the types of behaviors that contribute to a respectful and inclusive organizational culture. Surface Transit Performance Assurance Training coordinated the sessions with NJ TRANSIT's EEO department, and the sessions were conducted by the Equal Employment Opportunity Commission Outreach and Education Coordinators.

Meanwhile, Rail Operations continues to develop a robust pipeline of Locomotive Engineers and Conductors. Four more classes of Locomotive Engineers graduated in FY2023, adding 45 new engineers to the NJ TRANSIT roster, along with five classes of Conductors graduating, adding 104 new Conductors to the NJ TRANSIT roster. The agency continues its commitment in maintaining a full roster with a constant flow of trainees and classes, improving service reliability for customers who depend on NJ TRANSIT rail service.

On the corporate side, NJ TRANSIT continues to optimize and modernize essential internal processes. We've introduced new tools, including a Learning Management System, a Performance Management System, and an Electronic Medical Records System, that help us enhance the experience for both internal and external customers. In partnership with the Rutgers Center for Advanced Infrastructure in Transportation (CAIT) and the Union Internationale des Transports Publics (UITP), NJ TRANSIT is proud to be the host transit agency for UITP's first North American Regional Training Center - a world-class training center for public transportation professionals right here in New Jersey. We now offer NJ TRANSIT employees, and public transit employees from across North America, the unique opportunity to learn from word-class leaders and educators, gaining insights into best practices from across the globe. This collaboration has enriched our agency's knowledge and expertise, fostering a culture of continuous learning and global excellence.

PHYSICAL INFRASTRUCTURE

NJ TRANSIT continued advancing its State-of-Good-Repair Program (NJTSGRP), providing project management oversight of all rail, light rail and bus customer-facing facilities. This program is aligned with the NJ TRANSIT 10-Year Strategic Plan, NJT2030, which is focused on safety, improving the customer experience, reducing a state-of-good-repair backlog, and enhancing strategic business practices.

@NJTRANSIT shout out to the conductor on the 5:05 out of Penn Station NY... great energy, informative and even called some stations in Spanish! Don't know who it is but thank you!

Jeff @sportzdad6421

Secaucus Junction

Significant progress was made in FY23 in many **state-of-good-repair projects**, including electrical systems, building structures, canopies, platforms, lighting, benches, elevators, paving and concrete repairs. Rail stations benefiting from these upgrades include, but are not limited to: Paterson, Hazlet, Middletown, Red Bank, Point Pleasant, New Brunswick, Woodbridge, Absecon, and seven (7) stations along the Atlantic City Rail Line. Other long-term improvement projects at Bloomfield, Brick Church, Elizabeth, Mahwah and Roselle Park advanced with significant repairs.

Other SGRP's include Hudson-Bergen Light Rail (HBLR) stations at Garfield Ave, West Side Avenue, 9th Avenue/Congress Street, 22nd Street, 34th Street, 45th Street, Danforth Avenue, Bergenline Ave, Port Imperial, and Tonnelle Ave.

Bus passengers will see significant progress being made at Walter Rand Transportation Center. In addition, the Central Division of NJ TRANSIT bus operations will see improvements at the Howell Park & Ride and Lakewood Bus Terminal. This is in addition to improvements being made across the Northern Division, including the Wayne Transit Center/ Rte. 23 and North Bergen Park & Ride.

Separately, the positive impact that the **Secaucus Meadowlands Transitway** will have on the system is also notable. This project will evaluate alternatives and develop designs for a rapid transit system (aka. "Transitway") between NJ TRANSIT's Secaucus Junction Station and the Meadowlands Sports and Entertainment Complex. The system intends to employ a combination of new and existing transportation infrastructure to accelerate the implementation of revenue service. In addition, the project will assess options to enhance local mobility within the project area, defined as the catchment area of the Boonton Line between roughly Montclair and Secaucus, with additional consideration of later stages that could extend to Newark and Jersey City.

The intention of the Secaucus Meadowlands Transitway is to leverage existing rights-of-way and partner with adjacent transportation infrastructure owners, such as the New Jersey Department of Transportation, to quickly and cost effectively implement environmentally friendly transit access between NJ TRANSIT's existing system and the Meadowlands Sports and Entertainment Complex. This includes evaluating variations on new service west to Newark and/or Montclair as well as east to Jersey City's Grove Street Path Station.

A 10% design and concept has been completed for the system but is being revised based on information and operational suggestions from the New Jersey Turnpike Authority (NJTA). The project has also been split into two distinct phases: FIFA and Full Build. Complete design efforts for the FIFA phase have started and are expected to be completed by the end of 2024. The 30% design efforts for the Full Build are anticipated to start 1st Quarter 2024. Permitting efforts will start with the FIFA phase and coordination with owners, governmental agencies, stakeholders and public outreach. The FIFA phase is expected to be operational in advance of the 2026 FIFA World Cup.

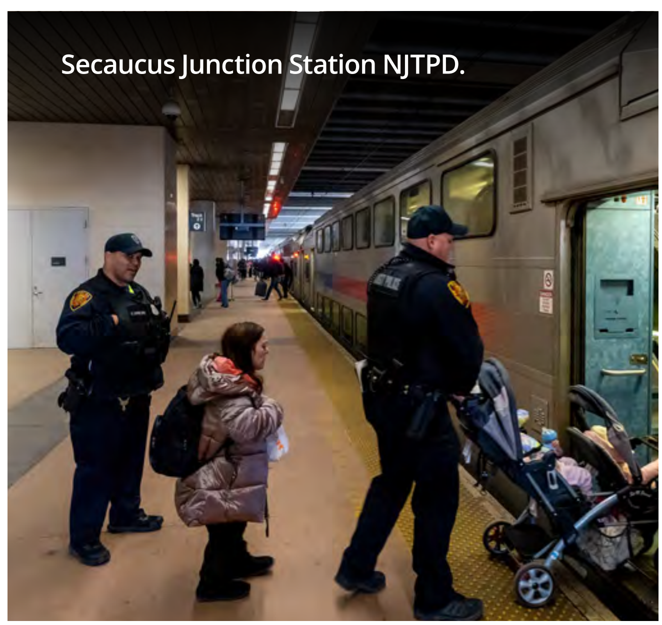
Rail infrastructure inspections were performed on approximately 700 undergrade bridges and overhead bridges. In FY23, NJ TRANSIT also finalized In-Depth structural inspection of 139 undergrade (bridges supporting train loads) bridges. Interim In-Depth underwater inspections were performed for 6 movable and fixed undergrade bridges throughout NJ TRANSIT's system.

The agency replaced roughly 45,000 wood ties throughout four different lines and 2,000 wood cross ties in station platform areas. In addition, 8,000 linear feet of track on the Morris & Essex lines was replaced.

On the bus operation side, NJ TRANSIT, replaced more than a dozen **high-speed garage doors** at various garages across the system and added six more across several garages. The agency also performed several **state-of-good-repair-projects**, including painting of facilities, door repairs, restroom and locker room upgrades, HVAC improvements, the replacement of bus lifts at garages across the state and a roof renovation of Ferry Street, building #1.

SAFETY & SECURITY

From technology to system infrastructure, NJ TRANSIT continues to work diligently to deliver safe and reliable service to its customers. In 2023, we earned an additional ISO Certification 22301. This ensures that there are processes in place to reduce, prepare, and respond to disruptive incidents. We increased our AI Based Video Analytic Capabilities. This offers enhanced safety and security to customers because it can automatically detect and alert authorities about suspicious activities, unattended packages, or crowd congestion. This proactive approach helps to prevent potential threats and ensures the safety of passengers. We implemented GRC (Governance, Risk & Compliance) software


Secaucus Junction Station NJTPD.

NJ TRANSIT Chief of Police, Christopher Trucillo (second from left), with President & CEO Kevin Corbett (center), fellow officers and colleagues at the launch of Ride Kind.

to align Organization strategy and manage governance, risk, and compliance.

To enhance the travel experience for our customers as well as our frontline employees, NJ TRANSIT launched a customer awareness campaign to promote kindness. The "**RIDE KIND"** initiative encourages a culture of civility and respect throughout NJ TRANSIT's System. It reminds and encourages customers to treat all their fellow customers and NJ TRANSIT employees with kindness and respect.

NJTPD and the Office of Emergency Management
During FY23, the Emergency Operations Center (EOC) was activated for 22 planned and unplanned events including planned an unplanned weather events, concerts and special events. A total of 275 first responders participated in **Homeland Security Exercise and Evaluation drills**, including natural, manmade and technological scenarios. Over 1,000 additional first responders received **NJT Rail Safety Training** in conjunction with Federal, State, County and Local agencies within NJ, NYC and Philadelphia. In addition, simulated training exercises concentrating on cybersecurity preparedness was offered to many NJ TRANSIT employees, across rail, light rail, bus, IT and corporate business units. Currently, NJ TRANSIT's **Office of Emergency Management (OEM)** is in the process of planning another series of exercises focusing on Cyber Security.

Similarly, NJ TRANSIT is working with partner transit agencies to develop Emergency Operations Plan (EOP), Pandemic and Cyber response and action plans. NJ TRANSIT OEM maintains a strong, ongoing regional partnership with RUTGERS CAIT in the areas of Environment and Sustainability, Innovative Technology, Transportation Asset Management and Capital Planning.

In addition, 43 new police officers and 12 new civilian employees joined the NJ TRANSIT Police Department (NJTPD) during FY23. During this same time period, NJTPD Officers administered NARCAN (Nasal Naloxone) 240 times with 239 lives saved.

The new **Unmanned Aircraft System Team (Drone Unit)** was formed. Eight Officers successfully received their FAA Part 107 Airman Certification. Drones can be used to assess public safety situations, such as natural disasters, fires, or hazardous material incidents, without putting officers in harm's way. They can provide critical information to make informed decisions and coordinate emergency responses. During large public events or protests, drones can provide an overhead view of crowd dynamics, helping police to manage crowds, identify potential trouble spots, and ensure public safety more efficiently.

43 new police officers and 12 new civilian employees joined the NJ TRANSIT Police Department (NJTPD) during FY23.

Appendix A

Pursuant to the legislature-enacted changes to N.J. Stat. §27:25-20, NJ TRANSIT is submitting an Annual Report to all required governmental and legislative bodies that includes certain accident information for reportable accidents that occurred during the previous year which involved a rail passenger vehicle or motorbus operated by, or under contract to, the corporation. This includes the total number of accidents and any fines, penalties or judgements levied against the corporation related to any such accident. It also includes information regarding any safety violations for which the corporation received a notice of violation in the previous year, including the total number of safety violations and any fines or penalties levied against the corporation related to any such safety violation.

A. Accident Data for Reportable Accidents
NJ TRANSIT reports accident data involving light rail vehicles and motorbuses to the Federal Transit Administration (FTA). It reports accidents involving commuter rail vehicles operated by the corporation to the Federal Railroad Administration (FRA). The data reported in the Table below is drawn from the above mentioned publicly available federal resources. It is for Fiscal Year 2023.

MODE	FY23 Reportable Accidents
BUS	
Bus Directly Operated	258
Bus Purchase Transport	7
LIGHT RAIL	
Light Rail Directly Operated	
(Newark Light Rail)	2
Light Rail Purchase Transport (Hudson Bergen Light Rail)	8
Hybrid Rail Purchase Transport (River Line)	8
COMMUTER RAIL	
Grade Crossing Incidents	11
Other FRA Reportable Train Accidents (includes rail equipment accidents that occur in yards)	16

B. Safety Violations

NJ TRANSIT is regulated by several federal and state agencies, including the Federal Railroad Administration (FRA). The FRA is frequently on site, performing inspections of NJ TRANSIT Rail Operations. During Fiscal Year 2023 the FRA issued thirty-three (33) Inspection Reports, listing one hundred seventy-seven (177) items inspected. During Fiscal Year 2023, the FRA issued ten (10) Notices of Violation, listing eleven (11) Violations that allegedly occurred in Fiscal Year 2022. NJ TRANSIT is contesting the Fiscal Year 2022 violations and has paid no penalties to date. During Fiscal Year 2023, NJ TRANSIT resolved FRA Violations that occurred during Fiscal Years 2019 through 2021. The FRA proposed civil penalties totaling $558,500. NJ TRANSIT resolved those proposed civil penalties paying the FRA $336,382 for the violations that occurred in Fiscal Years 2019 through 2021.

During Fiscal Year 2023, NJ TRANSIT Rail Operations received one (1) Notice of Order to Comply from the New Jersey Public Employees Occupational Safety and Health (PEOSH). The notice was in regard to asbestos training which was abated. Notice(s) of Order to Comply do not include fines and gives the employer an opportunity to provide corrective actions.

During Fiscal Year 2023, NJ TRANSIT Bus Operations received zero (0) Notices of Order to Comply from the New Jersey Public Employees Occupational Safety and Health (PEOSH). NJ TRANSIT received zero (0) requests for information related to COVID-19. Notice(s) of Order to Comply do not include fines and gives the employer an opportunity to provide corrective actions.

During Fiscal Year 2023, of the more than four million bus trips operated, NJ TRANSIT Bus Operations received Sixty (60) Motor Coach/Bus Out-of-Service Violations (OOS) from the New Jersey Department of Transportation and/or

New Jersey State Police. These OOS violations do not carry monetary fines; rather the vehicle is taken out of service until it is repaired.

During Fiscal Year 2023, NJ TRANSIT Light Rail Operations received zero (0) Notices of Violations from the Federal Transit Administration (FTA) and zero (0) Notices of Order to Comply from PEOSH. There are no monetary fines associated with the Notices of Violation.

During Fiscal Year 2023, NJ TRANSIT received one (1) Bus Idling Violation from the Department of Environmental Protection and one (1) Summons for Idling. The violation was issued by the City of New York; the violation has a proposed penalty in the amount of $350.

During Fiscal Year 2023, NJ TRANSIT also received fifty (50) Notices of Violation and Orders of the Commissioner, containing four hundred and eighty-two (482) Violations and forty-three (43) Re-Inspection Results, containing one hundred and thirty-seven (137) Open Violations from the Department of Community Affairs for Uniform Fire Code and Uniform Fire Safety Act Violations; NJ TRANSIT was allotted time to remedy the violations prior to re-inspection. There were thirteen (13) Monetary Penalties assessed totaling $22,000.

NJ TRANSIT continued to rollout its first phase of its new fleet of zero-emission electric buses.

Hiqh-Quality Experience

FLEET

The strategic deployment of new **articulated buses** continues to increase capacity on routes that experience high ridership demand. In addition, five more **battery-electric buses** have entered revenue service in FY23 operating out of the Newton Avenue Garage in Camden. These new buses are part of the roll out of NJ TRANSIT's eight new battery-electric buses (BEBs), the first of which debuted in October 2022.

On the rail operations side, the delivery of 25 new dual-powered ALP-45 locomotives continues and the first of the **Multilevel III vehicles**, consisting of 58 power cars and 55 coaches to replace the 40-year-old Arrow III fleet, is expected to arrive in spring 2024.

Deliveries of **138 cutaway minibuses** for Access Link service were completed, to allow Access Link to modernize the fleet and replace 2014, 2015 and 2016 models.

The **Innovation Train** proof-of-concept was introduced and began testing on the Newark Light Rail and will eventually upgrade the entire Newark Light Rail fleet, as well as the HBLR and RiverLINE. The Innovation Train will ultimately provide cell and wi-fi connectivity for passengers, along with real-time tracking to help scheduling as well as data acquisition for a variety of operational and business needs.

FACILITIES

In September 2022, NJ TRANSIT Bus Operations began operating six bus routes out of the recently-acquired Westwood Garage, all of which previously operated from our Oradell facility. The existing Oradell Garage does not have the space available to fully convert aging 40-foot cruisers to brand new 45-foot buses, making the Westwood acquisition critical to helping expand capacity on our Northern Division bus routes.

On the rail side, over 2000 wood and composite cross ties were placed in passenger station platforms throughout the state as part of NJ TRANSIT's Station Tie Rehabilitation initiative.

In addition, this Fiscal Year, NJ TRANSIT continued work under the State-of-Good-Repair Program (NJTSGRP) to provide central standardized project management oversight of all identified commuter rail, light rail, and bus customer facing facility state of good repair improvement requirements. The goal of the NJTSGRP Team is to align its efforts with the NJ TRANSIT 10-Year Strategic Plan by focusing on safety, improving the customer experience, reducing SOGR backlog, and enhancing strategic business practices. The scope of work for these projects includes the replacement and upgrade of lighting and benches as well the repair of sidewalks, roofs and elevators in various locations throughout the state.

@NJTRANSIT thanks for having people here to help us on day 1 of the decamp changeover. Much appreciated.

Derric Walton @dawalt10

The agency has also made it a priority to bring eight stations up to American with Disabilities Act (ADA) compliance standards. These stations include Aberdeen-Matawan, Essex Street, Gladstone, Hazlet, Mountain View, Rahway, Rutherford and Westwood. The scope of work includes installation of Variable Message Signs (VMS), which provide a visual equivalent of the public address announcement for customers who are hearing impaired at the commuter rail stations. The message will interface with the existing Public Address system. The ADA requires that, wherever audio announcements are available to the public, a visual equivalent be provided for customers who are hearing impaired. This project's intent is to bring these eight stations into compliance with the implementation of the audio component. This project is currently underway.

As part of the Regional Rail Station Modernization & Access Program, **Brick Church Station** is undergoing capital improvements to bring the station to a state of good repair (SOGR), restore its historic features, and

Roselle Park Station

improve passenger safety and accessibility. Major station enhancements include: upgrades to signage and communication system, adaptive reuse of the baggage room, art installation on boarded up platform windows, and new high-level platforms.

The **Roselle Park Station** is an elevated platform station located in Roselle Park that serves NJ TRANSIT's Raritan Valley Line. The station, built circa 1967, is obsolete and in need of both structural and "customer facing" work. Necessary work includes full platform replacement, repairs to access stairs, as well as cleaning and painting work. In addition, an elevator will be installed to improve overall accessibility to the platform. Enhanced signage and communications will be incorporated to provide customers with station information and rail service status.

Bloomfield Station is located within a half mile of Bloomfield College and is surrounded by high-density, mixed-use development. As an integral part of the Township's efforts to revitalize the Downtown Bloomfield Business District, Bloomfield Station will go through a full station modernization to improve circulation, accessibility, and bring the station to a State of Good Repair (SOGR).

The station building and integrated concrete canopies are considered eligible for listing on the National Register of Historic Places. The inbound station (eastbound towards Hoboken) is owned by NJ TRANSIT, whereas the outbound station building (westbound towards Denville) is owned by Bloomfield Township. The existing canopy structures along with the station building, and pedestrian tunnel under the rail line are in poor condition and it is anticipated that they will require complete rehabilitation and restoration. In partnership with the Township and the State Historic Preservation Office, the project will include reconstruction and reconfiguration of the existing historic canopies and both the inbound and outbound station buildings. Additional station building work includes: upgrades to the restrooms; landscaping; roofing; building drainage; and, installation of new elevators.

The pedestrian tunnel connecting the two stations will be rehabilitated. This work includes restoring the terrazzo flooring, waterproofing the tunnel, upgrading lighting, and other structural improvements. Accessibility upgrades include replacing existing low-level platforms with lengthened high-level platforms (HLP) and canopies and elevators and ramps from ground to platform level. These platform and vertical circulation enhancements will facilitate a quicker and more equitable boarding experience for all station users. Catenary and Track work will be completed in association with platform and canopy conversion. To improve signage and communication systems at the station, the broadcast system and digital signage will be upgraded on the platforms, in the tunnel, and shelter house.

Construction of the **Mahwah Station** gained momentum in FY23. The work includes upgrades to the exterior of building, roof replacement, external retaining wall, and exterior facade.

Trenton Transit Center

This station was also identified as a priority to be brought up to a SOGR. NJTSGRP work includes rehabilitating the station's two island platforms (sections of which are wooden); upgrading platform canopies; replacing aging vertical circulation elements throughout the station; and constructing an ADA accessible high-level platform with an elevator from concourse level to facilitate future service expansion for Amtrak, NJ TRANSIT, and SEPTA.

Combined, these improvements will aid in ensuring a high level of service from all three rail operators utilizing the station. Ultimately, the upgrades are expected to result in increased passenger convenience and safety, as well as reduced facility maintenance costs. Funding for this project is being provided through federal grants, Transportation Trust Fund and Amtrak.

To improve signage and communication systems at the station, the broadcast system and digital signage will be upgraded on the platforms, in the tunnel, and shelter house.

Walter Rand Transportation Center

The Walter Rand Transportation Center (WRTC) is located in Camden and is South Jersey's main intermodal transportation facility. The WRTC is currently served by the River LINE light rail, the PATCO Speedline subway, and NJ TRANSIT and Greyhound buses. This project will redesign and expand the existing intermodal facility into a multi-purpose transit center that improves transit links for residents in Camden and the surrounding South Jersey region. The new WRTC will accommodate the 26 bus lines that serve the facility, consolidate curbside bus service inside the facility, improve intermodal connectivity with the PATCO Speedline and the River LINE light rail, and add additional parking, administrative offices, and revenue-generating retail opportunities.

The project will also provide an opportunity for the integration of zero-emission buses. Redevelopment of the WRTC kicked off in February 2022 and the project is currently in the design phase.

The concept and operational specifications have been completed and design to 30% and permitting efforts are scheduled to start in Fall 2023. We have also engaged the City of Camden and Camden County agencies to coordinate efforts for area redevelopment and creation of public amenities at the new facility.

The historic **Perth Amboy Station** on the North Jersey Coast Line currently presents challenges for customers with disabilities. The new station project is constructing two high-level side platforms to provide full commuter rail accessibility, making the station building, platforms, and parking area compliant with the Americans with Disabilities Act (ADA). Additionally, the project will undertake improvements to the historic station buildings, including the pedestrian overpass, elevators, parking, landscaping, lighting, visual communications, and security systems. The State Historic Preservation Office has approved design and environmental work for the station. This project is currently under construction and is approximately 30% complete. The project is expected to be completed by Fall 2024.

The **Elizabeth Station** project includes reconstructing and extending existing high-level platforms to accommodate 12-car boarding capacity, installing new elevators and replacing existing elevators for improved ADA access, constructing new inbound and outbound station buildings and waiting areas, restoring the pedestrian tunnel, installing a state-of-the-art communications system and providing other customer amenities. The project is currently nearing completion with the new eastbound station and platform opened in September 2023, and the westbound platform opened in December 2023, and construction anticipated to be completed in spring 2024.

Construction on the NJ TRANSIT **Bus Control Center** in Maplewood is now complete and the project is in the Administrative Closeout Phase. Also nearing completion is the modernization and upgrade of Lyndhurst Station. The project includes a new station building with two new high-level platforms located closer to the existing parking area. Once completed, the station will comply with ADA accessibility standards.

The **Market Street Bus Garage** is located in the City of Paterson in Passaic County and is part of the Northern Division of NJ TRANSIT Bus Operations. Built in 1903 to operate as a trolley barn, the historic garage stores 150 buses, and makes an average of 1,795 weekly revenue trips, serving an annual ridership of 9.9 million people. This facility plays a major role in the bus maintenance, repair, and servicing operations for NJ TRANSIT buses in Northern New Jersey. The Notice to Proceed for the Market Street Bus Garage Rehabilitation Project was issued in March 2021 and construction is currently underway. The project is expected to be completed in Spring 2024. This project will provide for an updated facility that includes a new floor slab in the main barn, subsurface

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@NJTRANSIT Big thank you for taking over DeCamp's routes and not leaving us stranded. Made my morning today! Much appreciated!

Robin Stern @robin_stern

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monitoring system upgrades, upgrades to mechanical, electrical, and plumbing systems, and life safety system upgrades. The project also includes the installation of an elevator; the installation of a backup generator for the entire facility, interior renovations, repointing and repair of brick exterior, installation of public art, and an approximately 3,200 square-foot building addition.

The **Delco Lead and County Yard Expansion** is a multifaceted project that will address the operations, storage, and resiliency needs along the NEC. The first phase, GC1, currently underway, is performing site preparation and cleanup of the County Yard Site. The remainder of the project, GC-02, will follow. The GC-02 phase will include the construction of a new storage and inspection (S&I) facility, which will contain crew quarters and equipment storage space; and the expansion of County Yard, which will contain five tracks with the capacity to store approximately 120 rail cars in an area resilient against flooding. A new Delco Lead track will extend 3.5 miles south from County Yard and have the capacity to store roughly 288 additional rail cars. This new track will eventually meet the proposed Midline Loop Project in North Brunswick. Ultimately, the creation of a robust, more centrally located storage and inspection facility as part of the Delco Lead and County Yard Expansion will significantly improve NJ TRANSIT's operational efficiency while reducing costs. It will also substantially enhance the agency's ability to provide timely and reliable service to its customers, especially following extreme weather events.

The project includes 4 major components and will be advanced in two phases (GC1 and GC2).

(GC1) Scope includes general site clearing, demolition of existing structures, environmental soil removals and relocation of existing sanitary sewer. NTP construction issued Aug 8, 2022. Anticipated completion in the first quarter of 2024.

Elizabeth Station

GC2 Scope includes the other 3 components, Delco Lead, County Yard and S&I Facility. GC2 construction bid advertisement was issued in October 2023.

SERVICE IMPROVEMENTS

Between September 2022 and June 2023, we added 641 weekday, 171 Saturday and 150 Sunday revenue trips to the system-wide bus schedule. In that same period, we added 1000 weekday, 250 Saturday and 141 Sunday revenue hours of service to the system. We also added 156 weekday peak buses to the schedule with high-capacity articulated buses added to more routes.

A West Essex Emergency service plan was implemented in April 2023 which provided

The Hudson-Bergen Light Rail travels along the NYC skyline.

uninterrupted weekday peak interstate bus service for customers of four former **DeCamp routes**. We are now carrying approximately 1500 passengers per weekday, as compared to the 1300 passengers when DeCamp operated the routes this past spring.

NJ TRANSIT Bus Operations also added six new bus routes and modified an existing bus route to deliver uninterrupted service to tens of thousand of bus customers in Newark, Elizabeth, Orange and Jersey City after A&C and Coach USA's disappointing decision to abandon service on seven bus routes in October 2023.

The **Hudson-Bergen Light Rail (HBLR) Northern Branch Extension** will extend HBLR service from North Bergen in Hudson County to Englewood in Bergen County, improving regional mobility, mitigating traffic congestion, and fostering economic investment. NJ TRANSIT is working closely with the FTA to move the project forward expeditiously as we develop a new scope of work for a new Environmental Impact Statement (EIS). Fortunately, much of the information in the original Supplemental Draft EIS is still relevant and can be used as a starting point in a new EIS process.

The **Hudson-Bergen Light Rail (HBLR) Route 440 Extension** will provide expanded transit access in Jersey City. The project will extend HBLR service from West Side Avenue Station to a new terminus at a site on the west side of State Route 440, where Jersey City is promoting residential and commercial development. NJ TRANSIT has prepared an Environmental Assessment and the Federal Transit Administration has issued a Finding of No Significant Impact. The design has progressed to the 30% level and funding alternatives are being considered in order to move the project forward. In parallel with the 30% design development, actions designated as the West Side Avenue Station Early Work were carried out during a station outage required for a sewer main repair. This allowed NJ TRANSIT to avoid a future extended station outage as well as realize a cost savings. NJ TRANSIT applied for a Mega Grant for the construction of this project in FY2023 for which the results are still pending. NJ TRANSIT is advancing the utility relocation design and property acquisitions. The 100% design is scheduled for completion in April 2024 and completion of the relocation work by October 2025.

The **Glassboro-Camden Line** will provide light rail service from Camden south to Glassboro in Gloucester County, improving regional mobility, mitigating traffic congestion, and fostering economic investment. The project has completed the environmental review under State of New Jersey Executive Order 215, Level 2 Environmental Assessment. This aspect of the project was managed by the Delaware River Port Authority (DRPA) with funding and technical support from NJ TRANSIT. The future development of this project is part of the South Jersey Transportation Authority's program and will be managed by DRPA in consultation with NJ TRANSIT. NJ TRANSIT anticipates preliminary engineering advancement through FY2024.

TECHNOLOGY

Throughout 2023, customer-facing technology teams supported and successfully implemented various projects, products and upgrades for various business units. These efforts reduced security blind spots, mitigated risky user behavior and blocked vulnerability exploitations, to better protect and secure customer data.

We also made improvements to our analytics dashboards to include better key safety indicators. This will help us take a deeper look into safety and improve safety planning going forward. The new safety indicators include incident's occurrence, location of incidents and how these incidents came to be.

The customer-facing technology team at NJ TRANSIT elevated the customer experience through continued improvements of the mobile app, including a new **MyTransit Wallet** that allows current cash customers to go into participating retailers (like 7-Eleven, Walgreens, and CVS) and use cash to load the wallet within their application. The customer can then use those funds to purchase tickets within the mobile app. This exciting new feature will open mobile ticketing to cash customers who previous had to pay on board or visit a TVM/ TOM to purchase tickets.

> *With Tap & Ride, customers can use Credit Cards to purchase a trip on board a bus and at light rail platforms.*

NJ TRANSIT also introduced a Fare Modernization Program. This program delivers technical advancements, customer enhancements and operational efficiencies to NJT's fare payment program, such as **Tap & Ride**. With Tap & Ride, customers can use Credit Cards to purchase a trip on board bus and at light rail platforms. A 30-day pilot program introduced on the NLR and Morris Bus garage for select customer proved to be successful. The program was expanded to include all Newark Light Rail stations, all routes out of the Morris garage and select routes out of the Wayne stations to pay Adult one-way fares. Tap & Ride was rolled out systemwide on all buses and all three light rail lines in October 2023.

Enhancements were also made to the NJ TRANSIT website with the introduction of **Web Ticketing**. With Web Ticketing, customers can purchase train tickets through our NJ TRANSIT website. Once tickets are purchased the rider can generate a bar code for their ticket to be displayed to the conductor on paper, printed at home, or as a PDF on their mobile phone. This new feature will provide alternatives for people not currently using our mobile application and do not have access to a Ticket Vending Machine or Ticket Office Machine.

The agency also made several Passenger Communication enhancements beginning with **Departure Vision 5.0**. Departure Vision 5.0 offers a new map view of trains and buses, nearby buses, stops and stations, modern signage, enhanced filters and Departure Vision for Light Rail and Bus in a unified interface.

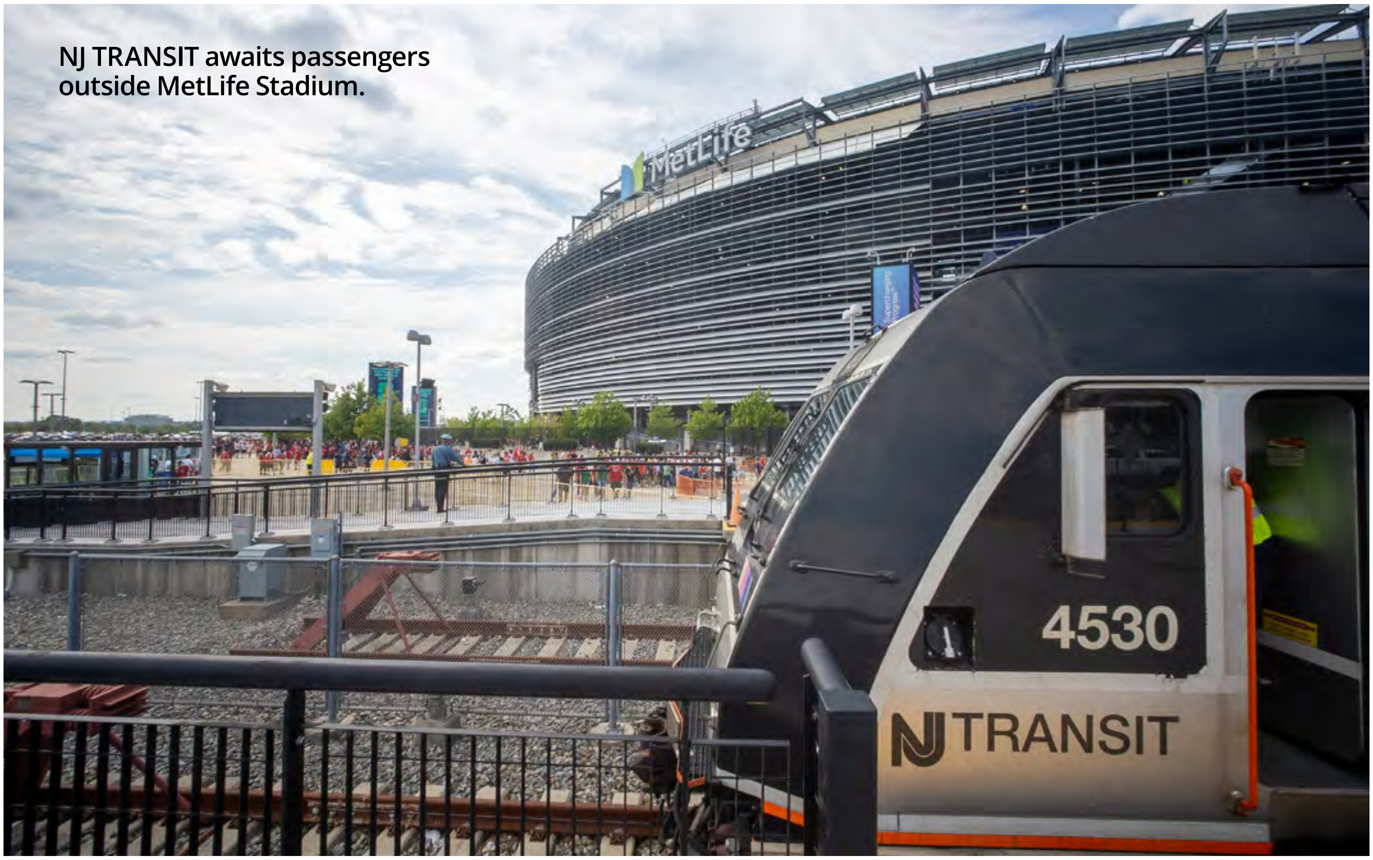
We also made **upgrades to our PA Systems** in Hamilton, Metro Park, Newark Broad, Princeton, Metuchen and Newark Airport stations. Destination boards were installed at Secaucus station and Hoboken Terminal. These boards will greatly enhance the customer experience by helping riders know which next train will take them to the destination they are looking for, and also allows us to be ADA compliant.

Access Link also took a large step forward into the future with **Replicant Artificial Intelligence**. Our customer correspondence has been greatly improved with the use of telephonic AI voice communications. Customer wait times to Verify or Cancel trips were reduced from several minutes to just a few seconds, greatly freeing 'live' agent waiting queues and reducing the number of calls. One third of all Access Link trips (approx. 2000/day) are verified or cancelled via Replicant in lieu of labor intensive and slower responding human agent interactions.

CUSTOMER ENGAGEMENT

In addition to monthly Board of Directors meetings, NJ TRANSIT customers and the general public are invited to participate at monthly Board committee meetings, including the Operations & Customer Service Committee, the Administration Committee and the Energy & Sustainability Committee meetings. At the monthly Board of Directors meeting, the Board takes action on agenda items, receives committee reports and receives comments from the public who attend in person and virtually. Board Operations and Customer Service Committee meetings, which are also open to the public, are attended by Board Committee members, as well as senior management from Customer Service, Rail, Bus, Light Rail and Access Link. During the meeting, NJ TRANSIT staff provides highlights of new initiatives that improve the customer experience, as well as share on-time performance and customer feedback trends and analysis, project and customer engagement updates, safety initiatives

NJ TRANSIT Ambassador assists passengers at the Taylor Swift concert at Met Life Stadium in May 2023.



NJ TRANSIT awaits passengers outside MetLife Stadium.

and more. The public is also welcome to provide comments at this meeting.

NJ TRANSIT executed 91 Ambassador events in FY2023, covered by more than 1,700 employee work shifts. Ambassadors are NJ TRANSIT employees who assist customers traveling on the system during service disruptions, holiday travel days, sports and entertainment travel, and more. The ambassadors can conveniently sign up for their assignments from their work computer or via a mobile app on their phone.

NJ TRANSIT customers also had the opportunity to offer their input during virtual public meetings in FY23 on accessibility programs and services and the agency's sustainability plan. See details about these meetings in other sections of this report.

In June of 2023, NJ TRANSIT launched its **"Know Your ABCs"** campaign – a customer educational campaign that encourages customers to familiarize themselves with alternate routes in case of unplanned service disruptions. These disruptions can occur for a variety of reasons outside NJ TRANSIT's control, including: extreme weather events, trespasser fatalities, Amtrak infrastructure issues on the Northeast Corridor, etc. Customers can be prepared by taking a moment to consider **A**lternate, **B**ack-up & **C**ontingency plans for their travels.

NJ TRANSIT further enhanced the customer experience by making significant improvements to its customer communications infrastructure, systems and services to deliver timely service information, including:

- Offering 24/7/365 staffing of Customer Service & Communications operations to alert customers about service impacts.
- Expanded social media staffing hours to

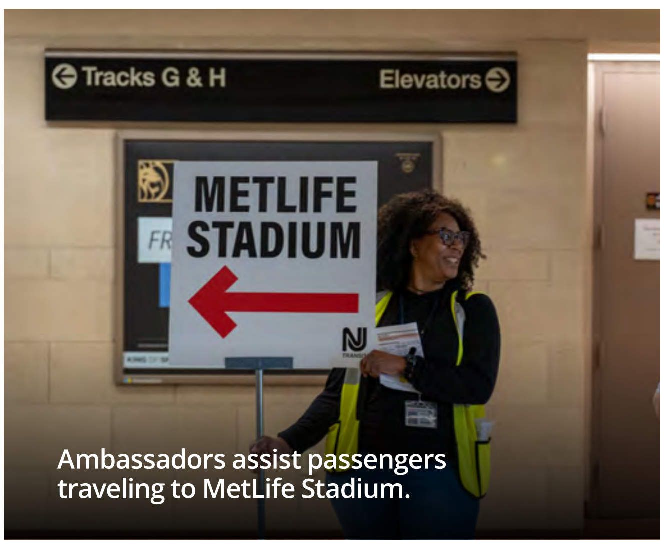
provide service updates via popular social media platforms.

- Piloting new, high-quality digital station announcement systems at five stations.

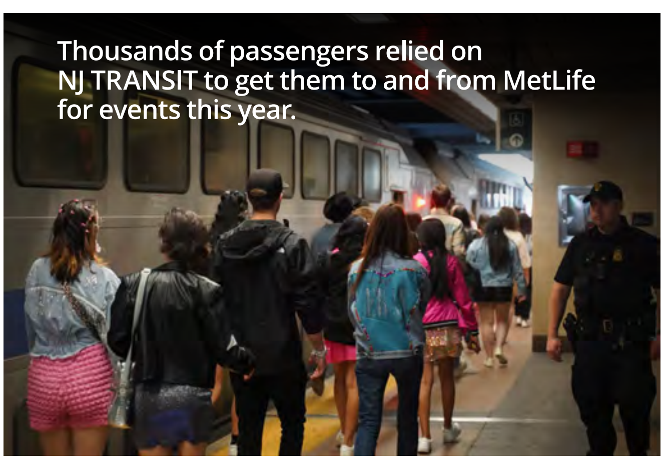
Similarly, the agency made numerous upgrades to the **NJ TRANSIT Mobile app**, which currently boasts a rating of 4.8 stars out 5 on the Apple app store with nearly 200,000 reviews. These include, but are not limited to:

- Completing a redesign which improved functionality and provides better access to information.

- Introducing customized push notifications with service information.



Ambassadors assist passengers traveling to MetLife Stadium.



Thousands of passengers relied on NJ TRANSIT to get them to and from MetLife for events this year.

- Adding a "**How Full Is My Ride?"** feature to inform customers about crowding conditions on vehicles.

- Launching **"Arrival Alerts"** to provide notifications when customers begin arriving at their destination.

- Introducing a new **Map My Ride** feature to allow customers to track the locations of their buses and trains in real-time.

- Adding Light Rail single-ride tickets for purchase.

- Introducing a new **"Cash in App"** feature to let customers who prefer to use cash or don't have a debit or credit card to take advantage of all the benefits of the NJ TRANSIT Mobile App.

- Launching **NJT Rewards** program to allow riders to earn points for their NJ TRANSIT ticket purchases, redeemable for special offers with businesses throughout the state.

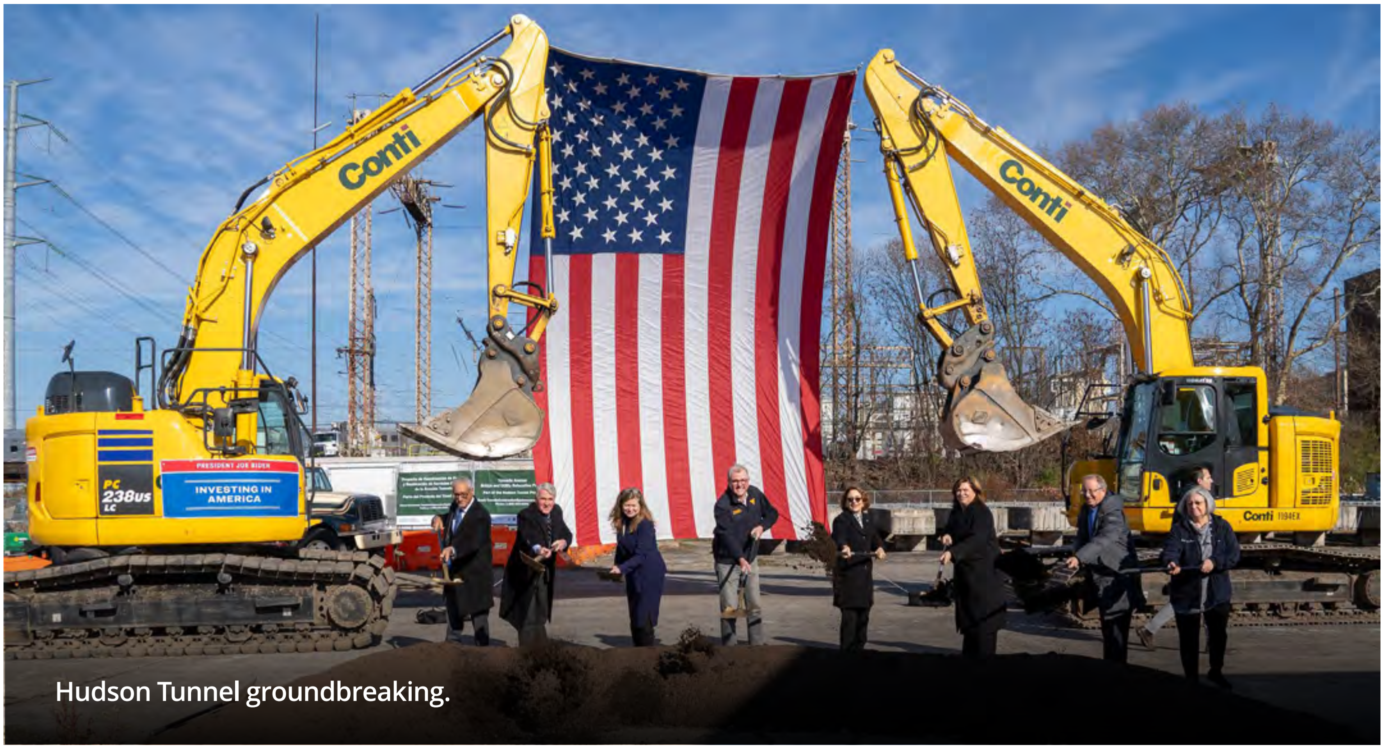
- Introducing **Transit to Trails** program, an online map application which easily identifies over 60 national, state and county parks throughout New Jersey that are accessible by NJ TRANSIT service.

- Piloting a new **FLEXPASS** ticketing option to accommodate customers whose commuting patterns have changed due to COVID-19

- Introducing **Website Ticketing** via a pilot program for the Atlantic City Rail Line.

MAJOR PROJECTS, STUDIES & PLANNING

Construction continued throughout FY23 on the **Portal Bridge Project**. The Portal Bridge plays a critical role in the operation of the Northeast Corridor. As part of the Gateway Program, the Portal North Bridge Project will replace Amtrak's existing, century-old swing-span bridge with a fixed-span bridge over



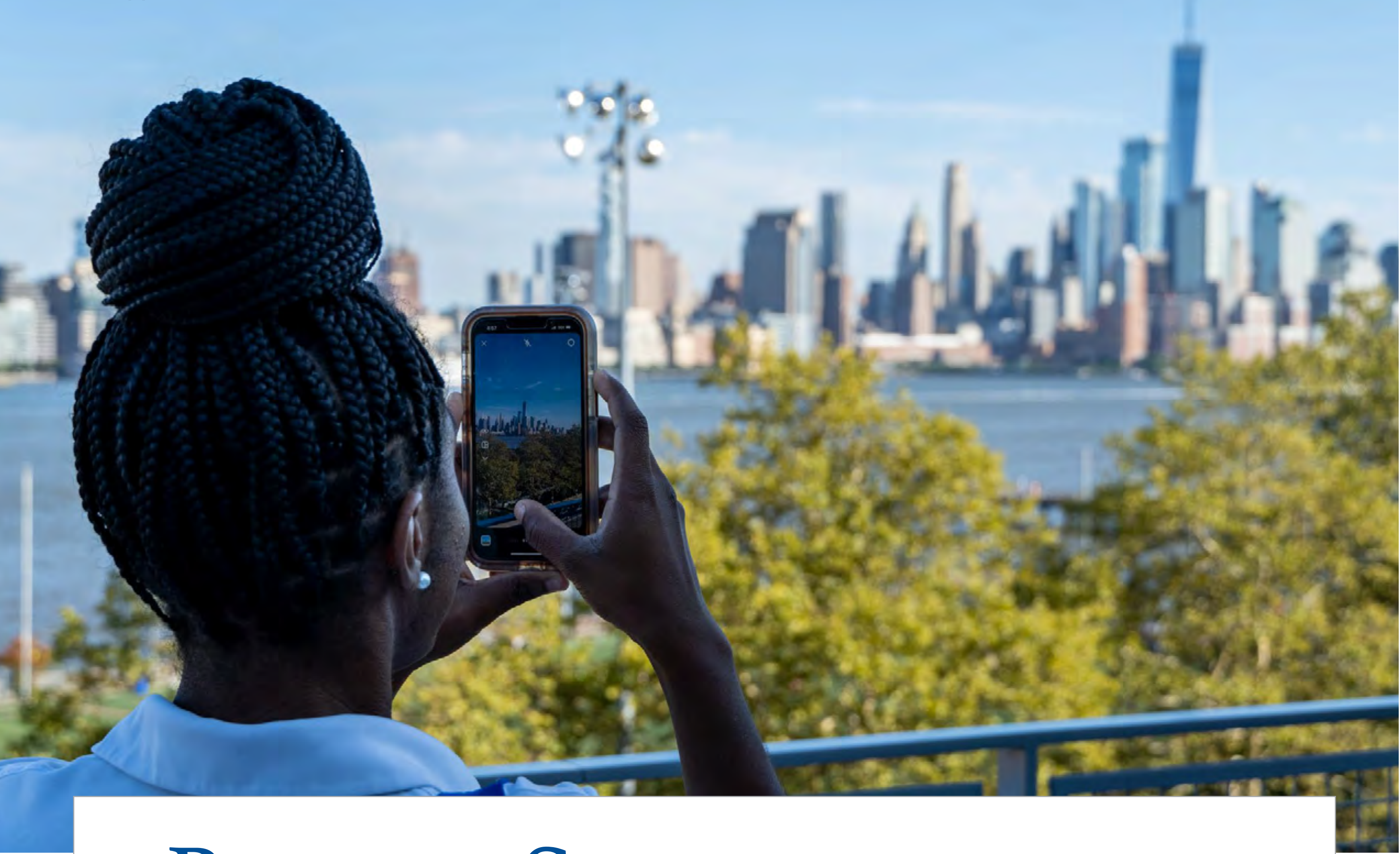
Hudson Tunnel groundbreaking.

the Hackensack River. When the Portal North Bridge project is finished, bridge openings for marine traffic will no longer be necessary -- greatly improving service reliability and speed on the Northeast Corridor between Newark and New York City. The project broke ground in August 2022, and reached the 30% completion milestone in October 2023. The first track is expected to open by the end of 2025.

Equally important, **The Hudson Tunnel Project** involves construction of a new Northeast Corridor rail tunnel under the Hudson River connecting to Penn Station New York as well as the full rehabilitation of the existing 113-year-old North River Tunnel. The project's purpose and need is to improve overall capacity, reliability, and resiliency of rail service between New Jersey and New York. In July 2023 the Federal Transit Administration announced that the Hudson River Tunnel project received approval to enter the Engineering phase of the FTA Capital Investment Grants (CIG) Program, making the project eligible for federal grant assistance.

NewBus is NJ TRANSIT's Bus Network Redesign program. NewBus initiatives are a comprehensive approach to rethinking local bus service based on market conditions and demand, service, and network performance. In addition to technical analysis, NJ TRANSIT works with elected officials, community members, stakeholders, and the riding public to evaluate network-level objectives, strategies, and priorities, ultimately leading to implementable recommendations for an improved bus system and an improved customer experience. The first two phases have already begun with studies addressing 38 bus routes serving Newark and 27 bus routes serving Burlington, Camden, and Gloucester Counties. Advancing the NewBus program will help adapt NJ TRANSIT's bus system to meet our communities' changing mobility needs. Future redesign efforts will occur in geographic phases based on logical groupings of NJ TRANSIT's existing intrastate local bus routes and regional customer markets.

NJ TRANSIT connects individuals and communities to employment and educational opportunities, cultural and entertainment destinations, and health services.



Power a Stronger and Fairer New Jersey for all Communities

We must ensure our public transportation network provides inclusive mobility, connecting individuals and communities to employment and educational opportunities, cultural and entertainment destinations, and health services.

There were 70,866 customers eligible to ride **Access Link** in FY23, representing an increase of 7.8% from FY 22. In FY 23, 1,343,443 ADA trips were provided, representing an increase of 11.3% from FY 22.

TRANSIT-ORIENTED DEVELOPMENT (TOD)

NJ TRANSIT, in partnership with communities and developers, advanced Transit-Oriented Development (TOD) projects anchored by several rail stations and a bus corridor around the system in FY2023.

At **Orange Station**, D&R Orange Urban Renewal, LLC, is nearing completion of the first phase of Essex & Crane, a residential building with 209 apartment homes and a parking garage with 313 parking spaces, including shared commuter parking. The second phase is underway and will include 201 apartment homes and 348 parking spaces.

Development partners Somerset, LLC, AvalonBay Communities, and Pulte Homes are nearing completion of the first phase of **Somerville Station**, which includes 374 apartments, 156 townhomes, a parking garage with 543 parking spaces, including shared commuter parking, a public plaza, and enhanced pedestrian connections to the station.

> *Studies are already underway focusing on 38 bus routes in Newark and 27 bus tours in Burlington, Camden and Gloucester counties.*

Orange Station

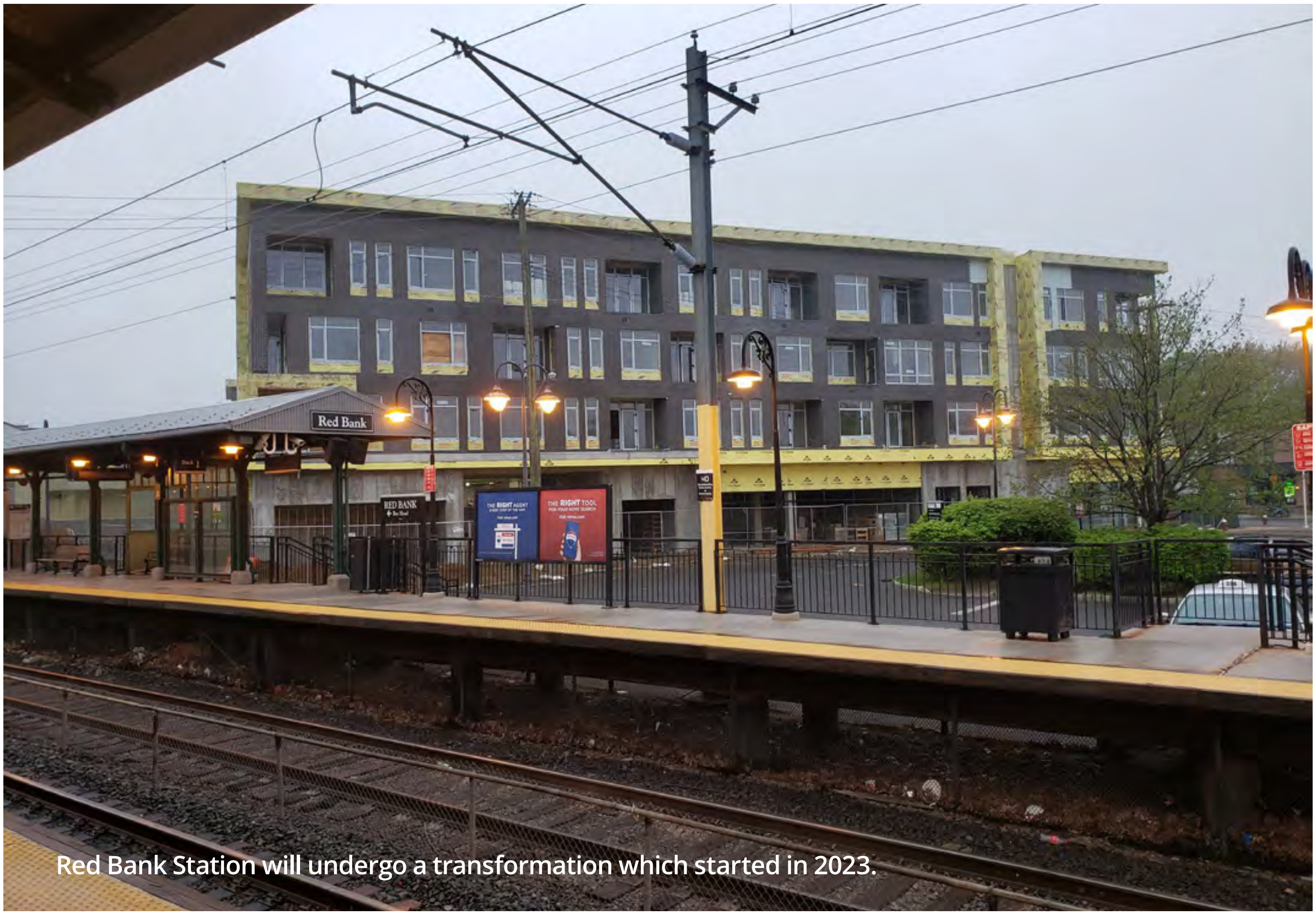

A schematic view of the new Hoboken Connect development.


Hoboken Connect is a multi-phase, mixed-use development project, consisting of residential, retail and public open space.

Meanwhile, at **Hoboken Station**, NJ TRANSIT and its development partner, LCOR Hoboken Rail Station Development, LLC, advanced agreements on the **Hoboken Connect** project to facilitate progress on public infrastructure improvements – the Ferry Terminal Building, Warrington Plaza, and the Bus Terminal – funded by the Governor and NJ Legislature's 2022 commitment of $176 million in NJ Debt Defeasance Act funding. LCOR is also working with the City of Hoboken to transform Hudson Place into a pedestrian-friendly street, civic space, and public amenity, and advanced plans for a residential building with 386 apartment homes (20% designated as affordable) which is anticipated to commence construction in 2024.

NJ TRANSIT and its development partner, DOR Woodbridge, LLC, in collaboration with Woodbridge Township, advanced project design and supporting project agreements for a project at **Metropark Station** which is


Metropark Development Project will be built in phases, and consist of Class A office and retail spaces and residential spaces.



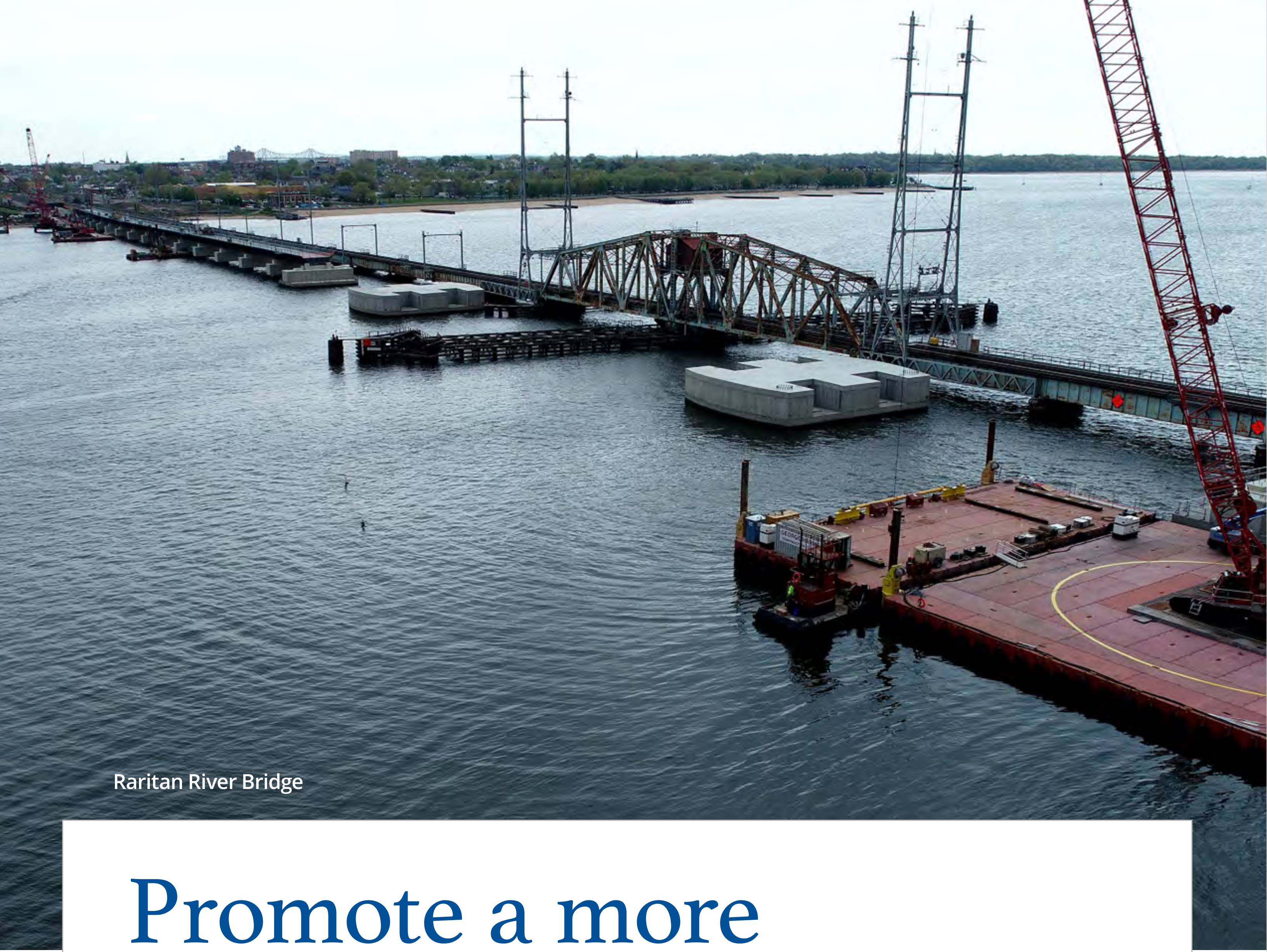
Red Bank Station will undergo a transformation which started in 2023.

> *Lastly, at Dover Station – NJ Future honored One Thompson Place, a veterans' preference residential building with 70 affordable apartments, as a Smart Growth Award recipient.*

anticipated to include approximately 220-250 apartments, 250,000 square feet of office/medical office space, 10,000-20,000 square feet of retail, parking, related amenities and public infrastructure improvements.

In addition, NJ TRANSIT and its development partner, Denholtz Properties, advanced plans for a mixed-use project adjacent to **Red Bank Station**. The first phase of the project is expected to include approximately 202 apartment (with 20% designated as affordable), ground floor retail, and a parking garage and lot, including commuter spaces.

Lastly, at **Dover Station** – NJ Future honored One Thompson Place, a veterans' preference residential building with 70 affordable apartments, as a Smart Growth Award recipient. NJ TRANSIT facilitated the project, developed by Pennrose, to realize adaptive reuse of an underutilized commuter parking lot, which was completed in October 2021.



Raritan River Bridge

Promote a more sustainable future for our planet

NJ TRANSIT released a draft of its first ever Sustainability Plan in June 2023. The plan built upon NJ TRANSIT's existing sustainability programs to develop a comprehensive and inclusive sustainability framework related to its social, environmental, and economic performance. It aims to create a shared vision both within NJ TRANSIT and with the organization's customers, partners, and other stakeholders.

NJ TRANSIT is committed to championing efforts that protect the natural environment, provide equitable and sustainable transportation to our customers, and to be a leader in sustainability. NJ TRANSIT is aligning the Sustainability Plan with our 10-Year Strategic Plan and 5-Year Capital Plan as well as the goals in New Jersey's Energy Master Plan, including maximizing ridership, equitable transportation, and adoption of zero-emission technologies.

Stakeholder engagement has remained a key component of the planning process and has included multiple public webinars, surveys and small group interviews. The first draft of the Sustainability Plan, can be viewed at **www.njtransit.com/sustainabilityplan**

The **Mason Substation** project continued to advance in FY2023 per the agreement between NJ TRANSIT and PSE&G to construct a new, resilient 230kV substation to replace the existing substation which was damaged during Superstorm Sandy. This project includes 55kv traction power and 13.2kv yard power, and a new Building 9 Substation. Construction will continue through FY2024.

Construction continued to advance in FY2023 for flood protection construction work at the **Meadows Maintenance Complex (MMC) and Rail Operations Center (ROC)** in Kearny, NJ. The project includes sealing perimeter openings, installing deployable sluice gates, swing gates and stop-log doors, utilizing permanent and deployable pumps, and installing emergency generators for backup power. NJ TRANSIT anticipates project completion in FY2024.

Construction continued to advance in FY2023 on the **Henderson Street Substation** project, which will provide power to most of the Hoboken Yard facilities for the construction of a resilient electrical substation to replace an existing facility. The new substation will provide reliable and resilient electric power to both the rail and ferry terminals and supporting infrastructure. Primary power cables to the substation, and distribution cables from the substation to its supported load centers, will be located above the Federal Emergency Management Agency (FEMA) Base Flood Elevation (BFE), making the project fully resilient against future extreme weather events. The project is expected to complete in FY2024.

Construction continued to advance the **Bay Head Substation** repair project in FY2023, which involves the design and construction of a replacement substation, including switch-gear, transformers, and all other associated power cable, devices, and controls. NJ TRANSIT anticipates construction will continue through FY2025.

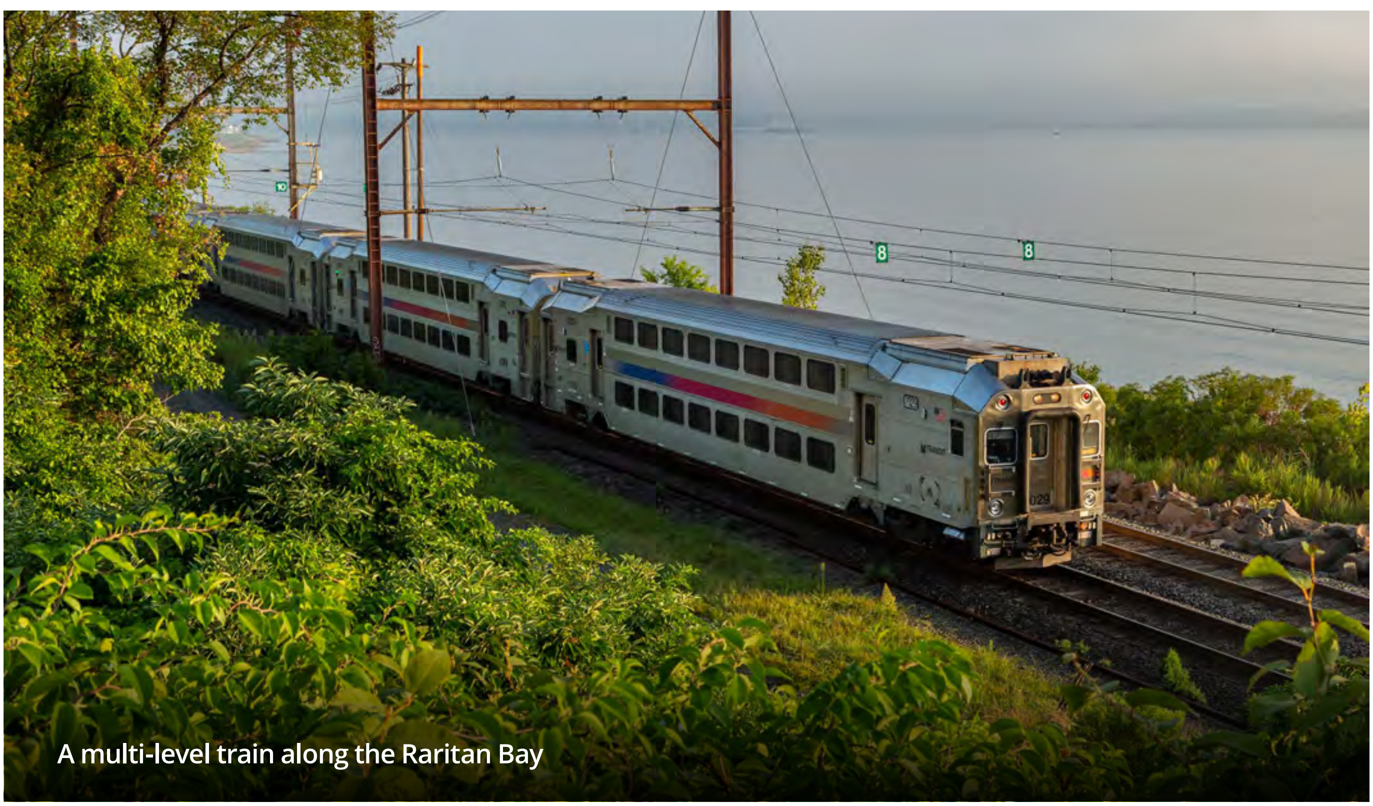
Mason Substation

In FY2023, construction continued on the **Hoboken Terminal House Power (Depot Substation)** to replace the existing power facility, known as the "Depot" substation, which suffered significant damage during Superstorm Sandy. The new substation has been designed to provide reliable and resilient electric power to both the rail and ferry terminals and supporting infrastructure. Because the new substation will be constructed on the second floor of the vacant Pullman & Immigrant Building adjacent to the Rail Terminal, it will be situated well above the predicted future flood elevation for this site. Primary power cables to the substation, and distribution cables from the substation to its supported load centers, will be located above the applicable flood elevation, making the project resilient against future extreme weather events. The project will be complete in FY2024.

The **Rail Operations Center (ROC) Unit Substation** project will replace and elevate the ROC Unit Substation facility to harden it against interruptions of the commercial power grid. Construction continued in FY2023 and project is expected to complete in FY2024.

Final design of the new **Delco Lead storage and Inspection facility** on the Northeast Corridor (NEC) continued in FY2023. This project received a Federal Transit Administration Competitive Resilience Grant. The grant supports construction of electrified equipment storage tracks and passing sidings to form a two-track system along the NEC in North Brunswick and New Brunswick and the construction of a new Service and Inspection Facility within County Yard. When completed, the project will provide resilient storage capacity for railcars in the event of an approaching severe storm and also includes a Service & Inspection facility to help Rail Operations quickly return railcars to service after a severe storm disruption. All Amtrak easements and agreements needed to finalize design were executed in FY2021. NJ TRANSIT completed design in FY2023. The first early action contract is currently under construction and is due to be complete by end of 2023. The second phase went out for bid in October 2023.

The **Raritan River Bridge** on the North Jersey Coast Line was damaged during Superstorm Sandy. It is being replaced through a Federal Transit Administration (FTA) Competitive Resilience grant that supports design and construction of a new moveable bridge. The existing swing-span bridge, constructed in 1908, spanning the Raritan River between Perth Amboy and South Amboy, is being replaced by a



A multi-level train along the Raritan Bay new lift bridge constructed with more durable materials and built at a higher elevation. In addition to raising the bridge deck, tracks and control systems above FEMA BFE, portions of the bridge that remain below BFE were designed to withstand storm surges during extreme weather events. Final design was completed in FY2019. Contract GC.01, the first of three general contracts, was advertised in FY2020. Contract GC.01 includes construction of the bridge approach spans, lift bridge piers and associated land work. NJ TRANSIT issued NTP for Contract GC.01 in FY2021. The

> *Final design of the new Delco Lead storage and Inspection facility on the Northeast Corridor (NEC) continued in FY2023.*

Special Prequalification Package for Contract GC.02, which was advertised in FY2019, was readvertised in FY2021 to encourage more competition. Contract GC.02 includes construction of the lift bridge and flanking span superstructure, communications, signal and overhead catenary work. GC.02 package was distributed to the prequalified firms and bids were received in FY2022. All bids for GC.02 were rejected in FY2023. This action was taken in response to a determination by NJ TRANSIT to reevaluate sequencing and rescope the work associated with GC.02 and GC.03. The work to rescope GC.02 and GC.03 began in FY2023 and will continue in FY2024. Upon completion, NJ TRANSIT will re-advertise GC.02. Contract GC.03 will include the demolition of the existing structure and other miscellaneous items as a result of the rescoping effort.

NJ TRANSIT, with the approval of the Federal Transit Administration (FTA), is redirecting $503 million dollars in federal grant funding to support three vital resiliency infrastructure projects: *Hoboken Long Slip, Delco Lead & County Yard Expansion in New Brunswick, and the Raritan River Bridge*. This funding was originally allocated to NJ TRANSIT's TransitGrid Microgrid Central Facility (MCF) in Kearny. An intensive review of industry proposals for the MCF revealed that the project was not financially feasible. Further, since this project was originally designed, multiple improvements to the affected power grid have been enacted that have functionally made the MCF as envisioned at that time much less necessary than other critical resiliency projects. To that end, NJ TRANSIT management, along with the Board of Directors, determined that the MCF funding would have greater benefit if applied to other key resiliency projects to harden the rail system's more highly exposed infrastructure, which are at greater risk of failure in the face of increasing climate-related threats, and will directly benefit transit users every day. NJ TRANSIT is grateful for the FTA's support throughout this entire process.

Another Competitive Resilience project, **NJ TRANSIT's Signals and Communications Resilience project**, will make critical system components in designated areas more resilient to future storm events by elevating components located along segments of the Morris and Essex, Main, Bergen, Pascack Valley, and Raritan Valley commuter rail lines and the Hudson-Bergen Light Rail (HBLR) system. A design-build project implementation model is being used to execute the work on the commuter rail project lines. Design work for all commuter lines and the HBLR system is complete. Construction on the Raritan Valley line is also complete. Construction continued to advance in FY2023 and will continue on all remaining commuter lines and on the HBLR system in FY2024.

Autism Acceptance Event.

Accountable, Innovative and Inclusive

Continuing to Build an Accountable, Innovative and Inclusive organization that delivers for NJ.

NJ TRANSIT recognized **Autism Acceptance Month** in April 2023 with the expansion of the **Magnusmode** travel aid app for rail customers, a bus wrapped in messaging to promote acceptance and by participating in the Happy Hour 4 Kids Station Announcements Program, inviting local autistic children to record station announcements for NJ TRANSIT rail customers. The announcements played throughout the month of April in stations across the system. Garnering national media attention for NJ TRANSIT via a feature on Good Morning America, these initiatives helped NJ TRANSIT advance its 10-Year Strategic Plan goal of offering all its customers an efficient, safe, inclusive and effective way to travel.

"MagnusCards for Trains," is a travel aid that provides useful instructions for riding trains in a flash card-style format, tailored to autistic and neurodiverse individuals. Previously, NJ TRANSIT released "MagnusCards for Bus" providing similar assistance for bus customers.

MagnusCards by Magnusmode is a digital life skills app with guides to help autistic and neurodiverse persons perform everyday activities. The app uses visual cues, step-by-step instructions and optional audio to guide users through activities and tasks that may be unfamiliar to them. The MagnusCards mobile app is available in Apple App Store & Google Play Store.

> *"MagnusCards for Trains," is a travel aid that provides useful instructions for riding trains in a flash card-style format, tailored to autistic and neurodiverse individuals.*

Autism Acceptance Event

NJ TRANSIT also hosted its second **Accessibility Forum** in June 2023, part of the agency's ongoing efforts to engage and expand inclusion for customers with disabilities. The forum was held virtually and in person. During the forum, NJ TRANSIT showcased its accessibility options for customers with disabilities and offered those attending an opportunity to provide comments, offer feedback and ask questions related to NJ TRANSIT's accessible services.

Also, in FY2023, NJ TRANSIT's Civil Rights Team submitted to FTA its Board approved Title VI Program for Federal Fiscal Years 2024-2026 on October 1, 2023. Title VI of the Civil Rights Acts of 1964 requires NJ TRANSIT to ensure that customers with Limited-English Proficiency (LEP) and/or low-literacy (LL) have equal access to its programs and services

Access Link bus


Metropark Station

Accessibility Forum

where language is not a barrier. **The Language Assistance Committee (LAC)** – established in 2021 – identifies and advances language assistance resources, technology and best practices for LEP and LL customers – beyond the requirements of Title VI – to advance NJ TRANSIT's value of inclusion. The ultimate goal of the LAC is to ensure that everyone who uses or encounters NJ TRANSIT programs and services has access to the system and obtains exceptional customer service, whatever their primary language may be.

The Disadvantaged Business Enterprise (DBE) program is a requirement of the Federal Transit Administration (FTA) for transit agencies to qualify for federal funding. DBE's are businesses that historically have faced socio-economic disadvantages in contracting opportunities.

African-American Chamber of Commerce of New Jersey (AACCNJ) event - pictured in the photo is AACCNJ President & CEO Dr. John E. Harmon.

Hispanic Heritage Month event

NJ TRANSIT employees at the PRIDE parade in Asbury Park.

NJ TRANSIT is required to develop and submit a Triennial DBE Agency-Wide Goal to the FRA, which was submitted August 1, 2022. The DBE agency goal represents the percent of the projected FTA-funded contract dollars that are available for DBE participation in the next three federal fiscal years. NJ TRANSIT's DBE goal for federal fiscal years 2023-2025 is 15.2 percent, which went into effect October 1, 2022. You can find out more about this program from the NJ TRANSIT Office of Business Development.

NJ TRANSIT continues to build upon its **Diversity & Inclusion (D&I)** initiatives. A key component is Company Employee Resource Groups (CERGs), led by employees to support inclusion for marginalized and/or historically underserved communities. Each CERG meets to develop and advance plans for events, programs and projects to promote awareness, understanding and action. The six CERGs at NJ TRANSIT are B.R.I.D.G.E.S (Black/African American), Ride With Pride (LGBTQIA+), empoWer (Women), NextGen (New Generations in the Workplace), and the NJ TRANSIT Abilities Group (People with Disabilities).

NJ TRANSIT unveiled two "Ride with Pride" themed buses and one locomotive in FY2023 to celebrate the LGBTQIA+ Community. The buses and locomotive have been making their rounds in communities served by NJ TRANSIT. Employees who are part of the agency's Company Employee Resource Group (CERG) also marched in the Asbury Park Pride Festival in June 2023.

Appendix B:
This chart contains information about NJ TRANSIT's workforce, including demographics and financial information per N.J.S.A. 27:25-20. The Agreement Average Salary figures do not include overtime earnings.

	Non-Agr Total Count	Non-Agr Avg Ann Salary	Agr Total Count	Agr Avg Ann Salary	Female	Male	Amer Indian/ Alaska Nat	Asian	Black or Afr Amer	Hisp or Latin	Nat Hawaiian/ Pac Isl	Other	Not Spec	Two+	White	Other
Board of Directors' Office	7	$94,961.35	0	$—	6	1	0	1	6	0	0	0	0	0	0	0
Bus	532	$ 87,361.60	5059	$ 64,700.49	1433	4158	7	173	3155	1173	4	0	1	95	982	1
Comm & Cust. Exp	118	$ 80,246.36	33	$ 62,083.19	84	67	0	3	78	9	1	0	1	6	53	0
Compliance Dept	11	$ 101,532.43	0	$—	6	5	0	2	1	1	0	0	0	1	6	0
CP	231	$ 98,334.36	0	$—	79	152	0	40	47	19	0	0	1	8	116	0
CR-Diversity PGS	9	$ 103,805.21	0	$—	4	5	0	1	5	2	0	0	0	0	1	0
EEO/AA Department	10	$ 100,627.62	0	$—	8	2	0	1	6	0	0	0	0	1	2	0
Finance	169	$ 99,561.08	96	$ 64,398.63	164	101	0	25	133	29	0	0	0	2	76	0
General Counsel	38	$ 109,542.82	0	$—	24	14	0	1	10	10	0	0	0	1	16	0
Govt & Ext Affrs	9	$ 89,820.09	0	$—	6	3	0	1	0	2	0	0	0	0	6	0
Human Resources	124	$ 91,524.47	12	$ 58,876.57	106	30	0	14	57	18	0	0	1	8	38	0
Information Technology	175	$ 95,497.49	8	$ 71,876.09	42	141	1	54	23	20	0	0	0	5	80	0
Internal Audit	12	$ 111,814.36	0	$—	4	8	0	3	0	1	0	0	0	0	8	0
LT Rail/ Contract	103	$ 86,499.43	94	$ 68,184.18	83	114	0	6	133	29	0	0	0	1	28	0
Org Services	18	$ 75,088.73	19	$ 56,790.90	11	26	0	3	15	4	0	0	0	1	14	0
Planning	64	$ 97,237.79	0	$—	34	30	0	7	14	8	0	0	0	0	35	0
Police	52	$ 92,506.18	351	$ 102,534.52	67	336	0	18	50	69	0	0	0	7	259	0
President & CEO	6	$ 169,448.75	0	$—	2	4	0	0	1	0	0	0	0	0	5	0
Procurement & Logistics	72	$ 91,478.28	50	$ 69,485.72	45	77	0	4	44	26	0	0	0	3	45	0
Rail	429	$ 112,859.93	4470	$ 74,969.01	761	4138	9	122	1587	595	4	4	1	86	2491	0
Safety	61	$ 102,046.84	1	$ 74,963.20	23	39	0	2	23	3	0	0	0	1	33	0
AVG/GRAND TOTAL	2250	$ 96,498.65	10193	$ 70,535.76	2992	9451	17	481	5388	2018	9	4	5	226	4294	1

Community Transportation Association of America (CTAA) Passenger Assistance, Safety and Sensitivity (PASS) Driver.

SCDRTAP - Senior Citizen & Disabled Resident Transportation Assistance Program

NJ TRANSIT supports local community transportation services operated by counties, municipalities, and non-profit organizations in New Jersey. In **FY2023**, NJ TRANSIT provided approximately **$63.3M** in federal and state grant funds for community-based transportation to serve senior citizens, people with disabilities, rural, and low-income residents.

These transportation services provide mobility for residents to reach non-emergency medical appointments, veterans' services, nutrition programs, shopping, employment, and job training in all of New Jersey's twenty-one counties. Additional federal COVID-19 pandemic recovery funding was made available in **FY2023** and will be shared with subrecipients around the State.

Community transit service modes include both demand-response and deviated fixed route shuttles. Several of the local community transportation services also provide connections to NJ TRANSIT's bus and rail service. NJ TRANSIT also partners with the state's eight Transportation Management Associations (TMAs) to coordinate commuter vanpools and provide oversight of bike lockers at NJ TRANSIT rail stations.

The **Senior Citizen & Disabled Resident Transportation Assistance Program (SCDRTAP)** was established by the State Legislature with the "Senior Citizen and Disabled Resident Transportation Assistance Act" of 1984. This report provides the annual summary for the SCDRTAP program as provided by N.J.S.A. 27:25-29.

SCDRTAP, which is administered by NJ TRANSIT, assists New Jersey counties or designated recipients to develop and to operate community-based transportation services for residents who are seniors or have a disability, to use as feeder services to NJ TRANSIT bus and rail systems, and to provide resources for increasing the accessibility of NJ TRANSIT services. The SCDRTAP funds are a significant portion of the overall $63.3 million of community transit funds administered by NJ TRANSIT in FY2023. NJ TRANSIT receives feedback on the program through a Citizen Advisory Committee that meets at least eight (8) times per year.

SCDRTAP is funded through an annual allocation to NJ TRANSIT equivalent to 8.5% of Casino Revenue Fund (CRF) receipts for the prior year. The CRF is funded by taxes paid by

Low-Speed Autonomous Vehicle Demonstration.

the casinos and internet wagering companies of New Jersey, and this varies year by year due to fluctuations in gambling activity.

SCDRTAP funds are distributed by formula as established in the law. Eighty-five percent (85%) of the funds are distributed among all twenty-one counties for transportation to senior citizens and people with disabilities. In FY2023, $26.3M was allocated to the counties for their county transportation systems. This allocation represented an approximately 33 percent (33%) increase from 2022 ($18.9M) amount. The remaining 15 percent (15%) is allocated to NJ TRANSIT: ten percent (10%), or $3.1M, is used to administer the SCDRTAP program, and five percent (5%), or $1.5M, is used to improve NJ TRANSIT accessible services. This includes funding for:

- The New Jersey Travel Independence Program (NJTIP) that provides travel training for people with disabilities to independently utilize NJ TRANSIT services,
- ADA improvements such as to the Perth Amboy NJ TRANSIT rail station, and,
- Various training opportunities for community transportation providers including driver, passenger securement, ADA, and vehicle maintenance programs.

As referenced earlier in the report, NJ TRANSIT partnered with Magnusmode on a new digital initiative to make riding transit easier for neurodiverse customers. NJ TRANSIT's MagnusCards program is funded by SCDRTAP.

An additional innovation that begun in late 2021 is NJ TRANSIT's "Low-speed Automated Vehicle" pilot program funded with an allocation of SCDRTAP capital funds. The pilot is exploring whether such small, electric, self-driving vehicles can be a useful addition to community transit fleets, which can serve local trips for seniors, people with disabilities, jobseekers,

SCDRTAP Services in Bergen County.

or others unable to drive. If successful, it may offer opportunities for expanding community transit service offerings. The pilot, conducted by the Rutgers University Center for Advanced Infrastructure & Transportation (CAIT), kicked off in mid-2022, with closed course road testing at the former Marlboro Airport. More information on these projects can be found on the NJ TRANSIT website.

The county-coordinated systems are also exploring new methods of service delivery. The "TNC Challenge Grant" funded by SCDRTAP allows counties to develop partnerships with Transportation Networking Companies (TNCs, e.g. Uber and Lyft). The program is intended to assist the county providers in addressing day-to-day transit capacity issues by enabling them to provide more service with a minimal budget impact by utilizing TNCs to enhance their services. The Essex County Community Transportation TNC program received the first grant in 2019 and has successfully provided transportation options to many residents in Essex County including seniors, individuals with disabilities, and, in some cases, the general public. This program assisted the county during the peak of the pandemic and has continued to help bridge service gaps when needed. Bergen County, Morris County, and Sussex County have recently been awarded Challenge Grants and are preparing their new deployments.

RIDERSHIP

Counties are continuing to see an increase in ridership during FY23. We anticipate ridership to continue to increase toward pre-COVID 19 levels over the coming year. (For a breakdown in the increases by regions and counties, see chart below.)

The following chart details the estimated FY2023 SCDRTAP passenger trip information for the state of New Jerseys' twenty-one (21) county systems.

NORTH	
BERGEN	66,504
ESSEX	*11,824
HUDSON	30,736
MORRIS	24,411
PASSAIC	25,588
SUSSEX	4,097
WARREN	13,572
TOTAL	**176,732**

CENTRAL	
HUNTERDON	18,997
MERCER	49,356
MIDDLESEX	30,293
MONMOUTH	14,928
OCEAN	26,409
SOMERSET	12,134
UNION	98,633
TOTAL	**250,750**

SOUTH	
ATLANTIC	6,294
BURLINGTON	8,044
CAMDEN	16,629
CAPE MAY	56,768
CUMBERLAND	5,362
GLOUCESTER	18,388
SALEM	10,932
TOTAL	**122,417**

North: approx. 26% increase from FY22

Central: approx. 70% increase from FY22

South: approx. 7% increase from FY22

(FY: July 1, 2022 to June 30, 2023)

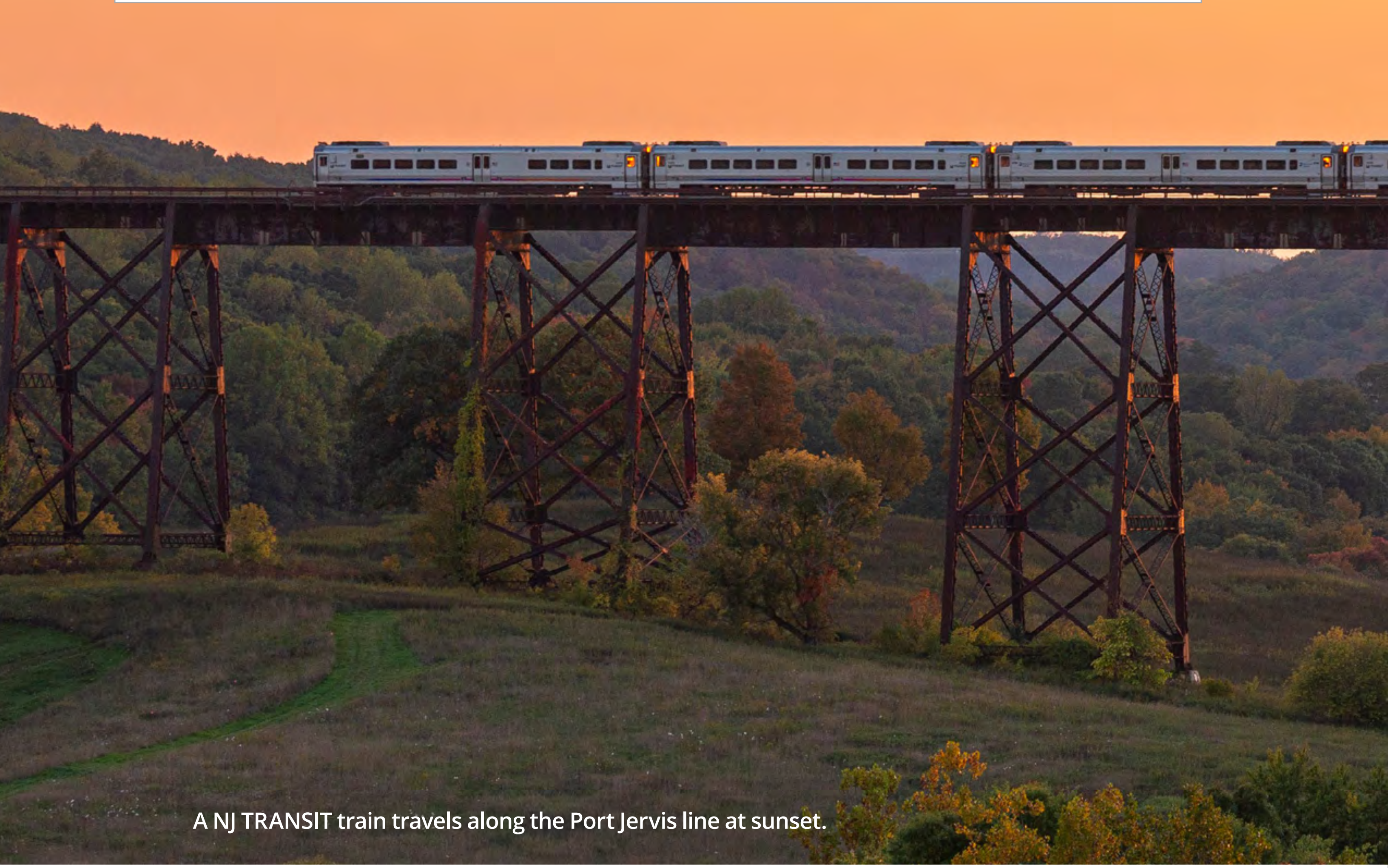
***Note:** Essex County – ridership #'s are low due to County focusing on spending County funds as opposed to SDCRTAP funds during this period.

On-Time Performance

94%
Bus

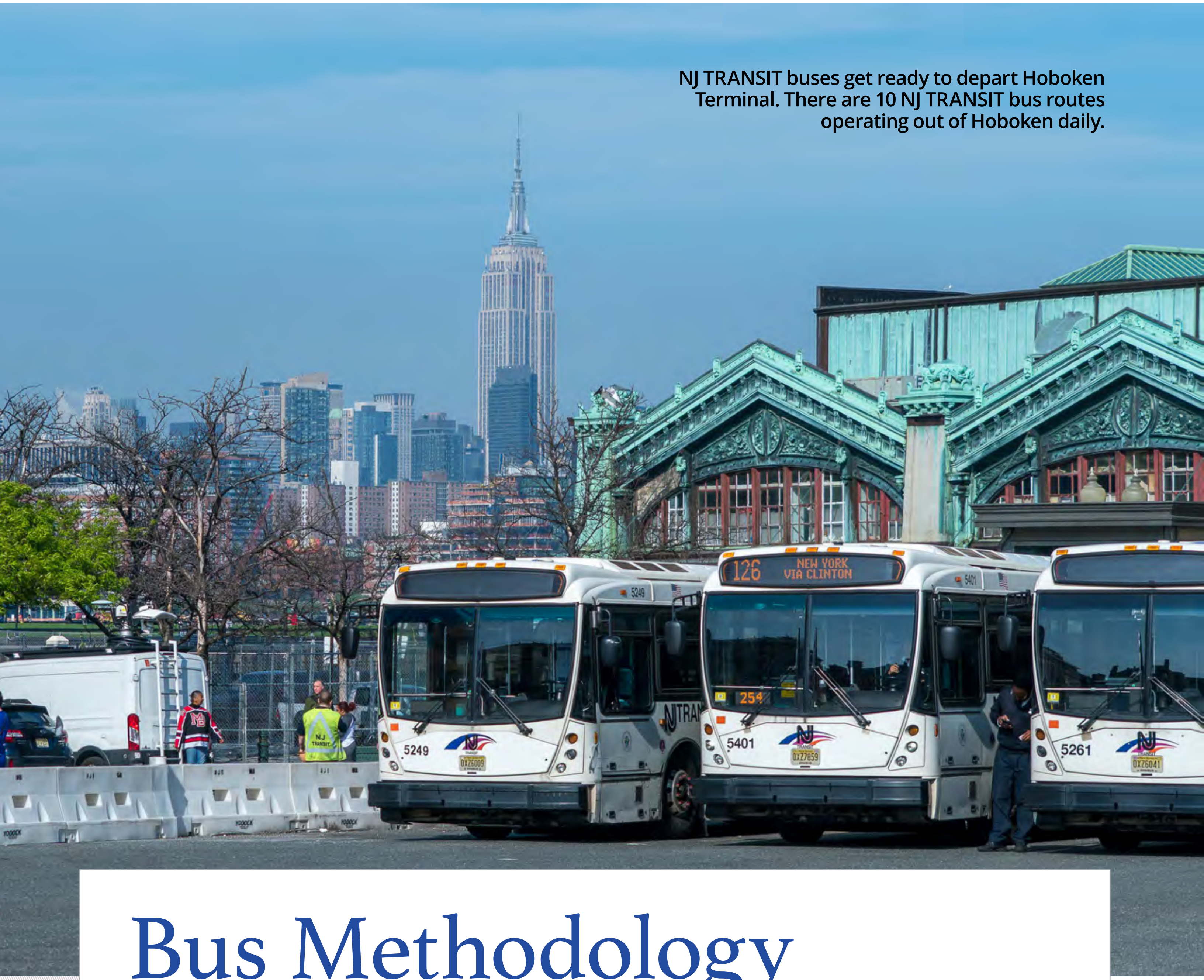
92.1%
Rail

95.7%
Light Rail



A NJ TRANSIT train travels along the Port Jervis line at sunset.


NJ TRANSIT
4100

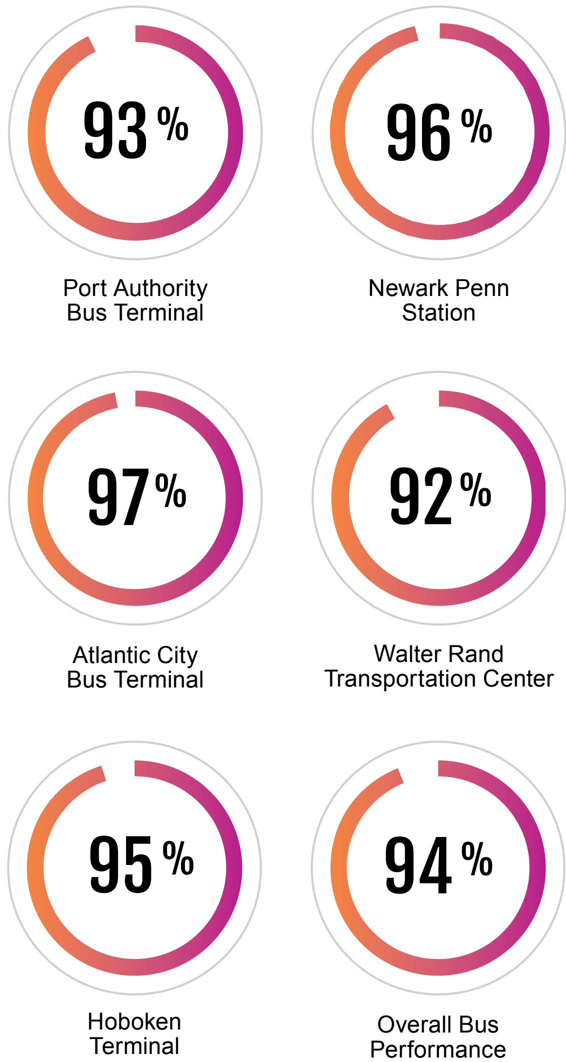


NJ TRANSIT buses get ready to depart Hoboken Terminal. There are 10 NJ TRANSIT bus routes operating out of Hoboken daily.

Bus Methodology

Any bus that departs the terminal within five minutes and 59 seconds of its scheduled departure is considered on time. Station Starters at these locations are responsible for logging passenger counts, delays, and their causes. In addition to terminal-based on-time performance monitoring, NJ TRANSIT uses Automatic Passenger Counting software to assess Timepoint Schedule Adherence for every scheduled timepoint on all bus routes throughout the system, on a quarterly basis. Using this data, staff can make incremental adjustments to scheduled running times by time of day to reflect current operating conditions. These adjustments improve the reliability of schedules at timepoints along bus routes, improving the customer experience at little or no cost.

NJ TRANSIT ON-TIME PERFORMANCE BY BUS TERMINAL FY2023




NJ TRANSIT bus bound for New York City via the Lincoln Tunnel helix.

Link Clicks increased by 45% in FY23 – meaning that 45% more followers clicked on content links provided by NJ TRANSIT

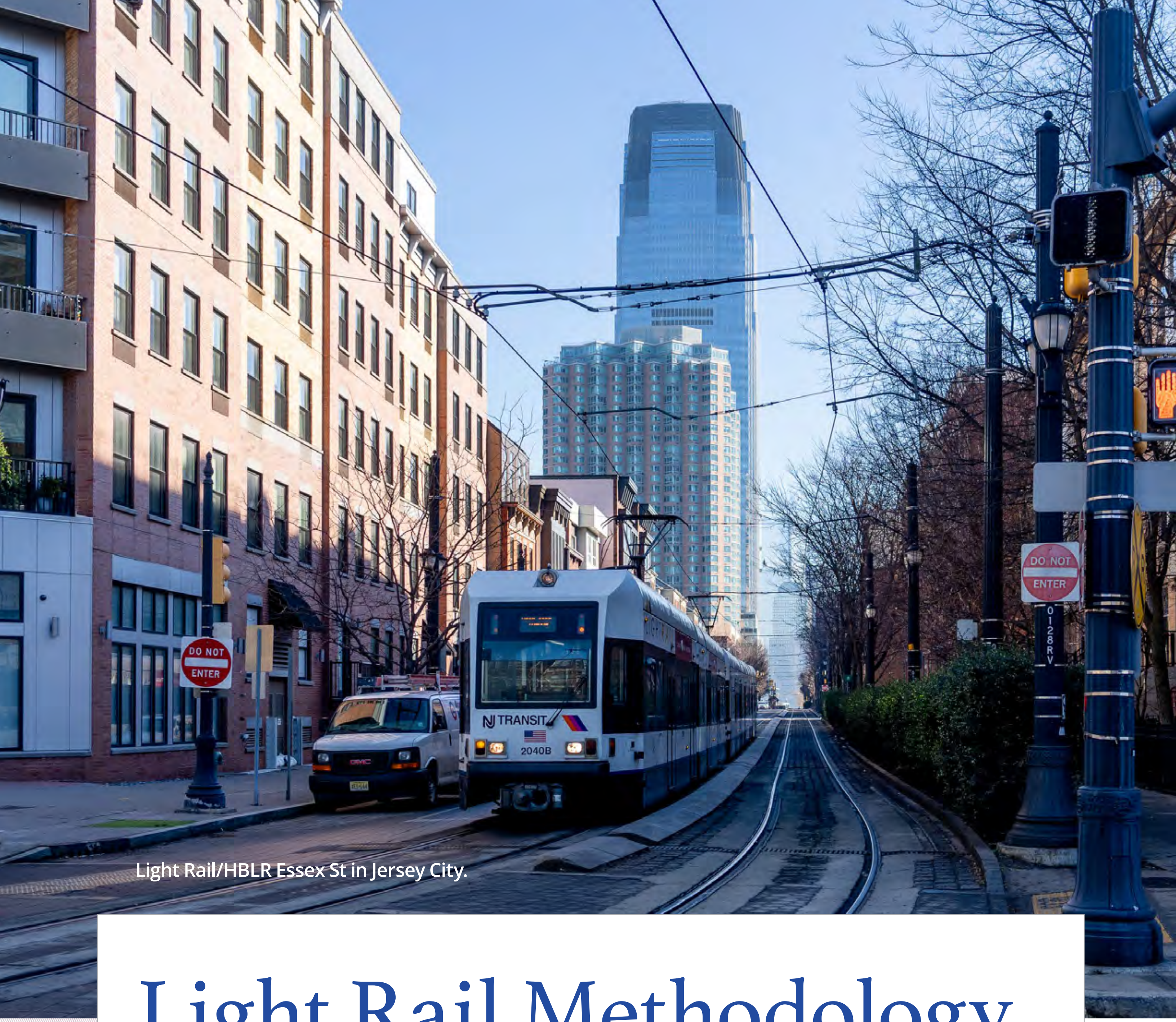
Rail/AC Airshow

Rail Methodology

NJ TRANSIT considers a train to be on time if it arrives at its final destination within five minutes and 59 seconds of its scheduled time. Trains that fail to depart from their originating station or are canceled enroute are considered late for recording purposes. This standard is used by all commuter railroads in the Northeast. To accurately record on-time performance and maintain a database from which reports can be generated, NJ TRANSIT developed a computer system that calculates on-time performance and provides reports and analyses. It also provides input to other NJ TRANSIT systems.

NJ TRANSIT also uses a computer-based train dispatching system called Train Management and Control (TMAC) at its Rail Operations Center, which is synchronized with the atomic clock located at the Naval Observatory in Colorado. TMAC provides NJ TRANSIT with the ability to accurately record a train's arrival at its final destination. Arrival times of trains operating on Amtrak's Northeast Corridor are recorded by the Amtrak delay clerk and forwarded to the supervisor at the Rail Operations Center at prescribed times during the day. An NJ TRANSIT supervisor, located at the Amtrak dispatching center in New York, reviews delays to ensure they are accurate before they are transmitted. Amtrak also uses a computerized software system to dispatch trains and record timing locations.

FY2023 RAIL ON-TIME PERFORMANCE



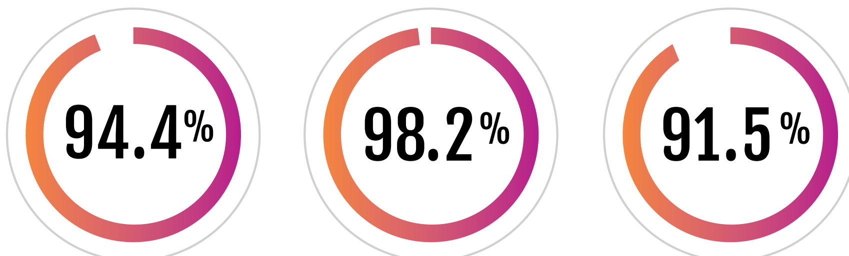
Light Rail/HBLR Essex St in Jersey City.

Light Rail Methodology

NJ TRANSIT monitors on-time performance using information management systems in its control centers. Train departure and arrival times are automatically tracked by computer systems that compare terminal departure and arrival times to the times posted in the public timetable. A Hudson-Bergen Light Rail train is considered not operating on time if it leaves its origin terminal ahead of schedule or arrives at its final destination terminal more than four minutes and 59 seconds late. A River LINE train is late if it arrives at its final destination terminal more than five minutes and 59 seconds late.

On Newark Light Rail, a train operated as a separate segment between Newark Penn Station and Broad Street Station is considered not operating on time if it leaves its origin terminal ahead of schedule or arrives at its final destination after three minutes. On the segment between Grove Street Station and Newark Penn Station and on through service from Grove Street Station to Broad Street Station, a train is considered late if it leaves its origin terminal ahead of schedule or arrives at its final destination after five minutes. NJ TRANSIT conducts audits of the information management and reporting systems to ensure the accuracy of the data.

FISCAL YEAR 2023 LIGHT RAIL ON-TIME PERFORMANCE



Hudson-Bergen Light Rail | Newark Light Rail | River LINE

NJ TRANSIT Newark Light Rail train passes through Broad Street Station in Newark.

NJ TRANSIT

Board of Directors

Diane Gutierrez-Scaccetti

BOARD CHAIR

Diane Gutierrez-Scaccetti was confirmed as the 19th Commissioner of the New Jersey Department of Transportation on June 7, 2018. She was appointed Acting Commissioner December 19, 2017 and began serving on January 16, 2018. On October 2, 2023, she also officially began serving as Governor Murphy's Chief of Staff.

A native New Jerseyan, Ms. Gutierrez-Scaccetti is a transportation professional with more than 28 years in the industry, and 34 years in government service. She possesses extensive executive, operational, and planning knowledge.

Most recently, the Commissioner served as the Executive Director and CEO at Florida's Turnpike Enterprise, a part of the Florida Department of Transportation. Under her leadership, Florida's Turnpike Enterprise managed more than 460 centerline miles and a 5-year capital program in excess of $6 billion, supported by $1 billion in revenues.

This capital program included the construction of SunTrax, a 2.25 mile test track and research facility for the development of transportation technology, including automated and connected vehicle applications. She was instrumental in implementing Regional Toll Interoperability of SunPass in the Southeastern United States. SunPass, Florida's statewide electronic toll collection system, was under her charge. As Executive Director and CEO, Gutierrez-Scaccetti was a member of the Executive Committee of the Florida Department of Transportation, a policy setting body that reports to the Secretary of Transportation.

Prior to the Commissioner's Florida experience, she spent 21 years at the New Jersey Turnpike Authority, working her way up from a Contract Administrator to the post of Executive Director, a position she held from 2008 to 2010. During her tenure, she managed the day-to-day administrative operations and was the agency's chief negotiator with several collective bargaining units.

Ms. Gutierrez-Scaccetti participated in several major agency initiatives, including the remediation of the E-ZPass System, the financial and operational consolidation of the New Jersey Turnpike Authority and New Jersey Highway Authority, bringing the New Jersey Turnpike and Garden State Parkway under a single organization. A major undertaking was the development and financing of a 10-year, $7 billion capital program that kicked off the widening of the New Jersey Turnpike from Interchange 6 to Interchange 9. This transformational project provided significant congestion relief to a major portion of the I-95 Corridor.

As NJDOT Commissioner, she oversaw the largest capital program in the Department's history with $1.23 billion in construction contracts and $359 million in consultant design/inspection agreements awarded in Fiscal Year 2021. In addition, NJDOT supported communities during the pandemic with staff logging more than 1,000 hours driving mobile vaccination trucks and continues its tradition of encouraging community involvement by holding charitable drives.

As NJDOT Commissioner, she serves as Chair of NJ TRANSIT, the New Jersey Turnpike Authority, the South Jersey Transportation Authority, the NJ Transportation Trust Fund Authority, and Vice Chair of the New Jersey Motor Vehicle Commission.

The Commissioner's accomplishments and leadership have been recognized by the Executive Women of New Jersey, WTS Central Florida Woman of the Year, and Orlando Business Journal's 2015 CEO of the Year for the Public Sector. She received the 2019 Service to the People Award presented by the American Society of Civil Engineers Central New Jersey Branch and the 2020 Women of Achievement Award presented by the New Jersey Chapter of Professional Women in Construction. She is the recipient of the 2021 American Council of Engineering Companies of New Jersey Distinguished Service Award and was recognized with the Richard M. Hale Chairman's Award at the 2021 47th Annual New Jersey Alliance for Action Eagle Awards ceremony. She was also the Women in Transportation New Jersey (WTSNJ) "Woman of the Year" honoree in 2021.

Ms. Gutierrez-Scaccetti is a member of the Board of Directors of the American Association of State Highway and Transportation Officials (AASHTO) and the Northeast Association of State Transportation Officials (NASTO) and is currently serving as the Chair of the AASHTO Committee on Transportation Communications (TransComm). She served as the 2022 President of the International Bridge, Tunnel and Turnpike Association (IBTTA) and is currently serving as the Immediate Past President on the IBTTA Executive Committee and Chair of the IBTTA Nominating Committee. She is currently serving as chair of the Executive Committee of the Transportation Research Board (TRB), and Chair of The Eastern Transportation Coalition (formerly I-95 Corridor Coalition).

Commissioner Gutierrez-Scaccetti holds degrees from the University of Connecticut (BS) and Rutgers, The State University of New Jersey (MS).

Kiabi D. Carson

BOARD VICE CHAIR

Kiabi D. Carson is a lifelong New Jersey resident and has been a regular NJ TRANSIT commuter for the last 18 years.

She holds the position of Head of Human Resources for the North America region at Turner & Townsend. Turner & Townsend is a global professional services company specializing in large scale construction projects and programs across infrastructure, real estate and natural resources. In her role, Kiabi is responsible for setting HR strategy and is accountable for all functions within HR across the United States and Canada.

Before joining Turner & Townsend in 2012, Kiabi held HR leadership roles at Bristol Myers-Squibb and at Prudential Financial. Kiabi has over 24 years of experience in human resource management delivering strategic outcomes for private and publicly traded companies, both mid-sized and large scale, in several industries.

Kiabi received her Bachelor of Arts degree from the University of Maryland, College Park and her Master of Human Resource Management degree from Rutgers' School of Management and Labor Relations.

Maplewood station.

Elizabeth Maher Muoio

STATE TREASURER

Elizabeth Maher Muoio was officially sworn in as State Treasurer on April 17, 2018, after becoming just the second woman confirmed to the post in New Jersey history. She had been serving as Acting State Treasurer since Gov. Murphy assumed office on January 16, 2018.

Prior to joining the administration of Gov. Murphy, she had served as a member of the New Jersey General Assembly, representing the 15th Legislative District in Mercer and Hunterdon counties since February of 2015.

During her time in the General Assembly, Ms. Muoio served on the Assembly Budget, Judiciary, and Commerce and Economic Development committees where her signature legislative initiatives focused on improving access for women's healthcare, closing the gender pay equity gap, protecting the environment, reducing exposure to hazardous lead, improving prison re-entry services, increasing literacy rates, fighting against concentrated poverty and expanding economic opportunities for all New Jerseyans.

As a result of her legislative efforts, she was honored for her work in the Assembly by the Sierra Club of NJ, the Trenton Chapter of the NAACP, the New Jersey Association of the Deaf, Inc., the Constitutional Officers Association of New Jersey (COANJ), the National Congress of Black Women – Trenton/Mercer Chapter, and the Trenton Public School system for her efforts to help improve literacy.

Ms. Muoio also served as Director of the Mercer County Office of Economic Development and Sustainability from 2008 to January 2018.

Prior to assuming that position, she served as a member of the Mercer County Board of Chosen Freeholders from 2000-2008, serving as Chair in 2004 and Vice Chair in 2003 and 2008. While Chair, she worked with the County Executive to enact one of the first countywide anti-pay-to-play ordinances in the nation and led the effort to ensure that the building of the new $81 million dollar Mercer County Courthouse was constructed to Leadership in Energy and Environmental Design (LEED) standards.

She began her career as an elected official serving as a member of the Pennington Borough Council from 1997 to 2002.

Throughout the years, she has been involved in a number of community-based organizations, serving as a Troop Leader for the Girl Scouts of Delaware Valley, coaching youth basketball for the Hopewell Valley YMCA and the Hopewell Hoops Basketball League, and serving as a member of the Princeton Regional Chamber of Commerce Board of Directors, the Pennington Public Library Board of Trustees, the ARC of Mercer Board of Trustees, and the League of Women Voters.

An attorney, Ms. Muoio received her JD from Georgetown University in Washington, DC, and her BA from Wesleyan University in Middletown, CT. She lives with her family in Pennington, NJ.

Aaron J. Creuz

GOVERNOR'S REPRESENTATIVE

Aaron J. Creuz serves as Deputy Chief Counsel to the Governor and Director of the Governor's Authorities Unit.

Aaron joined the Governor's Office in 2021 and served as Senior Counsel to the Governor handling labor and workforce matters, consumer affairs, civil service, and the information technology and innovation portfolios. In this role, Aaron managed legislative, regulatory, and policy initiatives relating to these subject matter areas. Prior to joining the Governor's Office, Aaron worked at a global law firm specializing in labor and employment law. He previously served as a Deputy Attorney General in the Department of Law and Public Safety counseling and representing state entities regarding labor enforcement, best employment practices, and employee relations issues. Aaron served as a Judicial Law Clerk to the Honorable Deborah Silverman Katz, A.J.S.C. He earned his B.A. from The College of New Jersey, *magna cum laude*, and J.D. from Rutgers Law School, *cum laude*.

The HBLR near Essex Street in Jersey City.

Rashonda Brown

Rashonda Brown has worked as a Conductor for NJ TRANSIT where she has ensured the safe transportation of New Jersey's commuters for over 15 years. She previously served as Chief of Staff for the United Transportation Union. Ms. Brown is also a Co-Founder and President of Brickmobb Steelers Charities.

Sangeeta Doshi

Sangeeta P. Doshi is a Councilwoman in Cherry Hill, and a telecommunications executive and was a small business owner with an Electrical Engineering degree from Worcester Polytechnic Institute and an MBA from Babson College.

She has been a member of the Domestic Violence Response Team, the Cherry Hill Planning Board and the Cherry Hill Zoning Board of Adjustment. She has also volunteered with Cherry Hill Atlantic Little League and Moms Demand Action.

In 2021, Sangeeta received a Moms Demand Action Gun Sense Candidate distinction. She is Co-Chair of the Cherry Hill Human Relations Committee and the Cherry Hill Green Team, as well as an active member of the Indian Cultural Center and Indian Temple Association. She serves proudly on the District IV Legal Ethics Committee, the Camden Air Quality Committee and on the advisory boards of Inspiring South Asian American Women, the New Jersey Leadership Program, the Asian American Alliance in South Jersey and the North South Foundation.

In 2020, she was appointed to the NJ TRANSIT Board of Directors by Governor Murphy.

Sangeeta was born in Jabalpur, M.P., India and immigrated to the United States with her family in 1968. She was raised in Massachusetts and has lived in New Jersey since 1995. She resides in Cherry Hill with her husband, three children and dog.

Bob Gordon

Bob Gordon was confirmed as a member of the NJ TRANSIT Board of Directors on January 13, 2020. He currently serves as a Vice President of Stevens & Lee Public Affairs, a New Jersey-focused government relations firm that assists private companies and nonprofit organizations in their interactions with state and local government. In April of 2023, he completed a five-year term as a commissioner of the New Jersey Board of Public Utilities. The BPU regulates all investor-owned utilities in the state, and under Governor Murphy, has played the lead role in advancing policies aimed at expanding New Jersey's reliance on renewable energy.

Prior to his appointment to the BPU, Mr. Gordon had served more than 14 years in the Legislature, ten of those in the Senate where he attained the positions of Majority Conference Leader, and Chairman of the Senate Transportation Committee, the Legislative Manufacturing Caucus and the Senate Legislative Oversight Committee. While chairman of the latter, he conducted extensive investigatory hearings on deficiencies at NJ TRANSIT. Senator Gordon was the original prime sponsor of the law that imposed new standards of accountability and transparency on the NJ TRANSIT Board. The legislation, which was signed by Governor Murphy on December 20, 2018, restructured the board, imposed new oversight responsibilities on board members and expanded public input prior to significant changes in service.

Mr. Gordon's career has spanned the public and private sectors. In his public career, he has served at every level of government. His first job was at the President's Council on Environmental Quality, and during his early career in Washington he worked on the economics staff of the Brookings Institution, a public policy research institution, and later, at the inception of the Congressional Budget Office, joined that agency as an analyst. At the state and local levels, Mr. Gordon served as an aide to Governor Jim Florio and spent ten years as Mayor and Council Member of the Borough of Fair Lawn. He is the author of Governing New Jersey, a 300-page book describing the skill requirements of key executive branch positions. In 2018, InsiderNJ.com ranked him #2 in its list of 100 top policymakers in Trenton.

Mr. Gordon's business career is equally diverse. Much of his private sector work was with large management consulting firms, where he led engagements focused on strategic planning and improving organizational effectiveness. He conducted assignments for Fortune 1000 clients in the U.S. and Europe, and later, worked with the nation's largest hospital consulting firm. He managed the family textile factory in Paterson, New Jersey, and most recently, worked as a broker with one of the largest commercial real estate organizations.

Mr. Gordon earned his undergraduate degree in political economy and environmental studies from Williams College, where he graduated Phi Beta Kappa and magna cum laude. He also has a Master of Public Policy degree from the University of California at Berkeley and an MBA in finance and health care management from the Wharton School of the University of Pennsylvania.

Mr. Gordon resides in Fair Lawn with his wife Gail, an attorney.

Richard A. Maroko

Rich Maroko is the President of the Hotel and Gaming Trades Council, AFL-CIO, the union representing 40,000 workers in the hotel and gaming industries in New York and New Jersey. He also serves as Business Manager for UNITE HERE Local 6, and as the Recording Secretary of UNITE HERE International Union, which represents 300,000 workers across the United States and Canada.

During his 20 years with the Hotel and Gaming Trades Council, Rich has distinguished himself as a fierce negotiator and advocate for workers. He has negotiated hundreds of collective bargaining agreements with major hotel and casino chains, including as lead counsel in bargaining the Union's master NYC contract, valued at over 2.5 billion dollars per year. Over the past several years, he has overseen the union's explosive growth in NJ and upstate NY, where the Hotel and Gaming Trades Council doubled the number of union hotels and won the first ever statewide master contract in the hotel industry.

Rich was intimately involved in the Union's expansion into the gaming industry, including the organizing of virtually all the operators in New York State and the negotiation of collective bargaining contracts with each of them. He has also played a key role in overseeing the union's political and legislative program, which has been successful in numerous policy initiatives benefiting hospitality workers on the state and municipal levels.

President Maroko took the helm at HTC at an exceptionally challenging time for the Union's members, as the hospitality industry reeled from the effects of the COVID-19 pandemic. As a result of his recent efforts, furloughed workers at HTC-represented facilities received over half a billion dollars in supplemental pay and continued healthcare during the pandemic-caused shutdown. He also crafted strict safety protocols designed to keep workers and guests safe at facilities that remained open, and successfully secured agreements across New York's and New Jersey's hospitality industry to codify those protocols.

Before coming to the Hotel and Gaming Trades Council in 2002, Rich practiced labor and employment law in New Jersey and New York. He fought cases in front of state and federal courts and before the National Labor Relations Board, the Equal Employment Opportunities Commission, and the Division of Human Rights.

Rich has served on the NJ TRANSIT Board of Directors since February 2020, after being appointed to that position by Governor Phil Murphy. As a central player representing New York's hospitality industry, he was also appointed by New York City Mayor Eric Adams to the mayor's COVID Recovery Roundtable, and to the "New" New York Blue Ribbon Panel, which was co-convened by the mayor and New York Governor Kathy Hochul. He was a long-time adjunct professor of Labor and Employment Law at Queens College, and is currently on the Board of Cornell University's Center for Innovative Hospitality and Employment Relations. He graduated Phi Beta Kappa from Rutgers College, earned a law degree from the University of Pennsylvania, and later received a Master's degree in Labor and Employment Law, with distinction, from Georgetown University Law School.

Carlos A. Medina

Carlos Medina is a Graduate of Rutgers Newark and Rutgers Law School Newark. He is the President of Robinson Aerial Surveys, Inc., a firm, with a long and rich history in New Jersey specializing in mapping and engineering. An advocate for volunteerism, Mr. Medina also serves on various non-profit boards.

In January 2019, Mr. Medina became President and CEO of the Statewide Hispanic Chamber of Commerce of New Jersey (SHCCNJ), having served as Chairman since 2012. The SHCCNJ is the voice of the 119,000 Hispanic-owned businesses in New Jersey that contribute over $20 billion annually to the State's economy.

To raise awareness, and promote diversity in entrepreneurship, Mr. Medina regularly discusses issues important to the members of SHCCNJ and the business community, during appearances on various TV networks, including ABC 7, WWOR 9, and NJTV. In 2018/19 Mr. Medina acted as Executive Producer and Co-Host in resurrecting a defunct PBS/NJTV show. He recently served as Executive Producer and Host for "Que Pasa NJ?", which airs on PBS stations. Mr. Medina also serves as a Corporate Board Member of Horizon Blue Cross Blue Shield of NJ.

Mr. Medina has been recognized and received many awards for his achievements, community service, and leadership, including: Professional of the Year Award from the Hispanic State Parade of New Jersey (2006); Outstanding MBE Award from ANCHIN (2011); LUPE Compadre Award (2015); Fairleigh Dickinson University Puerta al Futuro Community Service Award (2015); Friends of the HRIC Maria DeCastro Community Service Award (2015); National Coalition of Latino Officers Community Service Award (2016); Boy Scouts of America Good Scout Award (2016); New Jersey State Governor's Jefferson Awards/NJ Community Pillar Award (2017); Illustrious Award from Institute for Latino Studies (2017); SLA-LTPAG - Jose Marti' Award (2019); Grand Marshal of the Hispanic State Parade (2019); and, Red Bulls Professional Soccer Team's 2021 Homegrown Hero Award.

Mr. Medina has been a Member of Governor Murphy's ReStart the Economy Task Force since March 2020, and a Member of Governor Murphy's Commission on Puerto Rico since June 2021. Mr. Medina was the Commencement Speaker at St. Peter's University in 2021, receiving an honorary Doctor of Humane Letters degree. In 2022, he served as the Commencement Speaker at William Paterson University, where he also received an honorary Doctor of Humane Letters degree.

Nominated by Governor Murphy in March 2022 to serve on the NJ TRANSIT Board of Directors, Mr. Medina was confirmed by the full New Jersey State Senate in December 2022.

Shanti Narra

Shanti Narra was born in Hyderabad, India and immigrated to the U.S. with her family when she was two years old. She was raised in North Brunswick, New Jersey where she attended public school and graduated from high school in 1985. She received a Bachelor's Degree in Foreign Service from Georgetown University in 1989 majoring in International Law. Ms. Narra continued her education in Washington, D.C. and received her J.D. from Georgetown University Law Center.

After a brief stint in the private sector, Ms. Narra began a long career as a public defender with the Legal Aid Society in New York City. As a senior staff attorney, she tried many complicated criminal cases. During her years as a staff attorney she was also very active in her union, the Association of Legal Aid Attorneys (ALAA). Ms. Narra served in multiple Executive Board positions first as Junior Attorney Representative, Attorneys of Color Representative and finally several terms as Union Vice-President for Manhattan. After 10 years on staff, she joined management as a supervising attorney.

In 2004 Ms. Narra moved back to her hometown of North Brunswick (commuting back and forth to New York for her work by bus). One of the first things she did upon settling in New Jersey once again was to get involved civically, which initially entailed joining the North Brunswick Democratic Social Club. She went on to become a Democratic Committeewoman (a position she still holds today). Later, she was appointed to the Township Planning Board. In 2009 she won a seat on the North Brunswick Town Council. She subsequently won re-election to the Council in 2012 and then again in 2015.

In 2015, she was appointed by the Middlesex County Democratic Chairman to serve as Parliamentarian of the County Democratic Organization where she presided over and chaired the County Committee Meetings. In October 2016, Ms. Narra was appointed by the County Committee to fill a vacancy on the Board of Chosen Freeholders. With that appointment, Ms. Narra became New Jersey's first South Asian Freeholder. In November 2017, she successfully won a one-year term. Then in November 2018, she won a full three-year term. Since June 2021 she has served as the Deputy Director of the County Board of Commissioners.

Ms. Narra also serves as a Board Member of Jewish Family Services, the Puerto Rican Action Board, The North Brunswick Friends of the Library Board and is one of the founders and current Advisory Board Members of Inspiring Asian American Women (ISAAW) - a group dedicated to increasing the participation of this demographic in civic engagement. Ms. Narra is a member of the North Brunswick Township Community Emergency Response Team (CERT).

Karen Thomas

Karen Thomas is a NJ TRANSIT employee, a member of the Amalgamated Transit Union (AT) for 34 years, and a representative of the ATU New Jersey State Council. She is honored and privileged to serve as a Board Member representing the hard-working men and women of the Amalgamated Transit Union.

Ms. Thomas is currently a Procurement Processor with 34 years of experience at NJ TRANSIT. Her experience includes transportation logistics, operations management, procurement, union leadership, and negotiations. She has developed excellent analytical, problem-solving, and organizational skills, and the ability to work independently and handle multiple projects. Ms. Thomas has learned the transportation industry by advancing in various department throughout her career with NJ TRANSIT

Ms. Thomas has been a pillar in the community volunteering in many local organizations. She is currently the Chair of the Somerset County Commission on the Status of Women. The Commission advocates for women in the county addressing issues that affect their community.

Ms. Thomas participates yearly in the American Cancer Society Relay for Life. She formerly served on CASA Shaw Board of Directors, advocating for abused and neglected children in foster care.

Ms. Thomas is a staunch believer of supporting the community and has received community service awards from Yes Lord Ministry and the NAACP Plainfield Chapter. She is married to her husband Victor and the proud mother of three adult daughters and two grandchildren.

NJ TRANSIT bus departing Newark Penn Station.

Evan S. Weiss

Evan Weiss is the President and CEO of the Newark Alliance. He assumed the role in December 2021. The Newark Alliance, through the combined strength and collaboration of its members, drives inclusive economic growth for all of Newark, New Jersey. The Alliance's Members comprise Newark's premier businesses, anchor institutions, and community partners, including Fortune 100 & 500 companies and several of the country's top universities, hospitals, and arts institutions. United by a shared vision, the Alliance and its Members work collaboratively to cement Newark's status as one of America's most diverse, prosperous, exciting, and equitable cities.

Previously, he was Senior Advisor for Finance and Major Projects to Governor Phil Murphy. He focused on finding creative solutions to New Jersey's most pressing economic and community development problems, including managing the fiscal response to COVID-19, establishing New Jersey as the base of the US offshore wind industry, and financing affordable housing, transit, and water infrastructure projects. He was also the administration's point person for key city initiatives in Newark, Trenton, and Atlantic City. Most recently, he helped craft the legislation to reform the Urban Enterprise Zone program and the $14-plus billion suite of Economic Development Authority tax credit programs, as well as lead the Governor's Office financial review of the Gateway Project, the largest infrastructure project in the United States.

Prior to entering the Governor's administration, Mr. Weiss was Director at the Pennsylvania Economy League and HJA Strategies, where he specialized in developing and implementing turnaround strategies for distressed cities and school districts, including for the City of Newark, Newark Public Schools, Scranton, Atlantic City, and Trenton.

In addition to his role as a Member of the Board of Directors of NJ TRANSIT, he is a Member of the Board of New Jersey Community Capital, the largest community development financial institution in New Jersey, and the Newark Workforce Development Board. He has published several articles on economic development, tax policy, and corporate social responsibility. He is a graduate of the University of Chicago.

Advisory Committees

To assure citizen representation, two passenger advisory committees – one serving North Jersey and another South Jersey – regularly advise the Board of Directors on customers' opinions. Committee members are appointed by the Governor with the approval of the State Senate.

NORTH JERSEY PASSENGER ADVISORY COMMITTEE

Suzanne T. Mack, Chair

Michael DeCicco

Kathy Edmond

Timothy O'Reilly

SOUTH JERSEY PASSENGER ADVISORY COMMITTEE

Anna Marie Gonnella-Rosato, Chair

Ruth Byard, Vice Chair

Robert Dazlich, Secretary

Richard D. Gaughan

Daniel Kelly

Jeffrey Marinoff

James Constantine

Senior Citizens and Disabled Residents Transportation Assistance Program Citizens Advisory Committee advises NJ TRANSIT on public transit decisions regarding accessibility issues.

SENIOR CITIZENS & DISABLED RESIDENTS TRANSPORTATION ASSISTANCE PROGRAM CITIZENS ADVISORY COMMITTEE

David Peter Alan, Chair

Sally Jane Gellert, 1st Vice Chair

Jim Blaze, 2nd Vice Chair

Robert Dazlich

Steven Fittante

Tony Hall

Pamela King

Gary Johnson

Anthony Lanzilotti

Louise Layton

Linda Melendez

Gloria Mills

Sarah Thompson

Linda Washington

Executive Management Team

CHRISTOPHER CORASIO
Chief, Contracted Services

JUSTIN DAVIS
Sr. Vice President, Regulatory and Government Affairs & Chief of Staff

NAEEM DIN
Chief, EEO/AA

LOOKMAN FAZAL
Chief Information & Digital Officer

ANTHONY GRIECO
Sr. Vice President, Communications & Customer Experience

RONALD HOVEY
Chief of Procurement (Acting)

CHRISTOPHER IU
Chief Compliance Officer & Chief Ethics Officer

JIM KEANE
Sr. Vice President, Chief Safety Officer

MICHAEL KILCOYNE
Sr. Vice President, Surface Transit & General Manager Bus Operations

FRANK SAVINO
Auditor General (Acting)

RICHARD SCHAEFER
Sr. Vice President, Capital Programs

JAMES SINCAGLIA
Sr. Vice President & General Manager, Rail Operations

JACQUELINE STAMFORD
Sr. Vice President, Chief Financial Officer (Acting)

BINU THOMAS
Sr. Vice President & Chief Administrative Officer

CHRISTOPHER TRUCILLO
Sr. Vice President, Chief of Police & Office of Emergency Management

MEGHAN CLARK UMUKORO
Board Secretary & Director, Board Operations

CAROLINE VACHIER
Section Chief, Deputy Attorney General

VAUGHAN WILLIAMS
Chief Marketing Officer & VP, Communications & Customer Experience

BRIAN T. WILTON, ESQ.
Sr. Vice President, Chief Legal Officer and General Counsel

GREGORY WOODS
Chief, Light Rail

PAUL WYCKOFF
Chief, Government & External Affairs

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NJTRANSIT.com

NJ TRANSIT

New Jersey Transit Corporation

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2023

Philip D. Murphy, Governor
Tahesha L. Way, Lieutenant Governor
Diane Gutierrez-Scaccetti, Commissioner
Kevin S. Corbett, President & CEO

ONE PENN PLAZA EAST
NEWARK, NJ 07105-2246
973-491-7000

TRANSIT

REPORT OF MANAGEMENT

The financial statements of the business-type activities and fiduciary activities of the New Jersey Transit Corporation (the "Corporation"), for the fiscal year ended June 30, 2023, have been audited by Deloitte & Touche LLP, an independent accounting firm, as stated in their report appearing herein. The auditor's unmodified opinion, dated October 27, 2023, is presented on pages 1-2 of the 2023 annual financial report.

Management of New Jersey Transit Corporation is responsible for both the accuracy of the financial data and completeness and fairness of its presentation, including all disclosures. Management is also responsible for establishing and maintaining adequate internal control over financial reporting of the Corporation. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Additionally, New Jersey Transit Corporation has an internal audit department that performs various audits throughout the year. This department reports to the Audit Committee of the Board of Directors.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even an effective internal control system can provide only reasonable assurance that its goals are achieved.

We certify that, to the best of our knowledge, during the fiscal year 2023, New Jersey Transit Corporation has followed all of the Corporation's standards, procedures and internal controls, the financial information included herein is accurate, and that such information fairly presents the financial condition and operational results of the Corporation as of June 30, 2023 and for the year then ended.

Kevin S. Corbett
President & CEO

Jacqueline Stamford
SVP, Chief Financial Officer & Treasurer, Acting

October 27, 2023

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
New Jersey Transit Corporation

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the New Jersey Transit Corporation (the "Corporation"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Corporation as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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). 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 Corporation, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Corporation is a component unit of the State of New Jersey. The Corporation requires significant subsidies from, and has material transactions with, the State of New Jersey, including the State of New Jersey's Transportation Trust Fund, and the United States Federal Government. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules listed under the heading Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The supplementary information listed under the heading Supplementary Information - Combining Fiduciary Funds Financial Statements in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed under the heading Supplementary Information - Combining Fiduciary Funds Financial Statements within the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Deloitte & Touche LLP

October 27, 2023

This section of New Jersey Transit Corporation's ("NJ TRANSIT") annual financial report presents a narrative overview and analysis of the financial position and changes in financial position of NJ TRANSIT as of and for the fiscal year ended June 30, 2023. This discussion and analysis are intended to serve as an introduction to NJ TRANSIT's consolidated financial statements and designed to assist the reader in focusing on the significant financial activities of NJ TRANSIT and to identify any significant changes in financial position and performance. NJ TRANSIT encourages readers to consider the information presented in conjunction with the consolidated financial statements as a whole.

FINANCIAL REPORTING ENTITY

NJ TRANSIT is a component unit of the State of New Jersey created by the New Jersey Public Transportation Act of 1979. NJ TRANSIT is empowered with the authority to acquire, own, operate, and contract for the operation of public passenger transportation services. NJ TRANSIT provides these services through bus operations (NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc.), and commuter rail operations (NJ TRANSIT Rail Operations, Inc.). The financial reporting entity consists of:

- Consolidated Enterprise Fund
- Fiduciary Funds comprised of:
  - > Pension Benefit Trust Funds, as follows:
    - Amalgamated Transit Union (ATU) Employees Retirement Plan
    - Utility Workers' Union of America (UWUA) Employees Retirement Plan
    - Transit Employees Retirement Plan (TERP)
  - > Custodial Funds
    - Gateway Development Commission

THE CONSOLIDATED ENTERPRISE FUND FINANCIAL STATEMENTS

Since NJ TRANSIT comprises a single enterprise fund, no fund-level financial statements are presented. NJ TRANSIT's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to government units.

The consolidated financial statements provide both long-term and short-term information about NJ TRANSIT's overall financial status. The **Consolidated Statement of Net Position** reports NJ TRANSIT's net position and the changes thereto. Net position, defined as the difference between NJ TRANSIT's assets, deferred outflows or inflows of resources and liabilities, may serve as a useful indicator of NJ TRANSIT's financial position over time.

The **Consolidated Statement of Revenues, Expenses and Changes in Net Position** shows NJ TRANSIT's operating results and how its net position changed during the fiscal year. All revenues, expenses and changes in net position are reported on the accrual basis of accounting, which reports the event as it occurs, rather than when cash changes hands.

The **Consolidated Statement of Cash Flows** reports how NJ TRANSIT's cash and cash equivalents increased or decreased during the fiscal year. The statement shows how cash and cash equivalents were provided by and used in NJ TRANSIT's operating, non-capital financing, capital and related financing, and investing activities. The net increase or decrease in NJ TRANSIT's cash and cash equivalents is added to or subtracted from the balance at the beginning of the year to arrive at the cash and cash equivalents balance at the end of the year.

THE FIDUCIARY FUNDS FINANCIAL STATEMENTS

Fiduciary funds are used to account for resources held in a trustee capacity for the benefit of parties outside of a government entity. Fiduciary funds are not reported in NJ TRANSIT's consolidated financial statements because the resources of those funds are not available to support NJ TRANSIT's operating activities. The fiduciary funds include Pension Trust Funds and Custodial Funds.

The **Statement of Fiduciary Net Position** presents financial information about the assets, liabilities, and the fiduciary net position held in trust of the pension funds and custodial funds.

The **Statement of Changes in Fiduciary Net Position** presents fiduciary activities of the pension funds and custodial funds as additions and deductions to the fiduciary net position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The notes to consolidated financial statements are an integral part of the consolidated financial statements and provide information that is essential to a full understanding of the consolidated financial statements, such as NJ TRANSIT's accounting methods and standards, details of cash and investments, capital assets, employee benefits, long-term debt, lease transactions, claims and insurance, contingencies, and subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION

The Required Supplementary Information presents the information regarding NJ TRANSIT's progress in funding its obligations to provide pension and postemployment benefits other than pensions ("OPEB") to its employees, changes in total OPEB and pension liabilities and actuarially determined contributions for the single-employer plans, the proportionate share of the total OPEB and net pension liabilities for the multiple-employer cost-sharing plans and the contractually required contributions for the multiple-employer cost-sharing plans.

SUPPLEMENTARY INFORMATION – COMBINING FIDUCIARY FUNDS FINANCIAL STATEMENTS

The Supplementary Information - Combining Fiduciary Funds financial statements include the combining statements of fiduciary net position and the combining statements of changes in fiduciary net position, which provide financial information on each fiduciary fund in which NJ TRANSIT is functioning as a trustee for another party. The fiduciary funds are categorized as Pension Trust Funds and Custodial Funds.

FINANCIAL HIGHLIGHTS – FISCAL YEAR 2023

Total operating revenues for NJ TRANSIT were $769.9 million in fiscal year 2023, an increase of $162.6 million, or 26.8 percent compared to the prior fiscal year. Passenger revenues increased by $160.4 million, or 29.7 percent. Other operating revenues, net, increased by $2.2 million, or 3.3 percent. These increases were due to the continued recovery from COVID-19 as the ridership increased in the past fiscal year.

Total operating expenses before depreciation and amortization and other expenses were $2,904.5 million in fiscal year 2023, an increase of $245.6 million or 9.2 percent, from the prior fiscal year, primarily as a result of increases in labor and fringe costs, fuel and propulsion costs, and purchased transportation expenses. Additional details are presented beginning on page 9.

Total net position at June 30, 2023 was $4,029.0 million, an increase of $298.0 million, or 8.0 percent from the net position at June 30, 2022. This was the result of the fiscal year financial activities.

Total capital assets (net of accumulated depreciation and amortization) were $7,403.4 million at June 30, 2023, a net increase of $585.1 million, or 8.6 percent from the previous fiscal year. This is a result of additional capital projects in progress, acquisition of new revenue vehicles, structures and equipment, offset by current year depreciation/amortization and retirement of assets.

NJ TRANSIT has reported a negative fair value of the fuel commodity swaps in the amount of $11.7 million at June 30, 2023, a decrease of $58.9 million or 124.8 percent, from the prior fiscal year. The fuel commodity swaps are all presented as "Other Current Liabilities" with a corresponding "Deferred Outflows Related to Derivative Instruments" in the Consolidated Statement of Net Position (see Note 19).

FINANCIAL ANALYSIS

NET POSITION

NJ TRANSIT's total net position at June 30, 2023 was $4,029.0 million, an increase of $298.0 million, or 8.0 percent (Table A-1) from the prior fiscal year. Total assets increased by $1,318.6 million, or 15.8 percent, and deferred outflows of resources from unamortized refunding of debt and items related to derivative instruments, pensions and OPEB increased by $173.3 million, or 37.4 percent. Total liabilities increased by $1,609.1 million, or 36.8 percent.

TABLE A-1
NJ TRANSIT NET POSITION *($ in millions)*

	AS OF JUNE 30, 2023	2022*	% INC/(DEC) 2023/2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	$1,175.5	$1,174.1	0.1
Restricted non-current assets	1,085.2	350.1	210.0
Capital assets, net	7,403.4	6,818.3	8.6
Other assets	18.8	21.8	(13.8)
TOTAL ASSETS	**9,682.9**	**8,364.3**	**15.8**
Deferred outflows related to derivative instruments	11.7	---	100.0
Deferred outflows related to refunding of debt	8.0	11.6	(31.0)
Deferred outflows related to OPEB	237.9	252.8	(5.9)
Deferred outflows related to pensions	379.1	199.0	90.5
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**636.7**	**463.4**	**37.4**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$10,319.6**	**$8,827.7**	**16.9**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities	1,048.7	882.3	18.9
Notes payable	1,451.2	943.3	53.8
Net pension liability	954.8	455.4	109.7
Non-current OPEB liability	1,518.2	1,368.7	10.9
Other borrowings	134.1	146.9	(8.7)
Lease and subscription liabilities	82.1	59.5	38.0
Other non-current liabilities	787.5	511.4	54.0
TOTAL LIABILITIES	**5,976.6**	**4,367.5**	**36.8**
Deferred inflows related to pensions	37.6	353.1	(89.4)
Deferred inflows related to derivative instruments	---	45.9	(100.0)
Deferred inflows related to leases	17.9	22.1	(19.0)
Deferred inflows related to OPEB	258.5	308.1	(16.1)
TOTAL DEFERRED INFLOWS OF RESOURCES	**314.0**	**729.2**	**(56.9)**
Net investment in capital assets	6,400.1	5,694.5	12.4
Restricted for claims	38.9	31.9	21.9
Unrestricted (deficit)	(2,410.0)	(1,995.4)	20.8
TOTAL NET POSITION	**4,029.0**	**3,731.0**	**8.0**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$10,319.6**	**$8,827.7**	**16.9**

**Does not reflect the effects of the adoption of GASB Statement No. 96.*

FISCAL YEAR 2023

The 0.1 percent increase in current assets in fiscal year 2023 resulted mainly from the increase of $111.2 million in State grant receivables due to timing of receipts, offset by a decrease in fuel commodity swaps of $47.2 million or 100.0 percent, presented as derivative instrument assets and reported as current assets in the prior year, as a result of unfavorable fair value, and a decrease in cash and cash equivalents of $65.4 million or 28.1 percent, which was used in operations. Restricted non-current assets increased by 210.0 percent due mainly to the receipt of State project advance of $253.7 million and proceeds from debt obtained from the New Jersey Economic Development Authority ("NJEDA") of $560.7 million, which will be used to fund the Portal North Bridge project. Of the $7,403.4 million in capital assets, net, $3,105.8 million represents capital projects in progress; $3,807.2 million represents NJ TRANSIT's investment in buildings, structures, track, equipment, locomotives, railcars and buses, right to use assets, net of depreciation and amortization; and $490.4 million represents land and other capital assets.

The 100.0 percent increase in deferred outflows of resources related to derivative instruments was due to the negative fair value of the fuel commodity swaps, resulting in a corresponding liability at June 30, 2023, and a 100.0 percent decrease in deferred inflows related to derivative instruments.

The 31.0 percent decrease in deferred outflows of resources related to refunding of debt was due to the amortization of the deferred loss on refunding associated with the New Jersey Economic Development Authority Transportation Project Refunding Bonds that were issued in 2017.

The 5.9 percent decrease in deferred outflows of resources related to OPEB was mainly due to changes in assumptions based on the actuarial valuations.

The 90.5 percent increase in deferred outflows of resources related to pensions was due to an increase in the net difference between projected and actual earnings on pension plan investments and changes in actuarial assumptions per the latest actuarial valuations.

The 18.9 percent increase in current liabilities was mainly due to increases in short-term notes and line of credit payables, accounts payable, and liabilities related to fuel commodity swaps. Short-term notes payable increased due to an additional liability on new issuance of NJEDA 2022A debt. Line of credit liability increased due to larger cash drawdowns to meet operating cash needs. Accounts payable also increased primarily as a result of major construction payables on Portal North Bridge project costs. The negative hedging position resulted in a liability on fuel commodity swaps as of June 30, 2023.

The 53.8 percent increase in notes payable was due to the new issuance of NJEDA 2022A debt obtained to fund the Portal North Bridge project.

The 109.7 percent increase in the net pension liability was mainly related to the combined impact of an increase in total pension liability for a change in assumptions and a decrease in net position due to investment loss on plan trust funds. Total pension liability was measured at June 30, 2022 and the overall market condition was unfavorable at that time.

The 10.9 percent increase in non-current OPEB liability was a result of changes in assumptions, plan changes, and economic and demographic gains or losses based on the actuarial valuations.

The 38.0 percent increase in lease liability was due to NJ TRANSIT entering into new lease agreements in fiscal year 2023. The 19.0 percent decrease in deferred inflows was due to the annual amortization of lease revenue.

The 54.0 percent increase in other non-current liabilities was mainly due to the $253.7 million advance received in fiscal year 2023 from the State for capital projects. On June 29, 2021, the Governor signed P.L. 2021, c. 125 (the "Debt Reduction Act") pursuant to which there has been created within the General Fund a restricted reserve fund known as the "New Jersey Debt Defeasance and Prevention Fund" (the "Fund") for the purpose of retiring and defeasing State debt and for funding capital projects on a pay-as-you-go basis rather than issuing additional State debt for such capital projects.

The 89.4 percent decrease in deferred inflows of resources related to pensions was due to a decrease in net difference between projected and actual earnings on pension plan investments for ATU and TERP, based on the latest actuarial valuations.

The 16.1 percent decrease in deferred inflows of resources related to OPEB was mainly due to changes in assumptions based on the current actuarial valuation.

CHANGES IN NET POSITION

Changes in net position reflect the current year's results of operations combined with non-operating revenue and expenses, and capital contributions. The increase in net position in fiscal year 2023 was $298.0 million (Table A-2). While there are many contributing factors, this was primarily attributed to increases in operating revenues brought by increase in ridership and other commercial revenues. In addition, there were increases in supplemental funding from the State of New Jersey Department of Transportation ("NJ DOT") and capital contributions. The positive changes were offset by an increase in operating expenses and a decrease in drawdowns in fiscal year 2023 under Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA") and the American Rescue Plan Act ("ARPA").

TABLE A-2
CHANGES IN NJ TRANSIT NET POSITION *($ in millions)*

	YEARS ENDED JUNE 30, 2023	2022*	% INC/(DEC) 2023/2022
Operating Revenues			
Passenger fares	$700.5	$540.1	29.7
Other, net	69.4	67.2	3.3
Total Operating Revenues	**769.9**	**607.3**	**26.8**
Operating Expenses			
Total operating expenses before depreciation and amortization and other expenses	2,904.5	2,658.9	9.2
Depreciation and amortization	508.6	513.7	(1.0)
Total Operating Expenses	**3,413.1**	**3,172.6**	**7.6**
Operating Loss	**(2,643.2)**	**(2,565.3)**	**3.0**
Non-operating Revenues			
Non-operating revenues, net	1,976.7	2,216.4	(10.8)
Capital contributions	964.5	549.5	75.5
Change in Net Position	**298.0**	**200.6**	**48.6**
Total Net Position, Beginning	**3,731.0**	**3,530.4**	**5.7**
Total Net Position, Ending	**$4,029.0**	**$3,731.0**	**8.0**

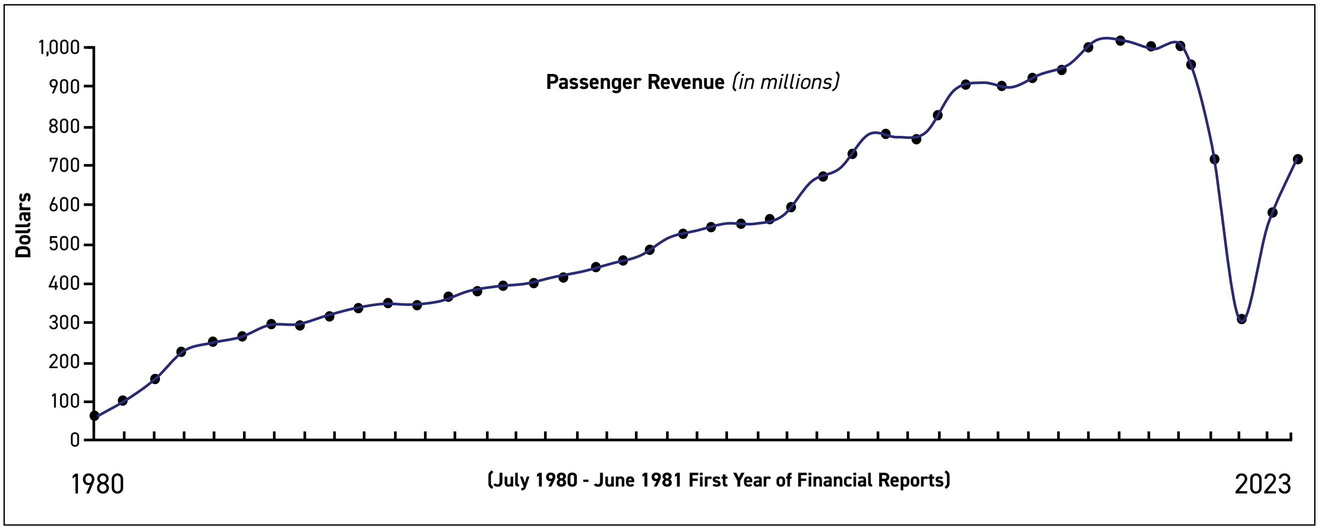
**Does not reflect the effects of the adoption of GASB Statement No. 96.*

OPERATING REVENUES

Operating revenues are comprised of passenger fares and other operating revenues, net of allowance for bad debts.

PASSENGER FARE REVENUE

Passenger fare revenue consists of fares earned during the year from the sale of tickets, monthly passes and bus fare box receipts



Total passenger revenue for fiscal year 2023 increased by $160.4 million or 29.7 percent. This increase can be attributed to the normalization of ridership trends mainly related to an increase in service demand as a result of continuous recovery from COVID-19. Rail passenger revenue for fiscal year 2023 increased by $101.9 million or 36.7 percent, with ridership increasing by 13.6 million passenger trips, or 34.7 percent. Bus passenger revenue increased by $57.4 million or 23.2 percent, with ridership increasing by 21.1 million passenger trips, or 20.6 percent. Passenger revenues for Light Rail, which includes Newark Light Rail, Hudson-Bergen Light Rail and River LINE revenues, increased by $0.8 million, or 7.0 percent, with ridership increasing by 3.3 million passenger trips, or 20.6 percent.

TABLE A-3
PASSENGER REVENUE *($ in millions)*

	YEARS ENDED JUNE 30,		% INC/(DEC)
	2023	2022	2023/2022
Rail Operations	$379.7	$277.8	36.7
Bus Operations	304.8	247.4	23.2
Light Rail Operations	12.3	11.5	7.0
Special Transit Fares	3.7	3.4	8.8
Total	**$700.5**	**$540.1**	**29.7**

TABLE A-3a
RIDERSHIP *(in millions)*

	YEARS ENDED JUNE 30,		% INC/(DEC)
	2023	2022	2023/2022
Rail Lines			
Newark Division	32.8	24.7	32.8
Hoboken Division	19.5	14.1	38.3
Atlantic City	0.5	0.4	25.0
Total Rail Lines	**52.8**	**39.2**	**34.7**
Bus Lines			
Northern Division	62.8	50.1	25.3
Central Division	48.7	41.8	16.5
Southern Division	12.2	10.7	14.0
Total Bus Lines	**123.7**	**102.6**	**20.6**
Light Rail Lines			
Newark Light Rail	4.2	3.5	20.0
Hudson-Bergen Light Rail	13.4	10.8	24.1
River LINE	1.7	1.7	---
Total Light Rail Lines	**19.3**	**16.0**	**20.6**
Total Ridership	**195.8**	**157.8**	**24.1**

FISCAL YEAR 2023

OTHER OPERATING REVENUES

Other operating revenues, net of the allowance for bad debts, consist of contracted service revenues, rental income, station and vehicle advertising, facility leases, parking lot operations and revenue received from operating service on behalf of Metro-North. There was an increase in other operating revenues of $2.2 million, or 3.3 percent primarily as a result of increased charter service revenue, specifically from Metro-North as revenues increased by $1.6 million or 21.0 percent from the prior year.

OPERATING EXPENSES

Operating expenses consist of employment costs, outside services, materials and supplies, depreciation and amortization and other operating costs. These costs are reported in the natural operating expense accounts in the Consolidated Statement of Revenue, Expenses, and Changes in Net Position.

EMPLOYMENT COSTS

Employment costs consisting of labor and related fringe benefit expenses represent 59.4 percent of NJ TRANSIT's total operating costs. These costs include full-time and part-time agreement employees' regular wages and related overtime costs, non-agreement salaries, employment taxes, health and welfare expenses, retirement costs and other fringe benefits.

During fiscal year 2023, labor costs increased by $62.1 million, or 7.3 percent, and fringe benefits increased by $96.0 million, or 13.3 percent from fiscal year 2022. The increase in labor costs were primarily due to annual wage increases, as well as increases in headcount for hirings of agreement and non-agreement employees to fill vacant positions. Fringe benefits cost increased primarily due to increases in pension and OPEB costs based on new actuarial valuations.

OTHER OPERATING COSTS

Other operating costs include parts, materials and supplies, fuel and propulsion, outside services, claims and insurance, trackage, tolls and fees, utilities, purchased transportation and other expenses.

Fuel and propulsion costs increased by $35.6 million or 35.3 percent as a result of increased fuel price due to the overall market conditions.

Cost of services decreased by $13.3 million or 5.5 percent due to a decrease in costs of COVID-19 medical testing and other professional services such as COVID cleaning service.

Claims and insurance expense increased by $14.7 million or 11.6 percent mainly due to increases in costs of Third Party Liability, Workers' Compensation, and Federal Employee Liability Act ("FELA") settlement claims, offset by decreases in insurance premium and employee claim settlements.

Purchased transportation increased by $24.1 million or 10.1 percent resulting from higher costs due to an increase in purchased transportation expenses on the Access Link, NJ TRANSIT's Americans with Disabilities Act Paratransit program and Light Rail operations, mainly related to an increase in service demand as a result of continuous recovery from COVID-19.

Other expenses increased by $17.8 million or 49.4 percent due to increases in credit card and bank service cost due to increase in revenues, as well as general operating costs accrued due to timing.

NON-OPERATING REVENUES, NET

Non-operating revenues, net, decreased by $239.7 million, or 10.8 percent. This was attributed to a decrease of $551.4 million for operating assistance from COVID Relief funds, a decrease of $75.5 million reimbursements for Federal preventive maintenance fund, and increases of $38.7 million in interest expense and $34.4 million in loss on disposition of assets, offset by increases of $396.0 million in NJ Turnpike funding and $35.6 million in investment income.

CAPITAL CONTRIBUTIONS

NJ TRANSIT receives federal, state, and local grants for essentially all of its capital construction and acquisitions. Funding of capital grant expenditures totaling $964.5 million was $415.0 million, or 75.5 percent, higher than fiscal year 2022. This was primarily due to the large increase in reimbursements for project expenditure on the Portal North Bridge project.

Major capital projects during the year included the acquisition and rehabilitation of revenue vehicles, including railcars, buses, vans and light railcars, construction of and improvements to passenger and support facilities, and rail, bus, and light rail infrastructure.

TABLE A-4
NJ TRANSIT CAPITAL ASSETS *(net of accumulated depreciation and amortization)*
($ in millions)

	AS OF JUNE 30, 2023	2022*	% INC/(DEC) 2023/2022
Capital projects in progress	$3,105.8	$2,311.5	34.4
Revenue vehicles	1,614.0	1,664.9	(3.1)
Buildings and structures	1,412.7	1,505.3	(6.2)
Track	601.3	669.0	(10.1)
Land	477.7	477.7	—
Furniture, fixtures, and equipment	85.8	112.2	(23.5)
Computer software and licenses	4.2	1.1	281.8
Operating rights	12.7	12.7	—
Right of use assets	89.2	63.9	39.6
Total Net Capital Assets	**$7,403.4**	**$6,818.3**	8.6

*Does not reflect the effects of the adoption of GASB Statement No. 96.

CAPITAL ASSETS

As of June 30, 2023, NJ TRANSIT had invested $17,803.3 million in capital assets. Net of accumulated depreciation and amortization, NJ TRANSIT's net capital assets at June 30, 2023 totaled $7,403.4 million (Table A-4). This amount represents a net increase of $585.1 million, or 8.6 percent higher than June 30, 2022 net capital assets.

In October 2020, NJ TRANSIT Board of Directors adopted an unconstrained vision called A Five-Year Capital Plan (the "Plan") to demonstrate opportunities for safety, service reliability, resiliency, sustainability, and other improvements critical to NJ TRANSIT. The Plan was the result of a rigorous process involving all agency planning, operating, safety, financial, police, customer service, environmental and engineering personnel. The Plan established and prioritized a pool of projects, balancing corporate strategic objectives to ensure the highest and best use of limited capital funds. It called for continued investment in the State's transit infrastructure to maintain a state of good repair and provide reliable transit service. It included comprehensive, sustainable, and measurable initiatives to ensure passenger and public safety for the system. An emphasis on better preparing NJ TRANSIT to withstand, and recover from, future extreme weather events through building a more resilient system remained a key focus of the Plan. NJ TRANSIT also looked to the future through system expansion that will improve access to mass transit and support continued economic development.

The Plan included two sets of planned and proposed capital investments totaling $17.0 billion in fiscal year 2021 through fiscal year 2025. The first set included $11.2 billion worth of investments already funded from previous, current and/or future expected funding resources. The second set identified another $5.8 billion worth of investments without any source of past, current and/or future funding. Although there were no sources of funds for the second set of investments, NJ TRANSIT believed, nonetheless, that these additional projects were necessary to achieve its vision of providing world class service, which increases reliability by reducing equipment breakdowns, infrastructure failures and service interruptions.

In July of 2021, NJ TRANSIT Board of Directors adopted the 2021 Capital Plan Update, which contained planned and proposed capital investments totaling $15.1 billion in fiscal year 2021 through fiscal year 2025. The 2021 Capital Plan Update included funding appropriations totaling $1.6 billion of federal, state, and other funds in fiscal year 2022.

In July of 2022, NJ TRANSIT Board of Directors adopted the 2022 Capital Plan Update, which contained planned and proposed capital investments totaling $13.3 billion in fiscal year 2021 through fiscal year 2025. The 2022 Capital Plan Update included funding appropriations totaling $2.6 billion of federal, state, and other funds in fiscal year 2023. This represented an increase of $1.0 billion above the previously approved amount of $1.6 billion. The additional $1.0 billion is derived from a number of new sources: $814.0 million from the New Jersey Debt Defeasance and Prevention Fund, $191.0 million from the Infrastructure Investment and Jobs Act ("IIJA") funds, and $40.0 million from the State Fiscal Recovery Fund.

Annually, NJ TRANSIT is appropriated expected funding from a variety of Federal, State, and other sources, which it then allocates to different multi-year investments in various stages of planning, design, and construction. This year's fiscal year 2024 Capital Funding Appropriation equals $1.7 billion and represents an expected funding source that will provide, along with other past and future annual appropriations, the funds needed to execute the funded portion of investments in the fiscal year 2021 through fiscal year 2025 Capital Plan. The fiscal year 2024 Capital Funding Appropriation allocates funds only to those existing projects and does not address any outstanding needs identified in fiscal year 2021 through fiscal year 2025 Capital Plan.

In April 2023, as required by current law (P.L. 2018, c. 162), and as part of the NJ TRANSIT budget approval process, the Board of Directors approved a two-year capital plan appropriation document for state fiscal years 2024 and 2025. This Board action shall authorize the Chair or President & CEO to take whatever actions are necessary to seek and secure those funds envisioned by the Plan and Program of Projects in future fiscal years. The capital appropriation amounts for future fiscal years will be subject to further Board review and approval.

This fiscal year 2024 Capital Appropriation of $1.7 billion consists of $796.4 million from the Federal Transit Administration ("FTA"), $34.8 million in federal competitive grant All Stations Accessibility Program ("ASAP"), $75.0 million in flexed funds from the Federal Highway Administration ("FHWA") provided through the NJ DOT, $760.0 million from the New Jersey Transportation Trust Fund ("TTF"), and $66.5 million from Casino Revenue, Local Match, and Turnpike Authority funds.

Additional information about NJ TRANSIT's capital assets is presented in Note 5 to the consolidated financial statements.

DEBTS AND OTHER OBLIGATIONS

Debts and other obligations outstanding at June 30, 2023, totaled $2,004.5 million compared to $1,446.1 million at June 30, 2022, an increase of 38.6 percent.

The following table summarizes the changes in debts and other obligations between fiscal years 2023 and 2022 *($ in millions):*

	AS OF JUNE 30, 2023	2022	% INC/(DEC) 2023/2022
Notes payable	$1,529.2	$1,009.5	51.5
Leases and other borrowings*	235.3	251.6	(6.5)
Revolving line of credit**	240.0	185.0	29.7
Total	**$2,004.5**	**$1,446.1**	**38.6**

**Includes lease and subscription liabilities of $88.3 million and other borrowings of $147.0 million.*

*** In October 2022, NJ TRANSIT entered into a Revolving Credit Agreement with Bank of America for the purpose of obtaining a $300.0 million Line of Credit.*

Additional information about NJ TRANSIT's debts and leases are presented in Notes 10, 11 and 12 to the consolidated financial statements

ECONOMIC CONDITIONS AND TRENDS

NJ TRANSIT serves several primary market areas including Northern New Jersey, Southern New Jersey, New York City and Philadelphia. Economic conditions and trends in each play a major role in the demand for NJ TRANSIT services.

Average monthly employment in the NJ TRANSIT service region increased by 4.0 percent in fiscal year 2023 when compared to fiscal year 2022. This continued increase in employment is a bright spot for our region considering the significant loss of jobs brought forth by COVID-19. Fiscal year 2020 and fiscal year 2021 experienced consecutive decreases in average employment, something which we had not seen since fiscal year 2010. Fiscal year 2021 (July 2020 – June 2021) is considered the employment low point with a 12-month average of 8.7 million jobs, this was an almost 9.0 percent decrease in employment when compared to fiscal year 2019 (July 2018 – June 2019). Within fiscal year 2023, the NJ TRANSIT service area averaged almost 9.7 million jobs, which equates to an 11.0 percent increase from the fiscal year 2021 low point and an almost 2.0 percent increase from pre-COVID employment (fiscal year 2019).

Regarding quarterly numbers, quarter four of fiscal year 2020 (April – June 2020) average employment was the lowest since the late 1990s with an average of just under 8.0 million jobs. When comparing quarter four of fiscal year 2023 to the same quarter in fiscal year 2020 and fiscal year 2019, average employment increased by 23.0 percent and 2.0 percent, respectively, in the NJ TRANSIT service region. The NJ TRANSIT region experienced peak employment in quarter four fiscal year 2023 with an average of 9.8 million jobs, the previous peak was in quarter two fiscal year 2020 (pre-pandemic) with 9.7 million jobs.

Though the statistics mentioned are for the NJ TRANSIT service area, local economies in the region are unique and may have recovered differently. Average employment for fiscal year 2023 increased by 3.0 percent in New Jersey, 5.0 percent in Philadelphia, and 5.0 percent in New York City when compared to fiscal year 2022. In comparison to fiscal year 2019, New Jersey, Philadelphia, and New York City increased by 3.0 percent, 3.0 percent, and less than 1.0 percent, respectively. When isolating for employment growth since the pandemic low, quarter four of fiscal year 2020, quarter four of fiscal year 2023 average jobs increased by 23.0 percent in New Jersey, 21.0 percent in Philadelphia, and 23.0 percent in New York City. This approximately equates to an increase of 801.0 thousand jobs in New Jersey, 130.0 thousand jobs in Philadelphia, and 870.0 thousand jobs in New York City.

CONTACTING NJ TRANSIT FINANCIAL MANAGEMENT

This financial report is designed to provide our customers and other interested parties with a general overview of NJ TRANSIT finances and to demonstrate NJ TRANSIT's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact New Jersey Transit Corporation, SVP, Chief Financial Officer & Treasurer, One Penn Plaza East, Newark, New Jersey 07105-2246.

NEW JERSEY TRANSIT CORPORATION
CONSOLIDATED STATEMENT OF NET POSITION *(in thousands)*
AS OF JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Current Assets	
Cash and cash equivalents	$167,595
Investments	62,450
Due from federal government	464,899
Due from State of New Jersey	230,258
Materials and supplies, net	162,831
Other current assets	87,542
Total Current Assets	**1,175,575**
Non-Current Assets	
Restricted cash and cash equivalents	938,278
Restricted deposits	146,921
Capital assets, not being depreciated	3,596,199
Capital assets, net of accumulated depreciation and amortization	3,807,160
Other non-current assets	18,796
Total Non-Current Assets	**8,507,354**
Total Assets	**9,682,929**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to derivative instruments	11,698
Deferred outflows related to refunding of debt	8,043
Deferred outflows related to OPEB	237,891
Deferred outflows related to pensions	379,066
Total Deferred Outflows of Resources	**636,698**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$10,319,627**

See Notes to Consolidated Financial Statements. *(Continued)*

NEW JERSEY TRANSIT CORPORATION
CONSOLIDATED STATEMENT OF NET POSITION *(in thousands)*
AS OF JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts payable	$332,889
Accrued payroll and benefits	165,025
Other short-term borrowings	12,861
Short-term notes and line-of-credit payable	318,050
Short-term lease and subscription liabilities	6,155
Other current liabilities	213,762
Total Current Liabilities	**1,048,742**
Non-Current Liabilities	
Notes payable	1,451,194
Accrued injury and damage claims	329,414
Other borrowings	134,060
Lease and subscription liabilities	82,137
Net pension liability	954,789
OPEB liability	1,518,196
Other non-current liabilities	458,070
Total Non-Current Liabilities	**4,927,860**
Total Liabilities	**5,976,602**
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	37,556
Deferred inflows related to leases	17,925
Deferred inflows related to OPEB	258,509
Total Deferred Inflows of Resources	**313,990**
NET POSITION	
Net investment in capital assets	6,400,111
Restricted for claims	38,925
Unrestricted (deficit)	(2,410,001)
Total Net Position	**4,029,035**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**$10,319,627**

See Notes to Consolidated Financial Statements. *(Concluded)*

NEW JERSEY TRANSIT CORPORATION
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION *(in thousands)*
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
Operating Revenues	
Passenger fares	$700,482
Other, net	69,378
Total Operating Revenues	**769,860**
Operating Expenses	
Labor	907,675
Fringe benefits	817,971
Parts, materials and supplies	195,663
Services	229,527
Claims and insurance	140,950
Fuel and propulsion	136,529
Trackage, tolls and fees	105,731
Utilities	53,109
Purchased transportation	263,480
Other	53,776
Total Operating Expenses, Before Depreciation and Amortization	**2,904,411**
Operating Loss Before Depreciation and Amortization	**(2,134,551)**
Depreciation and amortization	(508,576)
Operating Loss	**(2,643,127)**
Non-Operating Revenues (Expenses)	
State appropriation	100,000
Federal, state, and local reimbursements	1,939,040
Investment income	28,806
Other non-operating revenues	5,747
Interest expense	(62,149)
Loss on disposition of assets	(34,742)
Total Non-Operating Revenues	**1,976,702**
Change in Net Position Before Capital Contributions	**(666,425)**
Capital contributions	964,513
Change in Net Position	**298,088**
Total Net Position, Beginning	**3,730,947**
Total Net Position, Ending	**$4,029,035**

See Notes to Consolidated Financial Statements.

NEW JERSEY TRANSIT CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS *(in thousands)*
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
Cash Flows from Operating Activities	
Cash receipts from passenger fares	$702,007
Other cash receipts	69,740
Payments for claims	(116,091)
Payments to employees	(1,597,706)
Payments to suppliers	(963,072)
Net Cash Used in Operating Activities	**(1,905,122)**
Cash Flows from Non-Capital Financing Activities	
Cash receipts from federal, state and local grants and appropriations	2,113,401
Cash Provided by Non-Capital Financing Activities	**2,113,401**
Cash Flows from Capital and Related Financing Activities	
Receipts from leases	4,106
Payments of leases and subscriptions	(17,210)
Interest payments	(57,838)
Proceeds received from issuances of note and line of credit	848,437
Repayment of note and line of credit obligations	(266,185)
Purchase of capital assets	(1,087,889)
Capital grants	1,051,625
Net Cash Provided by Capital and Related Financing Activities	**475,046**
Cash Flows from Investing Activities	
Sales and maturities of investments	7,574
Purchases of investments	(8,720)
Interest on investments	27,243
Net Cash Provided by Investing Activities	**26,097**
Net Increase in Cash and Cash Equivalents	**709,422**
Cash and Cash Equivalents (including restricted cash and cash equivalents)	
Beginning of Year	**396,451**
End of Year	**$1,105,873**

See Notes to Consolidated Financial Statements.

(Continued)

NEW JERSEY TRANSIT CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS *(in thousands)*
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Cash Flows from Operating Activities	
Operating Loss	**($2,643,127)**
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation and amortization	508,576
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:	
Materials and supplies	(22,524)
Other current assets	16,553
Other non-current assets	(165,205)
Accounts payable	67,276
Accrued payroll and benefits	8,740
Other current liabilities	29,442
Accrued injury and damage claims	19,059
Net pension liability and related balances	499,415
OPEB liability and related balances	150,425
Other non-current liabilities and deferred inflows	(373,752)
Net Cash Used in Operating Activities	**($1,905,122)**
Non-Cash Investing, Capital and Related Financing Activities	
Non-cash investing activities	
Increase in fair value of investments	$2,372
Amortization of (premium) and cost of refunding	8,385
Total Non-Cash Investing Activities	**$10,757**
Non-cash capital and related financing activities	
Capital assets related liabilities	$46,855
Right of use assets related liabilities	33,915
Interest expense for leases and subscriptions	1,689
Interest income from leases	243
Total Non-Cash Capital and Related Financing Activities	**$82,702**

See Notes to Consolidated Financial Statements. *(Concluded)*

NEW JERSEY TRANSIT CORPORATION
STATEMENT OF FIDUCIARY NET POSITION *(in thousands)*
AS OF JUNE 30, 2023

	FIDUCIARY ACTIVITIES		
	PENSION TRUST FUNDS	**CUSTODIAL FUNDS**	**TOTAL**
Assets:			
Cash and cash equivalents	$–	$304	$304
Investments at fair value or NAV	2,200,388	–	2,200,388
Receivables:			
Accrued interest and dividends	2,554	–	2,554
Employee contributions	1,645	–	1,645
Medicare reimbursements	201	–	201
Total receivables	4,400	–	4,400
Total Assets	**$2,204,788**	**$304**	**$2,205,092**
Liabilities and Fiduciary Net Position:			
Liabilities:			
Accounts payable and accrued expenses	$39,636	$–	$39,636
Total Liabilities	**39,636**	**–**	**39,636**
Fiduciary Net Position			
Restricted for:			
Pensions	2,165,152	–	2,165,152
Other organizations	–	304	304
Total Fiduciary Net Position	**2,165,152**	**304**	**2,165,456**
Total Liabilities and Fiduciary Net Position	**$2,204,788**	**$304**	**$2,205,092**

NEW JERSEY TRANSIT CORPORATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION *(in thousands)*
YEAR ENDED JUNE 30, 2023

	FIDUCIARY ACTIVITIES		
	PENSION TRUST FUNDS	**CUSTODIAL FUNDS**	**TOTAL**
Additions:			
Transfer in from State of New Jersey	$—	$10,000	$10,000
Investment Income (Loss):			
Net appreciation in fair value of investments	172,304	—	172,304
Interest and dividend income	46,507	—	46,507
Less investment fees	(4,074)	—	(4,074)
Total Investment Income	214,737	—	214,737
Contributions:			
Employer	117,156	—	117,156
Employees	18,501	—	18,501
Total Contributions	135,657	—	135,657
Other Receipts	236	—	236
Total Additions	**350,630**	**10,000**	**360,630**
Deductions:			
Benefits paid to participants	171,471	—	171,471
Actuarial and professional fees	905	—	905
Transfer out to Gateway Development Commission	—	9,696	9,696
Total Deductions	**172,376**	**9,696**	**182,072**
Net Increase	**178,254**	**304**	**178,558**
Fiduciary Net Position:			
Beginning of Year	1,986,898	—	1,986,898
End of Year	**$2,165,152**	**$304**	**$2,165,456**

1. ORGANIZATION AND BUSINESS PURPOSE

Reporting Entity. The New Jersey Transit Corporation ("NJ TRANSIT") is a component unit of the State of New Jersey created by the New Jersey Public Transportation Act of 1979. NJ TRANSIT is empowered with the authority to acquire, own, operate, and contract for the operation of public passenger transportation services. NJ TRANSIT provides these services through bus operations (NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc.), and commuter rail operations (NJ TRANSIT Rail Operations Inc.). ARH III Insurance Company, Inc. ("ARH"), a non-profit special purpose captive insurance company, is a blended component unit of NJ TRANSIT. NJ TRANSIT also uses its own assets to contract with several third-party providers for transportation services including the operation of two light rail lines. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation ("Amtrak") for its operational maintenance of certain NJ TRANSIT rolling stock and the use of Amtrak's North East Corridor ("NEC"), including propulsion costs, right-of-way maintenance costs and certain transportation management services.

NJ TRANSIT receives operating assistance and capital funds from the State of New Jersey by legislative appropriation; the Federal Government by defined formula; discretionary grants under the Federal Urban Mass Transportation Act of 1964 as most recently amended by the Moving Ahead for Progress Act in the 21st Century Act ("MAP-21") of 2012; and local sources. Most federal grants are administered by the FTA. These grants are used to support construction, acquisition, and operation of public transportation facilities, equipment, and services.

NJ TRANSIT is governed by an eight-member Board of Directors. Seven of the members have voting authority and include the Commissioner of Transportation, who serves as Chairman, the State Treasurer and another member of the Executive Branch selected by the Governor, who serve ex-officio, and four other public members appointed by the governor with the consent of the State Senate. The eighth non-voting member is appointed by the Governor on the recommendation of the labor organization representing the plurality of the employees of NJ TRANSIT, that organization being the Amalgamated Transit Union ("ATU"). Five transit advisory committees regularly advise the Board of Directors on a number of topics. The North and South Jersey Transit Advisory Committees regularly advise the Board on customers' opinions, the Private Carrier Advisory Committee monitors the concerns of New Jersey's private bus carriers, the Americans with Disabilities Act ("ADA") Task Force assists NJ TRANSIT in the implementation of its ADA improvements plan, and the Local Programs Citizens Advisory Committee advises NJ TRANSIT on public decisions regarding accessibility issues. NJ TRANSIT employs an executive director who manages the day-to-day operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting – Enterprise Fund. The accounts are maintained, and consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as they relate to enterprise funds of state and local governmental units and accordingly follow all applicable Governmental Accounting Standards Board ("GASB") pronouncements.

In accordance with U.S. GAAP, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of NJ TRANSIT are included in the Consolidated Statement of Net Position. The two principal sources of revenue are passenger fares and governmental operating assistance and reimbursements. Operating expenses include the costs of operating the system, administrative expenses, and depreciation and amortization of capital assets.

Basis of Presentation and Accounting - Fiduciary Funds. NJ TRANSIT's fiduciary funds financial statements provide information about the funds that are used to report resources held in trust for retirees and beneficiaries covered by pension trust funds and custodial funds held by NJ TRANSIT. Separate financial statements are presented for the fiduciary funds.

The following fiduciary component units comprise the fiduciary activities of NJ TRANSIT:

1) Pension Trust Funds
   - Amalgamated Transit Union ("ATU") Employees Retirement Plan
   - Utility Workers' Union of America ("UWUA") Employees Retirement Plan
   - Transit Employees Retirement Plan ("TERP")

2) Custodial Funds
   - Gateway Development Commission

The financial statements of the fiduciary funds are prepared using the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for fiduciary activities.

New Accounting Pronouncements Recently Adopted. GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 91 is effective for NJ TRANSIT's fiscal year 2023. The adoption of this statement did not have a material impact on NJ TRANSIT's consolidated financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement ("SCA"), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 94 is effective for NJ TRANSIT's fiscal year 2023. The adoption of this Statement did not have a material impact on NJ TRANSIT's consolidated financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

NJ TRANSIT adopted this Statement in fiscal year 2023. As a result, all the requirements under GASB Statement No. 96 have been evaluated and the SBITA assets and liabilities were recognized and measured at the beginning of the fiscal year, which was July 1, 2022.

The following schedule summarizes the net effect of adopting GASB Statement No. 96 in the consolidated statement of net position *(in millions):*

	BALANCE AS OF JUNE 30, 2023
Right to Use Subscription Assets*	$9.7
Accumulated Amortization*	4.8
Subscription Liability	0.9

**Right to Use Subscription Assets and Accumulated Amortization are included in Capital assets, net of accumulated depreciation and amortization.*

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96 in Capital and Related Financing Activities in the consolidated statement of cash flows (*in millions*):

	FOR THE YEAR ENDED JUNE 30, 2023
Payments of subscription liability	$8.9

Accounting Standards Issued But Not Yet Adopted. GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation upon implementation. NJ TRANSIT Management has not yet evaluated the effect of implementation of these standards. The following is a list of GASB Statements and the year of adoption that NJ TRANSIT is required to assess:

GASB Statement No.	GASB Accounting Standard	Required Fiscal Year of Adoption
99	*Omnibus 2022*	2024
100	*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*	2024
101	*Compensated Absences*	2025

Revenue and Expense Classification. NJ TRANSIT distinguishes operating revenues and expenses from non-operating items in the preparation of its consolidated financial statements. Operating revenues and expenses primarily result from providing transportation services in connection with NJ TRANSIT's ongoing operations. The principal operating revenues are generated from passenger fares. NJ TRANSIT's operating expenses include employment costs, materials, services, claims and insurance, purchased transportation and other expenses related to the delivery of transportation services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. NJ TRANSIT's primary source of non-operating revenue relates to grants, subsidies, and capital contributions. Grants, subsidies, and capital contribution revenue is recognized at the time eligible expenses occur and/or NJ TRANSIT has complied with the grant and subsidy requirements.

Non-capital grants and subsidies are reported as non-operating revenue and capital grants are reported as a separate item on the Consolidated Statement of Revenues, Expenses, and Changes in Net Position as capital contributions.

Net Position. Net position equals assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources and are classified into three categories:

- Net Investment in Capital Assets – This reflects the net position of NJ TRANSIT that is invested in capital assets, net of related debt. This indicates that this net position is not accessible for other purposes.
- Restricted for Claims – This reflects the net position of NJ TRANSIT that is invested in ARH.
- Unrestricted (Deficit) – This relates to net position that does not meet the definition of "net investment in capital assets" or "restricted," as discussed above.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand, demand deposits and other short-term investments with maturities of three months or less when purchased. NJ TRANSIT considers cash and cash equivalents and investments held for the repayment of the non-current portion of notes payable and debts to be non-current assets.

Investments. All investments are stated at fair value based on quoted market prices, as available (see Note 3). Income from investments is recognized on the accrual basis. Realized gains or losses on sales of investment securities are accounted for using the specific identification method. NJ TRANSIT has elected to combine realized and unrealized gains and losses on investments. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses include unrealized amounts from prior years.

Accounts Receivable. Accounts receivable, primarily amounts due from federal and state governments, are included with other current assets and are recorded net of an allowance for uncollectible amounts.

Capital Assets. All capital assets are recorded at cost and include revenue and non-revenue vehicles, buildings, stations, furniture, fixtures, other equipment and infrastructure assets (right-of-way, track work, and bridges), as well as right to use leased assets and subscription assets, net of accumulated depreciation and amortization. Capital assets, which were acquired by the NJ DOT and subsequently transferred to NJ TRANSIT at cost, are included in capital assets.

Capitalization Policy. Under NJ TRANSIT's policy, purchases exceeding $5,000 representing additions or betterments, with a useful life greater than one year, are capitalized. Ordinary maintenance and repairs are charged to expense as incurred.

Depreciation and Amortization Policy. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

	YEARS
Buildings, structures, and track	25
Railcars and locomotives	22-25
Buses, vans, and light railcars	5-15
Furniture, fixtures, and equipment	3-10
Computer software and licenses	3

Right to use leased buildings, structures, equipment, and subscription assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Capital Projects in Progress. These are costs incurred by NJ TRANSIT for capital projects in various stages of completion and include all activities designed to construct, acquire, or extend useful lives of existing capital assets.

Materials and Supplies. Fuel, spare parts, and supplies purchased are recorded as inventories at average cost, net of a reserve for slow-moving and obsolete parts.

Deferred Outflows/Inflows of Resources. A deferred outflow of resources represents a consumption of net position that applies to a future period and a deferred inflow of resources is defined as an acquisition of net position that is applicable to a future period.

NJ TRANSIT records the following deferred outflows/inflows of resources in the Consolidated Statement of Net Position:

- Deferred outflows related to refunding of long-term debt: the difference in the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to pensions and OPEB: contributions made to the pension and OPEB plans subsequent to the measurement date and outflows due to changes in pension and OPEB assumptions are deferred.
- Deferred inflows related to pensions and OPEB: the net deferred gains on pension and OPEB plan investments due to changes of assumptions and inflows due to changes of pension and OPEB assumptions are deferred and amortized in future periods.
- Additional items include deferred outflows related to derivative instruments, which relates to fuel commodity swaps entered into during the year, and deferred inflows related to leases.

Injury and Damage Claims. Injury and damage claims are accrued at estimated award or settlement amounts when it is probable that an asset has been damaged or a liability has been incurred and the amount of the loss can be reasonably estimated. NJ TRANSIT is insured against public liability, property damage and Federal Employee Liability Act ("FELA") claims through various levels of coverage placed with commercial insurance carriers and its wholly-owned subsidiary, ARH. Such coverage includes self-insured retention (see Notes 15 and 17).

Pollution Remediation Obligations. Pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49*, Accounting and Financial Reporting for Pollution Remediation Obligations*. An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations. Pollution remediation obligations occur when any one of the obligating events takes place (see Note 13).

Note Premiums and Discounts. Premiums and discounts, which are recorded net with Notes Payable, are amortized over the life of the debt using the effective interest method.

Income Taxes. NJ TRANSIT is exempt from federal income taxes under the Internal Revenue Code, Section 115 and from state income taxes under N.J.S.A. 27:25-16. Accordingly, no provision is recorded for federal and state income taxes.

Pensions. For purposes of measuring the 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 three defined benefit, single-employer plans that NJ TRANSIT sponsors, the New Jersey Public Employees' Retirement System ("PERS") and the New Jersey Police and Firemen's Retirement System ("PFRS") and additions to/deductions from these plans' fiduciary net position have been determined on the same basis as they are reported by these plans. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits. NJ TRANSIT follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, to record Other Postemployment Benefits ("OPEB") expense, liability and deferred inflows of resources related to OPEB. The benefits are currently funded on a pay-as-you-go basis (see Note 7).

Compensated Absences. Accumulation and payment of vacation and sick leave for agreement employees is based on the collective bargaining agreements with the various unions. Non-agreement employees are permitted to carryover one year's worth of vacation days. Sick days earned for non-agreement employees after January 1, 2012 are not eligible for cash-in upon retirement. Compensated absences are accrued as a liability when earned and the liability is measured using the pay rates in effect at the statement of net position date.

Leases and Subscriptions. NJ TRANSIT recognizes lease/subscription liabilities and lease/subscription assets at the commencement of the lease and subscription term, unless the lease or subscription is short-term, or it transfers ownership of the underlying asset. The lease and subscription liabilities are measured at the present value of payments expected to be made during the term (less any incentives). The lease and subscription assets are measured at the amount of the initial measurement of the liability, plus any payments made to the lessor at or before the commencement of the term and certain direct costs.

NJ TRANSIT recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

3. DEPOSITS AND INVESTMENTS

NJ TRANSIT's deposits and investments as of June 30, 2023 are as follows *(in millions)*:

	AS OF JUNE 30, 2023
Current	
Cash on hand	$8.1
Cash equivalents	159.5
Total cash and cash equivalents	**167.6**
Investments	62.4
Total current cash and cash equivalents and investments	**230.0**
Non-current	
Restricted cash on hand	2.8
Restricted cash equivalents	935.5
Total restricted cash and cash equivalents	**938.3**
Total Deposits and Investments	**$1,168.3**

NJ TRANSIT's cash on deposit with various entities as of June 30, 2023 totaled $10.9 million, as follows:

ACCOUNT TYPE	**BALANCE** *(in millions)*
Insured	$1.5
Uninsured held at NJ TRANSIT's locations	1.2
Uncollateralized held by health care providers	2.8
Uninsured held by banks	5.4
Total	**$10.9**

Custodial Credit Risk. Custodial credit risk is the risk that a bank failure would result in the forfeiture of NJ TRANSIT deposits. NJ TRANSIT does not have a policy for custodial credit risk. As of June 30, 2023, $6.7 million of NJ TRANSIT's cash balance were exposed to custodial credit risk.

The following schedule lists the allocation of cash and investments by financial institution as of June 30, 2023 *($ in millions):*

	AS OF JUNE 30, 2023	
Institution/Issuer	**AMOUNT**	**% OF PORTFOLIO**
ARH - Wachovia Cash	$3.7	0.3
ARH - Wells Fargo Cash	0.6	0.1
Bank of America	79.7	6.8*
BNY Mellon	77.4	6.6*
BNY Mellon Money Market Restricted	34.0	2.9
City National Bank	0.3	0.0
ETF - ARH	62.4	5.4
Liberty Mutual	1.0	0.1
Working Fund	1.2	0.1
State Cash Management Fund	5.1	0.4*
State Street Bank & Trust	253.8	21.7
US Bank	647.8	55.5*
Wachovia	1.3	0.1
Total	**$1,168.3**	

** A majority of the investments held are money market mutual funds that invest primarily in government securities.*

Interest Rate Risk. In accordance with NJ TRANSIT's investment policy, NJ TRANSIT manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year. However, up to 25.0 percent of all investments may be invested in eligible securities, which mature within two years provided that the average maturity of all investments shall not exceed one year. Investments associated with the proceeds of debt issuance are governed by the related bond covenant agreements.

NJ TRANSIT's investments as of June 30, 2023 totaled $1,157.4 million, as follows:

Investments	**Fair Value** *(in millions)*	**Weighted Average Maturity in Years**
Money Market Funds	$398.3	0.08
Exchange Traded Funds (ARH)	62.4	0.10
Government Bonds	437.9	0.01
State of NJ Cash Management Fund	258.8	0.06
Total	**$1,157.4**	
Portfolio weighted average maturity		0.08

Credit Risk. NJ TRANSIT's investments are restricted to (a) United States Treasury Securities; (b) corporate obligations, provided they are rated BAA/BBB or better; (c) senior debt securities, provided such securities are rated at least AA; (d) commercial paper, which must have the highest prime rating and must be issued by a company incorporated in the United States; (e) certificates of deposit, both collateralized and uncollateralized (in the case of collateralization, the market value of the collateral must be 120.0 percent of the purchased price at the time of purchase); (f) repurchase agreements; (g) banker's acceptances; (h) loan participation notes; and (i) money market mutual funds. The restrictions pertaining to each class of these securities are outlined in NJ TRANSIT's investment policy and are strictly adhered to. Any deviation from the established risk is authorized by the Board of Directors.

NJ TRANSIT's investment policy limits exposure to any single issuer to 20.0 percent of the investment portfolio. This restriction does not apply to issues of the U.S. government or its agencies that are explicitly guaranteed by the U.S. government or the State of New Jersey Cash Management Fund.

The investment of NJ TRANSIT funds is governed by NJ TRANSIT's By-Laws. The Treasurer is authorized to invest and deposit funds of NJ TRANSIT in obligation and/or depositories, which are generally consistent with the investment policies of the State of New Jersey Cash Management Fund as permitted under Public Law 1950 c.270 and subsequent legislation or as otherwise prescribed by the Board of Directors of NJ TRANSIT. Investee institutions and organizations qualify as depositories based on such criteria as minimum capital, credit ratings, and other evaluation factors.

U.S. government and agency obligations are guaranteed by the full faith and credit of the issuing entity and are held by NJ TRANSIT's escrow agent in an account for NJ TRANSIT. The State of New Jersey Cash Management Fund is a common trust fund administered by the New Jersey Department of Treasury, Division of Investment and is an unrated investment.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of NJ TRANSIT's investment in a single issuer. As of June 30, 2023, no exposure of the concentration of credit risk existed since NJ TRANSIT did not hold any investments in any one issuer that would represent five percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this assessment.

Fair Value Measurements. NJ TRANSIT categorizes its fair value measurement within the fair value hierarchy established by generally accepted governmental standards. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NJ TRANSIT has the following recurring fair value measurements as of June 30, 2023 *(in millions)*:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Money Market Funds	$398.3	$398.3	$–	$–
Exchange Traded Funds (ARH)	62.4	62.4	–	–
Government Bonds	437.9	–	437.9	–
State of NJ Cash Management Fund	258.8	–	258.8	–
Total Investments by Fair Value Level	**$1,157.4**	**$460.7**	**$696.7**	**$–**

The following table presents fair value measurement information for NJ TRANSIT's captive insurance company's (ARH) investments at June 30, 2023 *(in millions)*:

EXCHANGE TRADED FUNDS (ETF):	
iShares Short Term Corporate Bond	$6.4
iShares 1-3 Year Treasury Bond	10.4
iShares Intermediate Credit Bond	4.6
iShares 3-7 Year Treasury Bond	7.2
Vanguard Russell 1000 Growth	5.6
Vanguard Russell 1000 Value	5.8
iShares Core S&P Small-Cap	4.9
Vanguard Developed Markets	3.4
Others, less than five percent	14.1
Total ARH ETF's	**$62.4**

4. RESTRICTED ASSETS

Restricted assets include cash, investments, and amounts on deposit for a financed purchase that have been restricted from use for normal operations as a result of agreements with outside parties.

Since April 1997, certain proceeds, primarily from the issuance of Grant Anticipation Notes, Certificates of Participation, and New Jersey Economic Development Authority Bonds, financed portions of NJ TRANSIT's capital projects. These proceeds are restricted by applicable agreement covenants. As of June 30, 2023, the balance of restricted assets related to these proceeds was $901.5 million.

Since fiscal year 1996, NJ TRANSIT has entered into tax advantaged agreements with certain domestic and overseas lenders. Restricted deposits as of June 30, 2023 were $146.9 million for these agreements that represent agreements made to meet NJ TRANSIT's payment obligations throughout the term of the agreements (see Note 12).

NJ TRANSIT has recorded Other Borrowings and the related assets as Restricted Deposits in the Consolidated Statement of Net Position.

Other restricted amounts are made up primarily of deposit requirements for NJ TRANSIT health insurance plans and the sale of fixed asset reserves. The proceeds of other restricted amounts totaled $2.8 million as of June 30, 2023.

5. CAPITAL ASSETS

A summary of all capital assets of NJ TRANSIT as of June 30, 2023 is as follows *(in millions)*:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not being Depreciated				
Land	$477.7	$–	$–	$477.7
Capital projects in progress	2,311.5	1,089.5	(295.2)	3,105.8
Operating rights	12.7	–	–	12.7
Total Capital Assets not being Depreciated	**2,801.9**	**1,089.5**	**(295.2)**	**3,596.2**
Capital Assets being Depreciated				
Buildings and structures	6,069.5	96.4	(0.8)	6,165.1
Track	2,511.5	10.9	–	2,522.4
Railcars and locomotives	2,905.5	142.1	(149.0)	2,898.6
Buses, vans, and light railcars	2,029.2	47.0	(33.7)	2,042.5
Furniture, fixtures, and equipment	588.8	(7.6)	(168.7)	412.5
Computer software & licenses	50.5	6.4	–	56.9
Total Capital Assets being Depreciated	**14,155.0**	**295.2**	**(352.2)**	**14,098.0**
Less Accumulated Depreciation				
Buildings and structures	4,564.2	189.0	(0.8)	4,752.4
Track	1,842.5	78.6	–	1,921.1
Railcars and locomotives	1,940.9	93.4	(114.7)	1,919.6
Buses, vans, and light railcars	1,328.9	112.1	(33.5)	1,407.5
Furniture, fixtures, and equipment	476.6	18.6	(168.5)	326.7
Computer software & licenses	49.4	3.3	–	52.7
Total Accumulated Depreciation	**10,202.5**	**495.0**	**(317.5)**	**10,380.0**
Total Capital Assets being Depreciated, Net of Depreciation	**3,952.5**	**(199.8)**	**(34.7)**	**3,718.0**
Right of Use Assets Being Amortized				
Leased buildings and structures	69.0	28.9	–	97.9
Leased furniture, fixtures, and equipment	1.6	0.2	(0.3)	1.5
Subscription assets	6.6	3.1	–	9.7
Total Right to Use Assets Being Amortized	**77.2**	**32.2**	**(0.3)**	**109.1**
Less Accumulated Amortization				
Leased buildings and structures	6.1	8.2	–	14.3
Leased furniture, fixtures, and equipment	0.6	0.6	(0.3)	0.9
Subscription assets	–	4.7	–	4.7
Total Accumulated Amortization	**6.7**	**13.5**	**(0.3)**	**19.9**
Total Right to Use Assets Being Amortized, Net of Amortization	**70.5**	**18.7**	**–**	**89.2**
Total Capital Assets, including Right to Use Assets, Net of Depreciation and Amortization	**$6,824.9**	**$908.4**	**($329.9)**	**$7,403.4**

6. PENSION AND EMPLOYEE BENEFIT PLANS

Employees of NJ TRANSIT participate in either the NJ TRANSIT sponsored defined benefit plans, which are single-employer pension plans, the New Jersey Public Employees' Retirement System ("PERS"), or the Police and Firemen's Retirement System ("PFRS"). PERS and PFRS are cost-sharing multiple-employer defined benefit plans, which are administered by the State of New Jersey, Division of Pensions and Benefits.

NJ TRANSIT SPONSORED SINGLE-EMPLOYER DEFINED BENEFIT PLANS

General Information About the Plans

Plan Descriptions. NJ TRANSIT sponsors three defined benefit, single-employer pension plans for the employees. Of the three single-employer defined benefit pension plans, two plans cover bus agreement employees, and one plan covers non-agreement employees. The two agreement plans are the Amalgamated Transit Union ("ATU") Employees Retirement Plan and Utility Workers' Union of America ("UWUA") Employees Retirement Plan. The plan covering all non-agreement employees hired prior to July 1, 2006, is the Transit Employees Retirement Plan ("TERP").

Benefits Provided. Each single-employer pension plan provides retirement, disability and death benefits for plan members and beneficiaries, with the exception of TERP, which has no disability provision and was closed to non-agreement employees hired on or after July 1, 2006. NJ TRANSIT maintains the authority to establish and amend benefit provisions of the non-agreement plan while the agreement plans are subject to the collective bargaining process. Separate audited financial statements are issued for the three pension plans, copies of which are available on the NJ TRANSIT website.

The pension plans provide retirement, death, and disability benefits with full vesting of the accrued benefits to a participant who terminates employment with 10 years of vesting service for ATU and UWUA. For TERP plan, the vesting time is 10 years, or 5 years if the employees are hired at age 50 or greater. For ATU and UWUA, a participant is credited with one year of vesting credit for each calendar year in which he completes at least 1,000 hours of service. For TERP, a participant is credited with one year of vesting credit for each 12-month period measured from the participant's date of hire, in which he completes at least 1,000 hours of service. The standard form of pension payment to a retiring participant is a 50% actuarially equivalent reduced surviving spouse annuity unless the participant elects to have the benefits paid in some other form. For ATU and UWUA, the retirement benefit is based on 2.125% for each year of credited service multiplied by the average of the highest three years' earnings in the last ten years of service, reduced for any benefit purchased under AETNA contract. For TERP, the retirement benefit is based on 2.125% for each year of credited service multiplied by the average of the highest three years' earnings in the last ten years of consecutive employment, reduced by certain applicable benefits. The 2.125% accrual rate became effective on July 1, 2007 for ATU and TERP, and on November 1, 2007 for UWUA.

Employees Covered by Benefit Terms. At July 1, 2022, the following employees were covered by the benefit terms:

	ATU	TERP	UWUA
Active participants	4,959	674	6
Inactive plan participants or beneficiaries currently receiving benefits	3,824	1,686	25
Inactive plan participants entitled to but not yet receiving benefits	333	205	2
Total	**9,116**	**2,565**	**33**

Contributions. Under the provisions of the two bus agreements for ATU and UWUA pension plans, the contribution requirements for plan members and NJ TRANSIT are established as a result of bargaining agreements between the unions and NJ TRANSIT. In accordance with the TERP plan document, the TERP contributions shall be paid in such intervals and in such amounts as directed by NJ TRANSIT under the advice of an actuary. All plan members are required to contribute 2.00 to 5.00 percent of their annual covered salary. For the year ended June 30, 2023, NJ TRANSIT's average contribution rates for ATU, TERP and UWUA were 17.85 percent, 68.13 percent, and 75.00 percent, respectively, of annual covered payrolls.

Net Pension Liability. NJ TRANSIT's net pension liability at June 30, 2023 was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions for the three defined benefit plans, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00% plus age and service-based merit increases
Investment rate of return	6.75% for TERP and UWUA, 7.00% for ATU, net of pension plan investment expense, including inflation

Mortality. The mortality tables were projected to July 1, 2022 under Scale MP-2021. The mortality tables were then further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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, adding expected inflation.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

	Target Allocation		**Long-Term Expected Real Rate of Return**	
Asset Class	**ATU**	**Other***	**ATU**	**Other***
Domestic large cap equity	38.00%	44.00%	6.70%	6.70%
Domestic mid cap equity	5.00%	0.00%	6.70%	0.00%
Domestic small cap equity	4.00%	7.00%	6.70%	6.70%
Foreign equity	12.00%	12.00%	7.10%	7.10%
Fixed income	33.00%	35.00%	0.70%	0.70%
Real estate	6.00%	0.00%	4.20%	0.00%
Cash	2.00%	2.00%	0.20%	0.20%

TERP and UWUA

Discount Rates. The discount rates at June 30, 2022 used to measure the total pension liabilities were 6.75% for TERP and UWUA and 7.00% for ATU.

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the scheduled employer contribution amount. Based on those assumptions, the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities.

Changes in the Net Pension Liability for the Year Ended June 30, 2023 *(in millions):*

	ATU	TERP	UWUA
Actuarial Valuation		As of July 1, 2022	
Total pension liability			
Service cost	$41.5	$6.5	$—
Interest	126.2	62.6	0.6
Change of benefit terms	—	—	—
Differences between expected and actual experience	12.4	20.3	(0.2)
Change of assumptions	25.8	22.9	0.1
Benefit payments, including refunds of employee contributions	(102.0)	(59.8)	(0.7)
Net change in total pension liability	**103.9**	**52.5**	**(0.2)**
Total pension liability – beginning	**1,753.8**	**920.1**	**8.6**
Total pension liability – ending (a)	**$1,857.7**	**$972.6**	**$8.4**
Plan fiduciary net position			
Contributions – employer	$72.1	$44.9	$0.3
Contributions – employee	15.8	1.4	—
Net investment loss	(180.7)	(97.1)	(1.0)
Benefit payments, including refunds of employee contributions	(102.0)	(59.8)	(0.7)
Administrative expense	(0.2)	(0.2)	—
Other	0.3	0.1	—
Net change in plan fiduciary net position	**(194.7)**	**(110.7)**	**(1.4)**
Plan fiduciary net position – beginning	**1,549.6**	**736.0**	**7.9**
Plan fiduciary net position – ending (b)	**$1,354.9**	**$625.3**	**$6.5**
Net pension liability – ending (a) – (b)	**$502.8**	**$347.3**	**$1.9**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the Net Pension Liability for ATU, measured at June 30, 2022 using the discount rate of 7.00% as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate *(in millions):*

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
ATU	$707.5	$502.8	$329.5

The following presents the Net Pension Liability for TERP and UWUA, measured at June 30, 2022 using the discount rate of 6.75% as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate *(in millions)*:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
TERP	$449.0	$347.3	$260.7
UWUA	$2.8	$1.9	$1.3

Pension Plan Fiduciary Net Position. Detailed information about the pension plans' fiduciary net position are available in the separately issued pension financial reports, copies of which are available on the NJ TRANSIT's website ***https://www.njtransit.com/AnnualReport.***

COST-SHARING MULTIPLE-EMPLOYER PLANS

Plan Descriptions. NJ TRANSIT and its subsidiaries contribute to the PERS and the PFRS. These cost-sharing multiple-employer, defined benefit pension plans are administered by the State of New Jersey. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the State Legislature. The State of New Jersey issues separate, standalone financial reports for the PERS and the PFRS plans. Information on the total plan funding status and progress, contribution required, and trend information can be found in the Annual Comprehensive Financial Report of the State of New Jersey, Division of Pensions and Benefits, available on the State's website ***www.nj.gov/treasury/pensions/financial-reports.shtml.***

A special funding situation exists for the local employers of the PFRS of New Jersey. Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed, which legally obligated the State if certain circumstances occurred. The legislations which legally obligate the State are as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers including NJ TRANSIT related to this legislation.

Benefits Provided. *PERS* - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

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 tiers 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 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 credit and have not reached the service retirement age for the respective tier.

PFRS - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as 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 2.0 percent of final compensation for each year of creditable service up to 30 years plus 1.0 percent for 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 65.0 percent (tiers 1 and 2 members) and 60.0 percent (tier 3 members) of final compensation plus 1.0 percent 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 2.0 percent of final compensation for each year of service.

Pension Information Related to Multi-Employer Plans. NJ TRANSIT's pension information related to multi-employer plans at June 30, 2023 was measured as of June 30, 2022 determined by an actuarial valuation as of July 1, 2021.

Contributions Made. *PERS* - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50.0% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Contributions to the PERS plan from NJ TRANSIT for fiscal year 2023 was $1.0 million or 12.82 percent of annual covered payroll.

PFRS - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which include the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50.0% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. NJ TRANSIT's required contribution rate to the PFRS plan for fiscal year 2023 was 46.15% of annual covered payroll, of which 32.82% of payroll was required by NJ TRANSIT and 13.33% of payroll was required from the State. NJ TRANSIT's contributions to the PFRS plan for 2023 was $10.5 million or 32.71%.

Pension Liabilities Related to Multi-Employer Pensions. *PERS* - At June 30, 2023, NJ TRANSIT reported liabilities of $12.2 million for its proportionate share of the net pension liabilities. The plan's fiduciary net position as a percentage of total pension liability was 46.41%.

PFRS - At June 30, 2023, NJ TRANSIT reported liabilities of $90.5 million for its proportionate share of the net pension liabilities that reflected a reduction for State pension support provided to PFRS on behalf of NJ TRANSIT. The plan's fiduciary net position as a percentage of total pension liability was 63.29%.

The amount recognized by NJ TRANSIT as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with NJ TRANSIT were as follows for the year ended June 30, 2023 *(in millions)*:

	FOR THE YEAR ENDED JUNE 30, 2023
NJ TRANSIT's proportionate share of the net pension liability	$90.5
State's proportionate share of the net pension liability associated with NJ TRANSIT	16.1
Total	**$106.6**

NJ TRANSIT's proportionate share of the net pension liability was based on a projection of the long-term share of contribution to the pension plans relative to the projected contributions of all participating State agencies, actuarially determined. At June 30, 2022, NJ TRANSIT's proportionate share was 0.08% and 0.79% for PERS and PFRS, respectively.

For the year ended June 30, 2023, NJ TRANSIT recognized pension expense of $1.9 million and revenue of $1.9 million for support provided by the State to PFRS, on behalf of NJ TRANSIT.

Actuarial Assumptions. *PERS*: The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions for the June 30, 2022 measurement date:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	Based on years of service
	2.75% – 6.55%
Investment rate of return:	7.00%

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 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability 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.

PFRS: The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions for the June 30, 2022 measurement date:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through	All future years 3.25-16.25% Based on years of service
Thereafter	Not applicable
Investment rate of return:	7.00%

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.

Discount Rate. *PERS:* The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members 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 the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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 payments to determine the total pension liability.

PFRS: The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100.0% of the actuarially determined contributions for the State employer and 100.0% 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 payments to determine the total pension liability.

Expected Rate of Return on Investments. 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 the plans' target asset allocations as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PERS/PFRS:		
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents NJ TRANSIT's proportionate share of the net pension liability measured as of June 30, 2022, using the discount rate of 7.00 percent for PERS and PFRS, as well as the proportionate share of the net pension liability using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate *(in millions):*

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS	$15.7	$12.2	$9.2
PFRS	124.1	90.5	62.4

Fiduciary Plan Net Position. Detailed information about the PERS and PFRS' fiduciary net position is available in the separately issued Annual Comprehensive Financial Report of the State of New Jersey, Division of Pensions and Benefits, available on the State's website ***www.nj.gov/treasury/pensions/financial-reports.shtml.***

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Single-Employer and Cost-Sharing Multiple-Employer Plans). For the year ended June 30, 2023, NJ TRANSIT recognized pension expense of $122.7 million.

At June 30, 2023, NJ TRANSIT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources *(in millions)*:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$153.7	$—
Changes of assumptions or other inputs	72.1	16.1
Changes in proportion	12.6	0.8
Differences between expected and actual experience	23.5	20.7
NJ TRANSIT contributions subsequent to the measurement date	117.2	—
Total	**$379.1**	**$37.6**

Deferred outflows of resources of $117.2 million resulted from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows s *(in millions):*

	TOTAL
Year 1 (2024)	$66.8
Year 2 (2025)	39.1
Year 3 (2026)	27.2
Year 4 (2027)	85.9
Year 5 (2028)	5.4
Thereafter	(0.1)
Total	**$224.3**

**Note that additional future deferred inflows and outflows of resources may impact these numbers.*

DEFINED CONTRIBUTION PLANS

In addition to the defined benefit plans, NJ TRANSIT provides an employee savings and protection plan 401(k) for all eligible non-agreement employees. NJ TRANSIT provides a maximum 50 percent matching contribution on the first six percent contributed by the employees. This plan permits employees to contribute up to 50 percent of their salary not to exceed $22,500 annually on a pre-tax basis.

NJ TRANSIT also provides money purchase pension plans 401(a) and employee savings/deferred compensation plans (457) for eligible agreement and non-agreement employees. NJ TRANSIT contributed 1 to 6 percent of annual compensation to certain employees' accounts in the 401(a) Plan. Effective 1/1/09, newly hired employees in the Rail Conductors union get a 1 percent contribution in their first year of employment, with an additional contribution of 1 percent per year up to a maximum of 5 percent. The 457 plan permits employees to contribute up to 50 percent of their salary not to exceed $22,500 annually on a pre-tax basis.

Beginning in 2002, a pre-tax contribution was added for participants of the 401(k) and 457 plans. The Economic Growth and Tax Relief Act of 2001 ("Act") permits individuals who are age 50 (or older) by the end of the calendar year to elect to make additional "catch up" contributions to the plan. This is in addition to the pre-tax employee contribution limit. Pursuant to the Act, participants in the 401(k) and 457 plans who are over 50 years of age can contribute an additional $7,500 above the $22,500 limit.

NJ TRANSIT's expense for the defined contribution plans totaled $31.7 million in fiscal year 2023.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

Employees of NJ TRANSIT participate in either the NJ TRANSIT sponsored single-employer defined benefit OPEB plan or the Health Benefits Local Government Retired Employees Plan administered by the State of New Jersey, Division of Pensions and Benefits, which is a cost-sharing multiple-employer plan.

NJ TRANSIT SPONSORED OPEB PLAN

General Information about the Plan

Plan Descriptions. NJ TRANSIT's OPEB plan, a single-employer defined benefit plan, provides OPEB for all eligible retirees and their spouses. The contribution and benefit requirements are negotiated between NJ TRANSIT and union representatives for Rail and Bus agreement employees. NJ TRANSIT establishes and may amend the provisions for non-agreement employees. NJ TRANSIT's required contribution is based on projected pay-as-you-go financing requirements and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

This year's valuation also reflects providing police members of the Policemen's Benevolent Association ("PBA") that retire on or after July 1, 2022 with retiree medical, prescription drug and dental benefits directly from NJ TRANSIT. Previously, these members received benefits from the New Jersey State Health Benefits Fund. This change increased the liability by approximately $57.1 million and is recognized immediately in the determination of the OPEB expense.

Benefits Provided. NJ TRANSIT provides postemployment medical, dental, vision and life insurance benefits for eligible retirees and their spouses. The benefit terms are as follows:

Bus, Rail and Non-Agreement Employees
Bus Agreement: Benefit terms cover ATU and UWUA union employee retirees who satisfy either of the following eligibility requirements while actively employed: 1) age 55 and completion of 10 years of service, 2) rule of 80, no minimum age, 3) total and permanent disability and the completion of at least 10 years of service, or 4) death of employee who attained 55 or completed 20 years of service. Medical benefits vary for retirees who are pre-age 65 and post-age 65. Dental coverage ends at earlier of attainment of age 65 and death of retiree, while life insurance benefits cover eligible retirees with $7,500 per retired Mercer supervisor, $8,000 for other Mercer retirees and a $500 gratuitous for all other retirees. No vision benefits are provided.

Rail Agreement: Benefit terms cover certain group retirees satisfying either of the following eligibility requirements while actively employed for health benefits: 1) age 60 and completion of 30 years of railroad service, or 2) death of employee who is eligible for retirement. Medical benefits vary for retirees who are pre-age 65 and post-age 65. There are no dental and vision benefits coverage. Life insurance benefits cover eligible retirees who attained age 65 while actively employed in an amount of $2,000 per retiree.

Non-Agreement: Benefit terms cover retirees not covered by a collective bargaining agreement who satisfy either of the following eligibility requirements while actively employed: 1) age 55 and completion of 10 years of service, 2) rule of 80, no minimum age; 3) Hired after age 50 and completion of 5 years of service, 4) total and permanent disability in accordance with Social Security Administration who is eligible for retirement, or 5) death of employee who is eligible for retirement.

Medical benefits vary for retirees who are pre-age 65 and post-age 65. Dental coverage ends at earlier of age 65 and death of the retiree, to the extent the retiree continues to make the required contributions. At age 65, retirees and surviving spouses may continue coverage at own expense if retired on or September 1, 2008. Life insurance benefits cover $10,000 for employees who retired on or after January 1, 1994, otherwise $5,000.

Police Members

Benefit terms cover PBA union employees satisfying retirement from PFRS while actively employed: 1) age 55 and completion of 25 years of service, 2) if enrolled in PFRS prior to January 18, 2000, completion of 20 years of service, 3) total and permanent disability and has met the requirement for retirement, or 4) death of employee who has met the requirement for retirement.

Medical and prescription drug benefits. Effective July 1, 2022, eligible officers receive the same benefits as active status police officers. Coverage ends at death of the retiree, or when the retiree fails to make the required contributions.

Dental and vision benefits. Effective July 1, 2022, eligible officers receive the same benefits as active status police officers. Coverage ends at age 65, or when the retiree fails to make the required contributions.

There are no life insurance benefits.

Employees Covered by Benefit Terms. At June 30, 2023, the following employees were covered by the benefit terms:

	Bus, Rail, and Non-Agreement*	Police*	Total
Inactive employees or beneficiaries currently receiving benefit payments	525	—	525
Inactive employees entitled to but not yet receiving benefit payments	5,479	—	5,479
Active employees	11,039	271	11,310
Total Membership	17,043	271	17,314
Spouses of Retirees	**1,887**	**—**	**1,887**

**The valuation date is July 1, 2021 for Bus, Rail and Non-Agreement employees, and July 1, 2022 for Police members.*

OPEB Funding. NJ TRANSIT pays for OPEB benefits on a pay-as-you-go basis. Since NJ TRANSIT is not pre-funding these benefits, no actuarially determined contribution is determined.

Total OPEB Liability. NJ TRANSIT's total OPEB liability of $1,578.0 million was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021 for Bus, Rail and Non-Agreement employees, and July 1, 2022 for Police members.

Actuarial Assumptions. The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2021 for Bus, Rail and Non-Agreement employees, and July 1, 2022 for Police members, calculated based on the discount rate and actuarial assumptions below, and were then projected forward to the measurement date. Covered payroll reflects pay during the fiscal year for all employees, excluding non-covered police employees, including those who terminated during the year.

For fiscal year 2023, the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2021 (Bus, Rail and Non-Agreement); July 1, 2022 (Police)
Measurement date	June 30, 2023
Salary increases, varies by age	3.16% - 4.84% (Bus, Rail and Non-Agreement)
Salary increases, varies by service	3.00% - 16.73% (Police), based on July 1, 2022 - June 30, 2027 PBA collective bargaining agreement
Inflation rate	3.00%
Discount rate	3.65%
Healthcare cost trend rates	
Pre-65	Bus, Rail and Non-Agreement: 6.2% for 2021, decreasing to 3.7% by 2073+ Police: 6.1% for 2022, decreasing to 3.7% by 2073+
Post-65	Non-Agreement: 6.1% for 2021, decreasing to 3.7% by 2073+ Bus: 4.4% for 2021, decreasing to 3.7% by 2073+ Police: 5.8% for 2022, decreasing to 3.7% by 2073+
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality. All mortality rates are projected on a generational basis using MP-2021 mortality improvement scale. As a generational table, it reflects mortality improvements both before and after the measurement date. Headcount-weighted versions of the indicated table are used.

Bus, Rail and Non-Agreement Employees

Preretirement: PRI-2012 Employee Mortality Table for Males and Females with blue collar adjustments for Bus and Rail members. A 50/50 blend of white collar and blue-collar adjustments were used for Non-Agreement members.

Postretirement Healthy Lives: PRI-2012 Healthy Annuitant Mortality Table for Males and Females with blue collar adjustments. A 50/50 blend of white collar and blue-collar adjustments were used for Non-Agreement members.

Postretirement Disabled Lives: PRI-2012 Disabled Annuitant Mortality Table for Males and Females.

Police Members

Preretirement: Pub-2010 Safety Employee for males and females.

Postretirement Healthy Lives: Pub-2010 Safety Retiree Below Median for males and females.

Contingent Annuitant: Pub-2010 General Retiree Below Median for males and females.

Postretirement Disabled Lives: 144% of the Pub-2010 Safety Disabled Retiree for males and 100% of the Pub-2010 Safety Disabled Retiree for females.

For the year ended June 30, 2023, the changes in the total OPEB liability are as follows *(in millions):*

	YEAR ENDED JUNE 30, 2023
Beginning Balance	**$1,427.6**
Changes for the year:	
Service cost	58.7
Interest	51.6
Plan Changes	57.1
Economic/demographic gains or losses	3.0
Changes of assumptions or other inputs	39.8
Benefit payments	(59.8)
Net changes	**150.4**
Ending Balance	**$1,578.0**

*Total OPEB liability comprised of short-term and long-term liabilities of $59.8 million and $1,518.2 million, respectively.

The valuation reflected an updated healthcare trend assumption for Bus, Rail and Non-Agreement employees, which increased the total OPEB liability by $60.4 million. The discount rate increased from 3.54% to 3.65%, which decreased the total OPEB liability by $20.6 million. The net effect was an increase in the total OPEB liability due to assumption changes of $39.8 million.

Sensitivity of the Total OPEB Liability to Change in the Discount Rate. The following presents the total OPEB liability of NJ TRANSIT at June 30, 2023, calculated using the discount rate of 3.65 percent, as well as what NJ TRANSIT's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage- point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability *(in millions)*	$1,797.3	$1,578.0	$1,397.5

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of NJ TRANSIT at June 30, 2023, calculated using the current healthcare cost trend rates as well as what the NJ TRANSIT's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability *(in millions)*	$1,352.3	$1,578.0	$1,861.9

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.
For the year ended June 30, 2023, NJ TRANSIT recognized OPEB expense of $175.6 million.

At June 30, 2023, NJ TRANSIT reported $237.9 million of deferred outflows and $258.5 million of deferred inflows of resources related to OPEB from changes of assumptions or other inputs, which will be recognized in OPEB expense as follows *(in millions)*:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$54.2	$3.2
Changes of assumptions or other inputs	183.7	255.3
Total	**$237.9**	**$258.5**

The deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows *(in millions)*:

	TOTAL
Year 2024	$8.2
Year 2025	15.8
Year 2026	15.8
Year 2027	2.8
Year 2028	(33.9)
Thereafter*	(29.3)
Total	**($20.6)**

**Note that additional future deferred inflows and outflows of resources may impact these numbers.*

STATE OF NEW JERSEY HEALTH BENEFIT LOCAL GOVERNMENT RETIREMENT EMPLOYEES PLAN

General Information about the Plan

Plan Descriptions. The State of New Jersey sponsors and administers the post-retirement health benefit program covering employees of NJ TRANSIT who are in the Police and Firemen's Retirement System ("PFRS"). The State Health Benefit Local Government Retired Employees Plan (the "Plan") is a cost-sharing multiple-employer defined benefit other postemployment benefit plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The State grants the authority to establish and amend the benefit terms to the PFRS.

The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75 ("GASB 75"); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey, Division of Pensions and Benefits' Annual Comprehensive Financial Report, which can be found at ***https://www.state.nj.us/treasury/pensions/financial-reports.shtml.*** In accordance with GASB 75, the Plan is a cost-sharing multiple-employer plan with a special funding situation. There are 295 members from NJ TRANSIT.

Benefits Provided. In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Total OPEB Liability. Under Chapter 300, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. As defined by GASB 75, these employers are considered to be in a special funding situation, and the State is treated as a nonemployer contributing entity. Since NJ TRANSIT does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to be reported in NJ TRANSIT's consolidated financial statements.

As PFRS is 100% funded by the State, NJ TRANSIT's OPEB liability was zero and State's Proportionate Share of the collective net OPEB Liability associated with NJ TRANSIT was $68.7 million. The portion of the State's total proportionate share of the collective net OPEB liability that is associated with NJ TRANSIT was 2.03% as of June 30, 2023.

Actuarial assumptions. The total OPEB liability as of June 30, 2023 was measured at June 30, 2022 and determined by an actuarial valuation as of July 1, 2021, which was rolled forward to the measurement date using update procedures.

The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	July 1, 2021
Actuarial Cost Method	Entry Age Normal Cost Method
Salary increases	Based on completed years of service
Discount rate	3.54%
Expected rate of return	3.54%
Healthcare cost trend	
Pre-65	6.25% decreasing to 4.5% from fiscal year ending 2023 to 2033 and later
Post 65	
Medical Trend	PPO - 1.89% increasing to 4.5% from fiscal year ending 2023 to 2033 and later; HMO - 1.99% increasing to 4.5% from fiscal year ending 2023 to 2033 and later
Prescription Drug Benefits	8.00% decreasing to 4.50% fiscal year ending 2023 to 2033 and later

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality. Mortality rates were based on PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

OPEB Expense. For the year ended June 30, 2023, NJ TRANSIT recognized OPEB expense and related revenue of $1.9 million for support provided by the State to PFRS on behalf of NJ TRANSIT.

8. OTHER CURRENT LIABILITIES

Other current liabilities totaling $213.8 million at June 30, 2023 consist of the following *(in millions):*

	AS OF JUNE 30, 2023
Current	
Advance funds-State/Port Authority	$10.4
NEC Obligations	3.0
Injury and damage claims (Note 15)	65.5
Retainage on construction projects	49.3
Pollution remediation obligations (Note 13)	7.6
OPEB Liability	59.8
Derivative instruments (Note 19)	11.7
Other	6.5
Total	**$213.8**

The advanced funds represent funds received for capital projects for which expenditures have not yet been incurred and/or will be subsequently paid back to the State Transportation Trust Fund. Other current liabilities include fees related to the NEC Service and unearned passenger revenue for bulk ticket and monthly sales related to future periods.

9. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities totaling $458.1 million as of June 30, 2023, primarily relate to unearned rent and permit revenues, reserves for future environmental clean-up costs, funds designated for future asset and spare part purchases, as well as capital project advances, as follows *(in millions)*:

	AS OF JUNE 30, 2023
Rent and permits	$7.1
Federal and State interests on capital assets	6.2
Federal and State interests on capital spare parts	11.8
Non-Federal capital project advances*	387.7
Other	5.1
Total unearned revenue	**417.9**
Sick leave	5.0
Pollution remediation obligations (Note 13)	35.2
Total other non-current liabilities	**40.2**
Total	**$458.1**

* In 2023, NJ TRANSIT received $253.7 million advance from the State for capital projects.

10. DEBT AND OTHER OBLIGATIONS

Revolving Line of Credit. In October 2022, NJ TRANSIT entered into a Revolving Credit Agreement with Bank of America ("BofA") for the purpose of obtaining a $300.0 million Line of Credit ("Line"). The Revolving Credit Agreement and Line are secured by an NJ TRANSIT Federally Taxable Grant Anticipation Note, Series 2022 (the "Series 2022 Note") dated October 26, 2022. The Series 2022 Note evidences the revolving loans made by BofA to NJ TRANSIT and were issued to BofA in anticipation of the receipt of certain grant funds from the FTA. The Revolving Credit Agreement and Line will terminate on October 2, 2025. As of June 30, 2023, the outstanding balance on the Line was $240.0 million.

The Line will assist NJ TRANSIT in meeting its operating cash requirements for expenditures that are eligible for reimbursement from the FTA, Section 5307 and 5337 Formula Funds.

NJ TRANSIT will pay a commitment fee of 30 basis points (based upon NJ TRANSIT's current ratings) on undrawn amounts and a floating interest rate based upon Secured Overnight Financing Rate ("SOFR") plus 53 basis points (based upon the current rating) on drawn amounts.

Bonds Payable. In October 2022, the NJEDA issued $581.1 million of 2022 Series A NJ TRANSIT Transportation Project Bonds. The 2022 Series A Bonds were issued to (i) finance a portion of the costs of a project consisting of the replacement by the New Jersey Transit Corporation of the Portal Bridge, an existing two-track railroad swing type bridge that spans the Hackensack River in New Jersey, with a new two-track fixed structure that will be approximately 2.44 miles long (the PNB project); and (ii) pay Costs of Issuance of the 2022 Series A Bonds. The 2022 Series A Bonds were issued bearing interest at the rates of 5.00% and 5.25% per annum with a final maturity of November 2052. As of June 30, 2023, the entire $581.1 million of 2022 Series A remain outstanding.

In January 2020, the New Jersey Economic Development Authority ("NJEDA") issued $500.0 million of 2020 Series A NJ TRANSIT Transportation Project Bonds. The 2020 Series A Bonds were issued to (i) finance the costs of a project (the "2020 Series A Project") consisting of the acquisition of commuter buses and locomotives by NJ TRANSIT, (ii) pay capitalized interest on the 2020 Series A Bonds through and including November 1, 2022, and (iii) pay Cost of Issuance of the 2020 Series A Bonds. The 2020 Series A were issued bearing interest at the rate of 5.00% per annum with a final maturity of November 2044. As of June 30, 2023, the entire $500.0 million of 2020 Series A remain outstanding.

In January 2017, the NJEDA issued $627.7 million of Series 2017 Transportation Project Sublease Revenue and Refunding Bonds. This issue consisted of $64.1 million of 2017 Series A; Transportation Project Sublease Revenue Bonds and $563.6 million of 2017 Series B; Transportation Project Sublease Revenue Refunding Bonds. The Series 2017A Bonds were issued to finance the cost of "New Money Projects" related to the Traction Power High Voltage Substation Circuit Breaker Replacement Project, Long Slip Fill and Rail Enhancement Project and the Bus Radio System Replacement Project as well as the payment of capitalized interest and the payment of the cost of issuance of the 2017 Series A Bonds. The Series 2017B Bonds were issued to finance the refunding advance of prior obligations specifically the Series 2004A Certificates of Participation, dated April 1, 2004, the Series 2008A, Certificates of Participation, dated April 1, 2008 and Series 2009A Certificates of Participation, dated April 1, 2009 as well as the payment of cost of issuance of the 2017 Series B Bonds. As a result of this refunding, NJ TRANSIT increased its total debt service requirements over the life of the issue by $13.7 million, which resulted in a net present value loss of $5.6 million. As of June 30, 2023, $64.1 million of 2017 Series A remain outstanding and $303.7 million of 2017 Series B remain outstanding.

The following schedule summarizes notes payable and other obligations, by issue, as of June 30, 2023 *(in millions):*

	Inception Date	Balance June 30, 2022	Additions	Payments/ Reductions	Balance June 30, 2023	Due Within One Year
State of NJ						
NJEDA 2017A	01/17	$64.1	$—	$—	$64.1	$—
NJEDA 2017B	01/17	369.9	—	(66.2)	303.7	69.6
NJEDA 2020A	01/20	500.0	—	—	500.0	—
NJEDA 2022A	10/22	—	581.1	—	581.1	8.5
Other						
Revolving Line of Credit		185.0	255.0	(200.0)	240.0	240.0
Total		**1,119.0**	**836.1**	**(266.2)**	**1,688.9**	**$318.1**
Unamortized Bond Premium		75.5	12.3	(7.5)	80.3	
Total Notes Payable and Other Obligations		**$1,194.5**	**$848.4**	**($273.7)**	**$1,769.2**	

Long-term notes payable maturities subsequent to June 30, 2023 *(in millions)* are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$78.1	$68.4	$146.5
2025	82.1	64.4	146.5
2026	86.1	60.4	146.5
2027	90.3	56.1	146.4
2028	78.3	52.2	130.5
2029-2033	152.3	236.1	388.4
2034-2038	221.4	187.8	409.2
2039-2043	279.6	129.6	409.2
2044-2048	213.7	63.4	277.1
2049-2053	167.0	21.7	188.7
Total	**$1,448.9**	**$940.1**	**$2,389.0**

11. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

NJ TRANSIT entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. The lease liability is reduced as payments are made, and an outflow of resources for interest on the liability is also recognized. NJ TRANSIT also recognizes a lease receivable and a deferred inflow of resources.

As Lessor. NJ TRANSIT leases its building, station space, cell tower space and right of way to other entities. These leases have terms between 1 year to 35 years, with payments required monthly, quarterly, semi-annually, or annually. In addition, NJ TRANSIT also receives various payments for percentage of sales, pro-rata operating expenses associated with the spaces that are not included in the measurement of lease receivable.

The following table summarizes the changes in NJ TRANSIT's lease receivable as of June 30, 2023 *(in millions)*:

	YEAR ENDED JUNE 30, 2023
Balance, Beginning of Year	**$22.9**
Additions during the year	0.7
Reductions during the year	(4.1)
Balance, End of Year	**$19.5**

The total amount of inflows of resources recognized for the fiscal year ended June 30, 2023 are as follows *(in millions)*:

	YEAR ENDED JUNE 30, 2023
Lease Revenue	$3.4
Interest Revenue	0.2
Other Variable	0.7

The following table summarizes the changes in NJ TRANSIT's deferred inflows related to leases as of June 30, 2023 *(in millions)*:

	YEAR ENDED JUNE 30, 2023
Balance, Beginning of Year	**$22.1**
Additions during the year	0.7
Reductions during the year	(4.9)
Balance, End of Year	**$17.9**

The balance of lease receivable as of June 30, 2023 was $19.5 million, of which, $3.2 million was included in other current assets and $16.3 million was included in other non-current assets in the Consolidated Statement of Net Position. NJ TRANSIT recognized $0.0 revenue associated with residual value guarantees and termination penalties.

As Lessee. NJ TRANSIT leases parking lot, office space, cell tower space and copiers from other entities. These leases have terms between 1 year to 48 years, with payments required monthly, quarterly, or annually.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was $0.0 for the year ended June 30, 2023. NJ TRANSIT recognized $0.0 expense attributable to residual value guarantees and termination penalties.

The following table summarizes the changes in NJ TRANSIT's lease liability as of June 30, 2023 *(in millions)*:

	YEAR ENDED JUNE 30, 2023
Balance, Beginning of Year	**$65.0**
Additions during the year	30.7
Reductions during the year	(8.3)
Balance, End of Year	**$87.4**

The principal and interest requirements to maturity for the lease liability subsequent to June 30, 2023, are as follows *(in millions)*:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$5.7	$1.7	$7.4
2025	5.4	1.6	7.0
2026	5.5	1.5	7.0
2027	6.3	1.4	7.7
2028	6.5	1.2	7.7
2029-2033	36.7	3.9	40.6
2034-2038	19.9	0.6	20.5
2039-2043	1.4	–	1.4
Total	**$87.4**	**$11.9**	**$99.3**

Subscription-Based Information Technology Arrangements ("SBITAs") NJ TRANSIT entered into various subscription-based information technology arrangements ("SBITAs") that result in a right-to-use subscription asset and a corresponding subscription liability. The initial measurement of NJ TRANSIT's subscription asset and subscription liability for those arrangements was July 1, 2022. The subscription liability was reduced as payments were made.

NJ TRANSIT's SBITAs have terms between 1 year to 5 years, with payments required monthly or annually.

As of June 30, 2023, NJ TRANSIT capitalized $9.7 million subscription assets and recorded an amortization of $4.8 million for the year then ended. The balance of the subscription liability as of June 30, 2023, are included in other current liabilities and other non-current liabilities amounting to $0.4 million and $0.5 million, respectively, in the Consolidated Statement of Net Position. Interest expense recognized for the year ended June 30, 2023 was approximately $32.0 thousand.

The principal and interest requirements to maturity for the subscription liability subsequent to June 30, 2023, are as follows *(in millions)* :

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$0.4	$–	$0.4
2025	0.3	–	0.3
2026	0.1	–	0.1
2027	0.1	–	0.1
2028	–	–	–
Total	**$0.9**	**$–**	**$0.9**

12. FINANCED PURCHASE

NJ TRANSIT has entered into a number of tax advantaged agreements with certain domestic and foreign lenders. These transactions entail the sale/leaseback (SILO) or lease/leaseback (LILO) of various NJ TRANSIT commuter and light rail vehicles, buses, equipment, and facilities to third-parties. At the end of the agreements, the ownership of assets is transferred to NJ TRANSIT.

In connection with the transactions, NJ TRANSIT has made investment arrangements to meet its payment obligations throughout the term of the respective leases. As these transactions do not meet the definition of an "in-substance defeasance," NJ TRANSIT has recorded Other Borrowings and the related assets as Restricted Deposits in the Consolidated Statement of Net Position (see Note 4).

Risk Exposures. Under the terms of these agreements, a significant portion of the initial amount received by NJ TRANSIT from the third-party (approximately 80.0 percent) is paid to an affiliate of the third-party's lender, which has the obligation to make an equivalent portion of the sublease rent payments, eliminating the need for NJ TRANSIT to make these payments to the third-party. This portion of the rent payments is equal to the debt service on the related third-party loan.

NJ TRANSIT also pays an amount to and enters into an Equity Payment Undertaking Agreement with a third- party whereby that party has the obligation to provide the amounts necessary to make the remainder of the basic rent payments and pay the purchase price due upon exercise by NJ TRANSIT at the end of the agreement. The amount remaining after payment of transaction expenses is NJ TRANSIT's net benefit from these transactions.

Counterparty Risk. Counterparty risk is the risk of a party to an agreement failing to fulfill their contractual obligation. Each transaction involves a variety of parties and counterparties. Counterparty risk is a type of credit risk that closely relates to the credit quality of the parties involved in the transactions. It is reduced by having an organization with good credit act as a guarantor between the two or more parties.

Collateral and Surety Risk. Collateral is a security or guarantee (usually an asset) pledged for the repayment of a loan if one cannot or is unable to repay. In the event of deterioration in the credit ratings of the counterparty, the agreement may require that collateral be posted to secure the party's obligations. Further ratings deterioration below levels agreed to in the Equity Payment Undertaking Agreement could result in additional collateral being posted with a third-party custodian. In most cases, collateral must be cash, U.S. Treasuries, or certain federal agency securities. Additional insurance coverage of possible early termination of payments is provided by separate surety policies in most contracts, which protects the counterparties from financial loss should the guarantors fail to perform in accordance with contract terms and conditions. Furthermore, if the credit ratings of the companies that provide the surety protections fall below the rating trigger associated with the early termination surety, NJ TRANSIT may also be required to replace the surety company. If the required replacement of either a surety or counterparty is not performed, it could trigger a termination event requiring a cash settlement.

Termination Risk. An agreement could be terminated if one party does not fulfill the obligations set forth in the contract. When an Event of Default or a Termination Event has occurred, either NJ TRANSIT or the counterparties could be required to make a termination payment according to the contract terms. Events of Default include non-payment, false or misleading representations, or the bankruptcy of NJ TRANSIT or the counterparties. Termination Events include a downgrade of the counterparty's credit rating to below that stated in the agreement. For example, under a current Equity Payment Undertaking Agreement, with respect to ratings of the equity payment undertaker, the counterparty, which may be a bank or other financial institution, must have a Credit Rating of at least AA by Standard & Poor's and of at least Aa2 by Moody's at all times before the final maturity of a leveraged lease. A party has the right to terminate the lease agreement earlier when there is a downgrading of the counterparty's credit ratings.

Interest Rate Risk. The interest rate risk goes up when the market interest rate goes down and the returns on the investment decline. Accounts initially deposited together with the aforementioned obligation of the third- party's lender, result in a financial defeasance of all sublease obligations, including the cost of purchasing the third-party's remaining rights at the end of the sublease period if the purchase option is exercised. Should an event occur that changes the initial deposit instruments, it is possible that the amount earned on the deposit account balance may not match the option price stated in the agreement at the end of the lease period. Under the terms of the agreement, should there be less interest earned on deposits than scheduled to make related payments, NJ TRANSIT would be liable for the shortfall.

In total, NJ Transit has recorded obligations of $146.9 million as of June 30,2023.

The cost of assets is summarized as follows and is included in capital assets (see Note 5) as of June 30, 2023 *(in millions):*

Railcars and Locomotives	$309.9
Less Accumulated Depreciation	(237.7)
Net Assets	**$72.2**

The following schedule summarizes financed purchase obligations as of June 30, 2023 *(in millions):*

	Inception Date	Balance June 30, 2022	Additions	Payments/ Reductions	Balance June 30, 2023	Due Within One Year
Comet IV Coaches	09/03	$26.4	$—	$—	$26.4	$—
Diesel Locomotives	12/05	48.7	—	6.7	42.0	7.1
Multilevel Railcars	12/06	13.1	—	0.9	12.2	1.0
Multilevel Railcars	06/07	26.1	—	1.5	24.6	1.7
Multilevel Railcars	12/07	44.6	—	2.9	41.7	3.1
Multilevel Railcars	01/08	27.7	—	27.7	—	—
Total		**$186.6**	**$—**	**$39.7**	**$146.9**	**$12.9**

Minimum principal and interest maturities subsequent to June 30, 2023 *(in millions)* are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$12.9	$6.9	$19.8
2025	21.9	8.3	30.2
2026	46.9	22.7	69.6
2027	16.4	15.9	32.3
2028	23.6	0.2	23.8
2029	25.2	—	25.2
Total	**$146.9**	**$54.0**	**$200.9**

13. POLLUTION REMEDIATION OBLIGATIONS

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, establishes standards for determining when expected pollution remediation outlays should be accrued as a liability or, if appropriate, capitalized. In 2023, an operating expense and corresponding liability, measured at their current value using the expected cash flow method, have been recognized for certain pollution remediation obligations. Pollution remediation obligations, which are estimates and subject to changes in price, technology, or applicable laws and regulations, occur when any one of the following obligating events takes place:

- NJ TRANSIT is compelled to take pollution remediation action because of an imminent endangerment.
- NJ TRANSIT is in violation of a pollution prevention-related permit or license.
- NJ TRANSIT is named by a regulator as a responsible or potentially responsible party to participate in remediation.
- NJ TRANSIT is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.
- NJ TRANSIT commences, or legally obligates itself to commence remediation efforts.

As of June 30, 2023, the net pollution remediation reserves totaling $42.8 million were measured at its current value utilizing the expected cash flow method. The total liability of $45.2 million as of June 30, 2023 was reduced by $2.4 million, for expected recoveries from other responsible parties, potentially responsible parties and insurers. The cumulative liability decreased by $0.4 million in 2023, attributable primarily to reduced costs for fiscal year 2023.

The following table summarizes the changes in NJ TRANSIT's liability for pollution remediation as of June 30, 2023 *(in millions)*:

Balance, Beginning of Year	**$43.2**
Current year costs	2.0
Payments made during the year	(2.4)
Balance, End of Year	**$42.8**

The pollution remediation liability of $42.8 million at June 30, 2023 essentially consists of future remediation activities associated with asbestos removal, cleanup of contamination, and wastewater treatment at NJ TRANSIT stations, garages, and other facilities. Of this amount, $7.6 million represents the current portion of the liability, which is included in other current liabilities, and $35.2 million represents the non-current obligation, which is included in other non-current liabilities in the Consolidated Statement of Net Position.

The estimated outlays include costs of: (a) $2.8 million associated with pre-cleanup activities including engineering studies, site investigation, corrective measures feasibility study, and the design of a remediation plan; (b) $34.7 million related to cleanup activities, such as neutralization, containment, removal and disposal of pollutants, and restoration; (c) $5.1 million for the external government oversight and enforcement-related activities; and (d) $1.2 million for the post-remediation monitoring.

14. OTHER OPERATING REVENUES

Other operating revenues comprise the following for the year ended June 30, 2023 *(in millions)*:

Lease and rental	$17.3
Advertising	18.1
Metro-North operations	9.2
Other	25.7
Subtotal	**$70.3**
Less bad debt expense	(0.9)
Net Other Operating Revenues	**$69.4**

15. INJURY AND DAMAGE CLAIMS

As of June 30, 2023, NJ TRANSIT maintained $323.0 million excess commercial general liability program with a self-insured retention of $15.0 million. Additionally, NJ TRANSIT maintains an excess workers' compensation program with a self-insured retention of $2.0 million. Employment-practice claims exceeding $500,000 up to $10.0 million are covered by a stand-alone commercial insurance policy. On October 14, 2004, ARH, a wholly-owned subsidiary of NJ TRANSIT, was formed. This captive insurance company provides coverage for FELA and Third-Party Rail and Bus, Certified Terrorism Risk Insurance Act ("TRIA") casualty exposures, and workers' compensation consequently reducing NJ TRANSIT's self-insured retention and transferring the agency's financial liability in these areas (see Note 17).

In fiscal year 2023, NJ TRANSIT entered into a collateral trust agreement with The Bank of New York Mellon (Trustee) and Zurich America Insurance Company (Beneficiary) to establish an OCIP escrow trust for the Portal North Bridge Project. The initial deposit of $33.0 million was provided by Amtrak and will be utilized for insurance claims during the life of trust for the construction of project. The Trustee makes claim payments to Zurich, and the Collateral Trust Account balance is reduced by the amount claimed by Zurich. The $34.0 million balance on the trust account was classified as non-current restricted cash equivalent as of June 30, 2023.

NJ TRANSIT has recorded an estimated liability of $394.9 million as of June 30, 2023 for outstanding public liability, property damage, FELA, workers' compensation, and employment practice claims. Of this amount, $65.5 million is included in other current liabilities as of June 30, 2023 (see Note 8).

The liability is based on NJ TRANSIT's past loss experience. NJ TRANSIT believes the liability established is reasonable and appropriate to provide for settlement of losses and related loss expenses. Management believes that its reserves for claims incurred but not reported is determined in accordance with generally accepted actuarial principles and practices. However, estimating the ultimate liability is a complex and judgmental process inasmuch as the amounts are based on management's informed estimates and judgments using data currently available. As additional experience and data become available regarding claim payments and reporting patterns, legislative developments and economic conditions, the estimates are revised accordingly, and the impact is reflected currently in NJ TRANSIT's consolidated financial statements.

The injury and damage claims liability activities for fiscal years 2023 and 2022 were as follows *(in millions)*:

	2023	2022
Beginning Balance	**$369.9**	**$351.1**
Changes for the year:		
Claims expense	106.9	97.5
Claims payments	(81.9)	(78.7)
Net Changes	**25.0**	**18.8**
Ending Balance	**$394.9**	**$369.9**

16. FEDERAL GRANTS

The Urban Mass Transportation Act of 1964, as amended by Intermodal Surface Transportation Efficiency Act ("ISTEA"), Transportation Equity Act for the 21st Century ("TEA-21"), Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU"), MAP-21, the Fixing America's Surface Transportation ("FAST") Act, and under the IIJA, provide funding to NJ TRANSIT primarily for capital needs, based upon a defined formula grant program. Generally, such funds may be utilized for no more than 80.0 percent of the project costs for capital assistance or 50.0 percent for operating assistance. Funds are apportioned to NJ TRANSIT annually, and generally are available until expended.

NJ TRANSIT receives operating assistance and capital funds from the State of New Jersey by legislative appropriation; the Federal Government by defined formula; discretionary grants under the Federal Urban Mass Transportation Act of 1964 as most recently amended by MAP-21 of 2012; the FAST Act; the IIJA and, local sources. Most federal grants are administered by the FTA. These grants are used to support construction, acquisition and operation of public transportation facilities, equipment, and services.

The Coronavirus Disease 2019 ("COVID-19") public health emergency has significantly impacted public transportation operations throughout the nation. During fiscal year 2023, NJ TRANSIT drew down $479.3 million of ARPA funds.

17. BLENDED COMPONENT UNIT – ARH III INSURANCE COMPANY, INC.

ARH III Insurance Company, Inc. ("ARH") is a non-profit special purpose captive insurance company domiciled in the State of South Carolina. ARH is a wholly-owned subsidiary of NJ TRANSIT (the "Parent"), a unit of the State of New Jersey created by the New Jersey Public Transportation Act of 1979.

ARH's limits of liability for each line of coverage since inception are as follows:

Excess Liability

Policy Year(s)	Limits of Liability
July 1, 2016 – July 1, 2018	$15 million excess $25 million
July 1, 2018 – July 1, 2019	$10 million part of $15 million excess $25 million
July 1, 2019 – July 1, 2020	$2 million excess $183 million $3 million excess $275 million $22.5 million excess $300 million
July 1, 2020 – July 1, 2021	$25 million part of $35 million excess $65 million; $195 million excess $100 million
July 1, 2021 – July 1, 2023	$43 million excess $280 million

TRIA

Policy Year(s)	Limits of Liability
July 1, 2004 – July 1, 2018	$9 million excess $1 million
July 1, 2018 – July 1, 2023	$14 million excess $1 million

Workers Compensation

Policy Year(s)	Limits of Liability
July 1, 2008 – July 1, 2023	$3 million excess $2 million

Property

Policy Year(s)	Limits of Liability
July 1, 2006 – July 1, 2007	20% of $125 million excess $275 million
July 1, 2007 – July 1, 2009	16% of $125 million excess $275 million 25% of $50 million excess $50 million
July 1, 2009 – July 1, 2013	12% of $125 million excess $275 million
There was no property coverage from July 1, 2013 through July 1, 2021.	
July 1, 2021 – July 1, 2022	15% of $25 million primary layer and 25% of $25 million layer excess $25 million

Effective July 1, 2022, the property line of coverage was not renewed.

Casualty – FELA, Third Party Rail and Bus

Policy Year(s)	Limits of Liability
July 1, 2004 – July 1, 2014	$5 million excess $5 million – FELA and Rail
July 1, 2014 – July 1, 2017	$5 million excess $10 million – Buses; $5 million excess $5 million – FELA and Rail
July 1, 2017– July 1, 2018	$2.5 million excess $10 million – Buses; $7.5 million excess $5 million – FELA and Rail
July 1, 2018– July 1, 2020	$5 million excess $10 million – Buses; $10 million excess $5 million – FELA and Rail

Effective July 1, 2020, the casualty lines of coverage were not renewed.

Under the TRIA coverage, reinsurance is provided by the United States Government on an 80% quota share basis of any certified loss as provided by TRIA, as amended. If, at any time during the policy period, TRIA is cancelled or not renewed, ARH's policy will be automatically cancelled at the same date and time.

In a prior year, ARH entered into a loss portfolio transfer with Liberty Mutual Insurance Company ("Liberty") assuming reserves related to claims for the Parent's workers' compensation policy with Liberty for the policy year July 1, 2007 through July 1, 2008. This transfer of liability included certain open claims, which remain open, from prior to the beginning of the policy period although no claims have entered ARH's coverage layer. ARH's limits under the contract are $2.5 million excess $5.0 million per employee.

The financial results for ARH as of and for the year ended June 30, 2023 are set forth below. Since ARH prepares the financial statements under FASB guidance, the amounts and format of financial statements have been adjusted to reflect GASB requirements. The condensed statement of net position and the condensed statement of revenues, expenses, and changes in net position as of and for the year ended June 30, 2023 are as follows *(in millions):*

CONDENSED STATEMENT OF NET POSITION

	AS OF JUNE 30, 2023
Current assets	$66.8
Total Assets	**66.8**
Non-current liabilities	27.9
Total Liabilities	**27.9**
Total Net Position	**$38.9**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	YEAR ENDED JUNE 30, 2023
Operating revenues	$0.9
Operating expenses	(3.4)
Operating income	4.3
Non-operating revenues	2.8
Change in Net Position	**7.1**
Total Net Position, Beginning	**31.8**
Total Net Position, Ending	**$38.9**

CONDENSED STATEMENT OF CASH FLOWS

	YEAR ENDED JUNE 30, 2023
Cash Flows from Operating Activities	
Operating income	$4.3
Changes in assets and liabilities	(3.5)
Net Cash Provided by Operating Activities	**0.8**
Cash Flows from Investing Activities	
Sales and maturities of investments	6.0
Purchases of investments	(8.8)
Interest on investments	2.8
Net Cash Provided by (Used in) Investing Activities	**–**
Net Increase in Cash and Cash Equivalents	0.8
Cash and Cash Equivalents Beginning of Year	3.5
End of Year	**$4.3**

18. COMMITMENTS AND CONTINGENCIES

NJ TRANSIT is a defendant in a number of lawsuits arising from claims for personal injury, property damage, breach of contract, civil rights, and personnel matters. Management believes that the ultimate resolution of these matters will not have a material adverse impact on the financial position, results of operations and cash flows of NJ TRANSIT.

NJ TRANSIT is addressing environmental issues at several locations within the State where, by virtue of ownership or use, NJ TRANSIT has a remediation responsibility. Management has analyzed all of these matters and has provided for amounts, which it currently believes are adequate. In management's opinion, the ultimate liability, if any, will have no material effect on the results of operations, cash flows and financial position of NJ TRANSIT (see Note 13).

NJ TRANSIT receives Federal (including CARES, CRRSAA and ARPA funding) and State grants and appropriations for capital projects and other reimbursable activities that are subject to audit by the grantor agency. Although the outcome of any such audits cannot be predicted, it is management's opinion that these audits will not have a material effect on the results of operations, cash flows and financial position of NJ TRANSIT.

As of June 30, 2023, NJ TRANSIT committed to future purchases under the following capital projects and special services, which will be funded from federal, state, local or other capital sources *(in millions):*

	AS OF JUNE 30, 2023
Casino Revenue Transportation Program	$25.1
Rail Intrastructure	917.6
Bus Rolling Stock	476.8
Rail Rolling Stock	624.5
Rail Passenger Facilities	86.5
Other, for commitments less than $10 million	462.6
Total Capital Projects and Special Service Commitments	**$2,593.1**

19. ACCOUNTING FOR DERIVATIVES AND HEDGING ACTIVITIES

During the fiscal year, NJ TRANSIT had three multiple commodity swap agreements with financial institutions to protect against market fluctuations in the price of diesel fuel and heating oil. These fuel-related derivative transactions are executed in accordance with the policies and procedures established by NJ TRANSIT's Swap Management Plan ("SMP"). The primary objective of the SMP Policy was to set forth policies and procedures for the execution and management of interest rate swaps, fuel swaps and related agreements, provide for security and payment provisions and set forth certain other provisions related to swap agreements between NJ TRANSIT and qualified swap counterparties.

The SMP policy explicitly prohibits NJ TRANSIT from entering into new interest or payment swaps. Existing swaps may be amended or terminated as determined by senior management of NJ TRANSIT. Under the terms of this plan, NJ TRANSIT will only enter into new fuel swaps.

NJ TRANSIT will competitively bid fuel swaps to financial institutions subject to compliance with applicable state and federal laws with the assistance of its Qualified Independent Representative.

NJ TRANSIT may enter into one or more fuel swaps from time to time to protect itself from uncontrolled variations in the price of diesel fuel. NJ TRANSIT will not enter into fuel swaps for speculative purposes.

The following risks are generally associated with commodity swap agreements:

Counterparty Risk – The risk that the swap counterparty will not fulfill its obligations under the swap contract. To mitigate such exposure, NJ TRANSIT will consider limiting exposure to any one counterparty.

Termination Risk – The risk that the underlying swap transactions will not run to maturity due to a counterparty event. To minimize this risk, NJ TRANSIT will not enter into swaps where the counterparty has an option to terminate absent a default by NJ TRANSIT.

If a swap does terminate prior to maturity because of a counterparty default or ratings event, a mark-to-market termination payment may be required. Prior to NJ TRANSIT making any termination payment, NJ TRANSIT will examine all options to eliminate or reduce the amount of the termination payment.

The procedure for the posting of collateral including the acceptable securities and ratings for the third-party Trustee, to the extent practicable, shall be detailed in the Credit Support Annex agreed upon in advance of entering into the swap transaction.

As a counterparty, NJ TRANSIT will be required to post collateral should the calculated amount of all open positions exceed an agreed upon "Threshold" level.

Basis Risk – Refers to the risk that price fluctuations of the indexed product do not correlate perfectly to those of the physical product. To minimize this risk, the price index upon which the diesel fuel swaps will be based will be the monthly average settlement price for diesel fuel futures on the New York Mercantile Exchange for the delivery of physical diesel fuel in New York Harbor.

Cash Flow Risk – Refers to the risk that NJ TRANSIT may (in the short term) experience a cash flow outflow even though fuel prices are falling. Should there be a very significant drop in the price of all open contracts (exceeding the threshold amount), NJ TRANSIT would have to post collateral for all contracts but would only see the benefits of falling prices on current deliveries.

As of June 30, 2023, the fair value of NJ TRANSIT's commodity swaps, which are within the Level 2 category of the fair value hierarchy, are as follows:

Notional Amount (Gallons)	Effective Date	Maturity Date	Fair Value 06/30/23	Terms (Per Gallon) Receive	Terms (Per Gallon) Pay
Counterparty: Goldman Sachs					
5,964,000	09/01/23	11/07/23	($2,497,660)	Floating	2.86000
6,216,000	07/01/23	09/08/23	(2,499,405)	Floating	2.85000
3,318,000	05/01/23	07/10/23	(2,728,567)	Floating	3.23700
			(7,725,632)		
Counterparty: Bank of America Merrill Lynch					
2,730,000	11/01/23	11/30/23	(793,343)	Floating	2.42090
2,898,000	12/01/23	12/31/23	(854,785)	Floating	2.41500
2,772,000	01/01/24	01/31/24	(569,043)	Floating	2.40660
2,562,000	02/01/24	02/29/24	(561,971)	Floating	2.39110
2,772,000	03/01/24	03/31/24	(670,221)	Floating	2.36680
2,562,000	04/01/24	04/30/24	(138,775)	Floating	2.35050
2,688,000	05/01/24	05/31/24	(177,956)	Floating	2.33760
2,898,000	06/01/24	06/30/24	(205,882)	Floating	2.33220
			(3,971,976)		
Total Commodity Swaps			**($11,697,608)**		

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events for NJ TRANSIT through October 27, 2023, the date the consolidated financial statements were available to be issued. No events, beyond those described below, have occurred which would require adjustment to or disclosure in the consolidated financial statements.

On June 14, 2023, NJ TRANSIT entered into a lease agreement with Two Gateway Center Property Owner, LLC to relocate its headquarters to The Gateway Center Two. This is a 25-year lease with a total base rent of $458.1 million and approximate commencement date of October 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Changes in Net Pension Liability and Related Ratios for NJ TRANSIT (UNAUDITED)
Sponsored Single-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions)*

Amalgamated Transit Union Employees Retirement Plan

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	$41.5	$40.4	$34.7	$33.0	$31.4	$29.3	$25.5	$25.3	$23.4
Interest	126.2	122.4	120.1	114.6	111.1	95.1	88.7	85.9	80.2
Change of benefit terms	—	—	—	18.7	—	102.3	45.0	—	—
Differences between expected and actual experience	12.4	(15.5)	(7.0)	3.2	(12.2)	15.0	2.6	(9.2)	32.0
Change of assumptions	25.8	2.9	81.7	(9.1)	—	14.6	31.4	—	—
Benefit payments, including refunds of employee contributions	(102.0)	(97.6)	(94.3)	(88.6)	(83.2)	(79.8)	(69.5)	(63.7)	(58.9)
Net change in total pension liability	**103.9**	**52.6**	**135.2**	**71.8**	**47.1**	**176.5**	**123.7**	**38.3**	**76.7**
Total pension liability – beginning	**1,753.8**	**1,701.2**	**1,566.0**	**1,494.2**	**1,447.1**	**1,270.6**	**1,146.9**	**1,108.6**	**1,031.9**
Total pension liability – ending (a)	**$1,857.7**	**$1,753.8**	**$1,701.2**	**$1,566.0**	**$1,494.2**	**$1,447.1**	**$1,270.6**	**$1,146.9**	**$1,108.6**
Plan fiduciary net position									
Contributions – employer	$72.1	$58.3	$54.1	$54.4	$49.1	$45.8	$44.9	$44.0	$44.8
Contributions – employee	15.8	15.3	14.6	13.5	12.6	11.9	11.0	6.9	6.5
Net investment income (loss)	(180.7)	347.0	59.8	54.9	90.5	109.3	4.0	33.0	134.5
Benefit payments, including refunds of employee contributions	(102.0)	(97.6)	(94.3)	(88.6)	(83.2)	(79.8)	(69.5)	(63.7)	(58.9)
Administrative expense	(0.2)	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(3.2)	(3.0)
Others	0.3	0.2	0.2	—	—	70.5*	—	—	—
Net change in plan fiduciary net position	**(194.7)**	**322.9**	**34.2**	**34.0**	**68.7**	**157.4**	**(9.9)**	**17.0**	**123.9**
Plan fiduciary net position – beginning	**1,549.6**	**1,226.7**	**1,192.5**	**1,158.5**	**1,089.8**	**932.4**	**942.3**	**925.3**	**801.4**
Plan fiduciary net position – ending (b)	**$1,354.9**	**$1,549.6**	**$1,226.7**	**$1,192.5**	**$1,158.5**	**$1,089.8**	**$932.4**	**$942.3**	**$925.3**
Net pension liability – ending (a) – (b)	**$502.8**	**$204.2**	**$474.5**	**$373.5**	**$335.7**	**$357.3**	**$338.2**	**$204.6**	**$183.3**
Plan fiduciary net position as a percentage of the total pension liability	**72.93%**	**88.37%**	**72.11%**	**76.15%**	**77.53%**	**75.31%**	**73.38%**	**82.16%**	**83.46%**
Covered payroll	**$384.8**	**$371.7**	**$367.8**	**$350.5**	**$334.2**	**$321.2**	**$268.2**	**$268.9**	**$268.4**
Net pension liability as percentage of covered payroll	**130.67%**	**54.94%**	**129.01%**	**106.56%**	**100.45%**	**111.24%**	**126.10%**	**76.09%**	**68.33%**

The Schedules of Changes in Net Pension Liability and Related Ratios were based on management's expert actuarial valuation reports for each of the years ended June 30. Historical information prior to implementation of GASB 67/68 is not required.

NJ TRANSIT's total pension liability was measured one year prior to the fiscal year-end for each year noted.

**Includes the accretion of Mercer and TWU-UTU Retirement Plans effective April 2, 2016 and July 30, 2016, respectively, which were merged into the ATU Plan in fiscal year 2018.*
See accompanying Notes to Required Supplementary Schedules.

Schedules of Changes in Net Pension Liability and Related Ratios for NJ TRANSIT (UNAUDITED)
Sponsored Single-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions):*

Non-Agreement Transit Employees Retirement Plan

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	$6.5	$6.4	$6.1	$6.3	$6.7	$7.2	$6.7	$7.2	$6.6
Interest	62.6	61.2	61.2	58.4	56.8	54.1	53.5	51.1	48.4
Differences between expected and actual experience	20.3	16.3	4.1	10.9	7.7	11.8	0.5	11.6	16.4
Change of assumptions	22.9	(5.6)	41.8	16.5	—	1.1	35.2	—	—
Benefit payments, including refunds of employee contributions	(59.8)	(57.4)	(54.9)	(50.7)	(47.4)	(44.1)	(41.5)	(38.1)	(34.8)
Net change in total pension liability	**52.5**	**20.9**	**58.3**	**41.4**	**23.8**	**30.1**	**54.4**	**31.8**	**36.6**
Total pension liability – beginning	**920.1**	**899.2**	**840.9**	**799.5**	**775.7**	**745.6**	**691.2**	**659.4**	**622.8**
Total pension liability – ending (a)	**$972.6**	**$920.1**	**$899.2**	**$840.9**	**$799.5**	**$775.7**	**$745.6**	**$691.2**	**$659.4**
Plan fiduciary net position									
Contributions – employer	$44.9	$44.9	$39.2	$34.9	$35.6	$33.9	$30.7	$29.5	$19.3
Contributions – employee	1.4	1.3	1.4	1.5	1.5	1.6	1.6	1.8	1.8
Net investment income (loss)	(97.1)	174.2	23.7	24.8	42.4	47.0	4.1	9.2	65.4
Benefit payments, including refunds of employee contributions	(59.8)	(57.4)	(54.9)	(50.7)	(47.4)	(44.1)	(41.5)	(38.1)	(34.8)
Administrative expense	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(1.8)	(1.9)
Other	0.1	—	—	—	—	—	—	—	—
Net change in plan fiduciary net position	**(110.7)**	**162.7**	**9.2**	**10.3**	**31.9**	**38.2**	**(5.4)**	**0.6**	**49.8**
Plan fiduciary net position – beginning	**736.0**	**573.3**	**564.1**	**553.8**	**521.9**	**483.7**	**489.1**	**488.5**	**438.7**
Plan fiduciary net position – ending (b)	**$625.3**	**$736.0**	**$573.3**	**$564.1**	**$553.8**	**$521.9**	**$483.7**	**$489.1**	**$488.5**
Net pension liability – ending (a) – (b)	**$347.3**	**$184.1**	**$325.9**	**$276.8**	**$245.7**	**$253.8**	**$261.9**	**$202.1**	**$170.9**
Plan fiduciary net position as a percentage of the total pension liability	**64.29%**	**79.99%**	**63.76%**	**67.08%**	**69.27%**	**67.29%**	**64.87%**	**70.76%**	**74.08%**
Covered employee payroll	**$70.6**	**$69.5**	**$68.2**	**$73.4**	**$77.1**	**$81.3**	**$86.9**	**$92.3**	**$97.2**
Net pension liability as percentage of covered payroll	**491.93%**	**264.89%**	**477.86%**	**377.11%**	**318.68%**	**312.18%**	**301.38%**	**218.96%**	**175.82%**

The Schedules of Changes in Net Pension Liability and Related Ratios were based on management's expert actuarial valuation for each of the years ended June 30. Historical information prior to implementation of GASB 67/68 is not required.

NJ TRANSIT's total pension liability was measured one year prior to the fiscal year-end for each year noted.

See accompanying Notes to Required Supplementary Schedules.

Schedules of Changes in Net Pension Liability and Related Ratios for NJ TRANSIT (UNAUDITED)
Sponsored Single-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions):*

Utility Workers' Union of America Employees Retirement Plan

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	$–	$–	$–	$–	$–	$0.1	$0.1	$0.1	$0.1
Interest	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.6	0.6
Change of benefit terms	–	–	0.1	–	–	–	–	–	–
Differences between expected and actual experience	(0.2)	–	0.1	0.2	0.1	–	–	0.1	0.3
Change of assumptions	0.1	(0.1)	0.4	–	–	–	0.3	–	–
Benefit payments, including refunds of employee contributions	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)
Net change in total pension liability	**(0.2)**	**(0.2)**	**0.4**	**0.1**	**–**	**0.1**	**0.4**	**0.2**	**0.5**
Total pension liability – beginning	**8.6**	**8.8**	**8.4**	**8.3**	**8.3**	**8.2**	**7.8**	**7.6**	**7.1**
Total pension liability – ending (a)	**$8.4**	**$8.6**	**$8.8**	**$8.4**	**$8.3**	**$8.3**	**$8.2**	**$7.8**	**$7.6**
Plan fiduciary net position									
Contributions – employer	$0.3	$0.3	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
Net investment income (loss)	(1.0)	1.9	0.2	0.5	0.4	0.6	0.1	0.1	1.0
Benefit payments, including refunds of employee contributions	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)
Net change in plan fiduciary net position	**(1.4)**	**1.5**	**(0.3)**	**–**	**–**	**0.2**	**(0.3)**	**(0.3)**	**0.7**
Plan fiduciary net position – beginning	**7.9**	**6.4**	**6.7**	**6.7**	**6.7**	**6.5**	**6.8**	**7.1**	**6.4**
Plan fiduciary net position – ending (b)	**$6.5**	**$7.9**	**$6.4**	**$6.7**	**$6.7**	**$6.7**	**$6.5**	**$6.8**	**$7.1**
Net pension liability – ending (a) – (b)	**$1.9**	**$0.7**	**$2.4**	**$1.7**	**$1.6**	**$1.6**	**$1.7**	**$1.0**	**$0.5**
Plan fiduciary net position as a percentage of the total pension liability	**77.38%**	**91.86%**	**73.86%**	**79.76%**	**80.72%**	**80.72%**	**79.27%**	**87.18%**	**93.42%**
Covered payroll	**$0.4**	**$0.4**	**$0.4**	**$0.5**	**$0.5**	**$0.5**	**$0.5**	**$1.0**	**$1.1**
Net pension liability as percentage of covered payroll	**475.00%**	**175.00%**	**575.00%**	**340.00%**	**320.00%**	**320.00%**	**340.00%**	**100.00%**	**45.45%**

The Schedules of Changes in Net Pension Liability and Related Ratios were based on management's expert actuarial valuation reports for each of the years ended June 30. Historical information prior to implementation of GASB 67/68 is not required.

NJ TRANSIT's total pension liability was measured one year prior to the fiscal year-end for each year noted.

See accompanying Notes to Required Supplementary Schedules.

Schedules of Changes in Net Pension Liability and Related Ratios for NJ TRANSIT (UNAUDITED)
Sponsored Single-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions):*

Transport Workers' Union Employees Retirement Plan

For the years ended June 30,	**2017**	**2016**	**2015**
Total pension liability			
Service cost	$1.1	$1.1	$1.1
Interest	3.8	3.8	3.5
Differences between expected and actual experience	(0.5)	(1.3)	1.5
Change of assumptions	1.2	—	—
Benefit payments, including refunds of employee contributions	(3.0)	(2.9)	(2.8)
Net change in total pension liability	**2.6**	**0.7**	**3.3**
Total pension liability – beginning	**49.3**	**48.6**	**45.3**
Total pension liability – ending (a)	**$51.9**	**$49.3**	**$48.6**
Plan fiduciary net position			
Contributions – employer	$1.8	$1.3	$1.3
Contributions – employee	0.3	0.3	0.3
Net investment income	0.5	0.6	6.0
Benefit payments, including refunds of employee contributions	(3.0)	(2.9)	(2.8)
Administrative expense	–	(0.2)	(0.2)
Net change in plan fiduciary net position	**(0.4)**	**(0.9)**	**4.6**
Plan fiduciary net position – beginning	**41.9**	**42.8**	**38.2**
Plan fiduciary net position – ending (b)	**$41.5**	**$41.9**	**$42.8**
Net pension liability – ending (a) – (b)	**$10.4**	**$7.4**	**$5.8**
Plan fiduciary net position as a percentage of the total pension liability	**79.96%**	**84.99%**	**88.07%**
Covered payroll	**$12.0**	**$11.9**	**$11.2**
Net pension liability as percentage of covered payroll	**86.67%**	**62.18%**	**51.79%**

This schedule is intended to show information for 10 years. Historical information prior to implementation of GASB 67/68 is not required.

NJ TRANSIT's total pension liability was measured one year prior to the fiscal year-end for each year noted.

Mercer and TWU-UTU Retirement Plans were accreted effective April 2, 2016 and July 30, 2016, respectively, which were merged into the ATU Plan in fiscal year 2018. Therefore, only three years are presented in this schedule.

Schedules of Changes in Net Pension Liability and Related Ratios for NJ TRANSIT (UNAUDITED)
Sponsored Single-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions):*

Mercer Employees Retirement Plan

For the years ended June 30,	2017	2016	2015
Total pension liability			
Service cost	$1.0	$1.0	$0.9
Interest	3.4	3.3	3.1
Change of benefit terms	(0.8)	–	–
Differences between expected and actual experience	–	(0.4)	1.3
Change of assumptions	1.0	–	–
Benefit payments, including refunds of employee contributions	(2.5)	(2.5)	(2.4)
Net change in total pension liability	**2.1**	**1.4**	**2.9**
Total pension liability – beginning	**43.8**	**42.4**	**39.5**
Total pension liability – ending (a)	**$45.9**	**$43.8**	**$42.4**
Plan fiduciary net position			
Contributions – employer	$2.5	$2.1	$1.8
Contributions – employee	0.2	0.2	0.2
Net investment income	0.4	0.5	3.9
Benefit payments, including refunds of employee contributions	(2.5)	(2.5)	(2.4)
Administrative expense	–	(0.1)	(0.1)
Net change in plan fiduciary net position	**0.6**	**0.2**	**3.4**
Plan fiduciary net position – beginning	**28.5**	**28.3**	**24.9**
Plan fiduciary net position – ending (b)	**$29.1**	**$28.5**	**$28.3**
Net pension liability – ending (a) – (b)	**$16.8**	**$15.3**	**$14.1**
Plan fiduciary net position as a percentage of the total pension liability	**63.40%**	**65.07%**	**66.75%**
Covered payroll	**$9.6**	**$9.5**	**$9.5**
Net pension liability as percentage of covered payroll	**175.00%**	**161.05%**	**148.42%**

This schedule is intended to show information for 10 years. Historical information prior to implementation of GASB 67/68 is not required.

NJ TRANSIT's total pension liability was measured one year prior to the fiscal year-end for each year noted.

Mercer and TWU-UTU Retirement Plans were accreted effective April 2, 2016 and July 30, 2016, respectively, which were merged into the ATU Plan in fiscal year 2018. Therefore, only three years are presented in this schedule.

Schedule of Pension Contributions for NJ TRANSIT (UNAUDITED) Sponsored Single-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions):*

Amalgamated Transit Union Employees Retirement Plan

Years Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/(Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2023	$74.8	$68.7	$6.1	$384.8	17.85%
2022	68.7	72.1	(3.4)	371.7	19.40
2021	72.1	58.3	13.8	367.8	15.85
2020	58.3	54.4	3.9	350.5	15.52
2019	54.1	49.1	5.0	334.2	14.69
2018	54.4	45.8	5.1	321.2	14.26
2017	45.2	41.7	3.5	290.3	14.36
2016	41.7	44.9	(3.2)	268.2	16.74
2015	44.9	44.0	0.9	268.9	16.36
2014	44.0	44.8	(0.8)	268.4	16.69

Non-Agreement Transit Employees Retirement Plan

Years Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/(Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2023	$48.1	$48.1	$0.0	$70.6	68.13%
2022	43.4	44.9	(1.5)	69.5	64.60
2021	44.9	44.9	—	68.2	65.84
2020	39.2	34.9	4.3	73.4	47.55
2019	34.9	35.6	(0.7)	77.1	46.17
2018	35.6	33.9	1.7	81.2	41.70
2017	33.9	33.9	—	81.3	41.70
2016	30.7	30.7	—	86.9	35.33
2015	29.5	29.5	—	92.3	31.96
2014	36.4	19.3	17.1	97.2	19.84

Utility Workers' Union of America Retirement Plan

Years Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/(Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2023	$0.3	$0.3	$0.0	$0.4	75.00%
2022	0.3	0.3	—	0.4	75.00
2021	0.3	0.3	—	0.4	75.00
2020	0.3	0.2	0.1	0.5	40.00
2019	0.2	0.2	—	0.5	40.00
2018	0.2	0.2	—	0.5	40.00
2017	0.2	0.2	—	0.5	40.00
2016	0.2	0.2	—	1.0	20.00
2015	0.2	0.2	—	1.0	20.00
2014	0.2	0.2	—	1.1	18.18

Note: The schedules of contributions were based on management's expert actuarial valuation reports for each of the years ended June 30.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Amalgamated Transit Union Employees Retirement Plan

Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial Valuation	As of July 1, 2022	As of July 1, 2021	As of July 1, 2020	As of July 1, 2019
Actuarial Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method
Amortization Method	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination.
Remaining Amortization Period	9 years remaining as of July 1, 2022 of the initial unfunded liability established as of July 1, 2016. Each subsequent change in the unfunded liability has one more year remaining.	10 years remaining as of July 1, 2021 of the initial unfunded liability established as of July 1, 2016. Each subsequent change in the unfunded liability has one more year remaining.	11 years remaining as of July 1, 2020 of the initial unfunded liability established as of July 1, 2016. Each subsequent change in the unfunded liability has one more year remaining.	12 years remaining as of July 1, 2019 of the initial unfunded liability established as of July 1, 2016. Each subsequent change in the unfunded liability has one more year remaining.
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation	7.75%, net of pension plan investment expense, including inflation
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases
Mortality	The mortality tables were projected to July 1, 2022 under Scale MP-2021. The mortality tables were then further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor in consultation with the auditor.	The mortality tables projected to July 1, 2021 under Scale MP-2021 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption is set by the plan sponsor.	The mortality tables projected to July 1, 2020 under Scale MP-2019 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2019 to reflect future mortality improvement.	The mortality tables projected to July 1, 2019 under Scale MP-2019 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2019 to reflect future mortality improvement.
Plan Changes	None	None	None	Effective January 1, 2019, the monthly benefit amount for those who have a retirement date effective on or before November 1, 2018, was increased by 2.5%.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Amalgamated Transit Union Employees Retirement Plan

Fiscal Year End	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarial Valuation	As of July 1, 2018	As of July 1, 2017	As of July 1, 2016	As of July 1, 2015
Actuarial Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method
Amortization Method	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2016 each over a 15-year period from date of origination	Level percentage of payroll, closed
Remaining Amortization Period	13 years remaining as of July 1, 2018 of the initial unfunded liability established as of July 1, 2016. Each subsequent change in the unfunded liability has one more year remaining.	14 years remaining as of July 1, 2017 of the initial unfunded liability established as of July 1, 2016. Each subsequent change in the unfunded liability has one more year remaining.	15 years remaining as of July 1, 2016	15 Years as of July 1, 2014
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	The actuarial value of assets will be the sum of (i) the prior year's actuarial value, (ii) net new money (i.e., contributions less benefit payments less administrative expenses), (iii) expected investment return on a market value basis, and (iv) 20% of each of the previous 5 years' gain/(loss) due to actual investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 80% nor greater than 120% of market value.	5-year smoothed market
Investment Rate of Return	7.75%, net of pension plan investment expense, including inflation	7.75%, net of pension plan investment expense, including inflation	7.75%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases
Mortality	The mortality tables projected to July 1, 2018 under Scale MP-2017 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2017 to reflect future mortality improvement.	The mortality tables projected to July 1, 2017 under Scale MP-2017 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2017 to reflect future mortality improvement.	The mortality tables projected to July 1, 2016 under one-half Scale MP-2014 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality table was then further adjusted to future years using generational projection under one-half Scale MP-2014 to reflect future mortality improvement.	Based on the RP-2014 Blue Collar Mortality Tables for annuitants and non-annuitants. These tables are adjusted to future years using generational projection under one-half Scale MP-2014 to anticipate future mortality improvement
Plan Changes	None	No changes in the plan provisions, however, the accretion of the TWU-UTU effective July 30, 2016 and the arbitration award for those active participants are reflected in this valuation.	The plan provisions reflected in this valuation include the arbitration award effective December 1, 2015 and the accretion of Mercer effective April 2, 2016. The arbitration award also increased employee contributions from 2% of salary for existing employees and 4% for new employees as of March 31, 2007.	None

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Non-Agreement Employees Retirement Plan

Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial Valuation	As of July 1, 2022	As of July 1, 2021	As of July 1, 2020	As of July 1, 2019
Actuarial Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method
Amortization Method	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.
Remaining Amortization Period	7 years remaining as of July 1, 2022 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	8 years remaining as of July 1, 2021 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	9 years remaining as of July 1, 2020 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	10 years remaining as of July 1, 2019 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation.	7.00%, net of pension plan investment expense, including inflation.	7.00%, net of pension plan investment expense, including inflation.	7.50%, net of pension plan investment expense, including inflation.
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases
Mortality	The mortality tables were projected to July 1, 2022 under Scale MP-2021. The mortality tables were then further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor in consultation with the auditor.	The mortality tables were projected to July 1, 2021 under Scale MP-2021. The mortality tables were further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.	The mortality tables were projected to July 1, 2020 under Scale MP-2019. The mortality tables were further adjusted to future years using generational projection under Scale MP-2019 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.	The mortality tables were projected to July 1, 2019 under Scale MP-2019. The mortality tables were further adjusted to future years using generational projection under Scale MP-2019 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.
Plan Changes	None	None	None	None

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Non-Agreement Employees Retirement Plan

Fiscal Year End	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarial Valuation	As of July 1, 2018	As of July 1, 2017	As of July 1, 2016	As of July 1, 2015
Actuarial Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method
Amortization Method	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Level percentage of payroll
Remaining Amortization Period	11 years remaining as of July 1, 2018 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	12 years remaining as of July 1, 2017 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	13 years remaining as of July 1, 2016 of initial unfunded liabilities established as of July 1, 2014. Each subsequent change in unfunded has one more year remaining.	15 Years as of July 1, 2014
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	The actuarial value of assets will be the sum of (i) the prior year's actuarial value, (ii) net new money (i.e., contributions less benefit payments less administrative expenses), (iii) expected investment return on a market value basis, and (iv) 20% of each of the previous 5 years' gain/(loss) due to actual investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 80% nor greater than 120% of market value	5-year smoothed market
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation.	7.50%, net of pension plan investment expense, including inflation.	7.50%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases
Mortality	The mortality tables were projected to July 1, 2018 under Scale MP-2017. The mortality tables were further adjusted to future years using generational projection under Scale MP-2017 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.	The mortality tables were projected to July 1, 2017 under Scale MP-2017. The mortality tables were further adjusted to future years using generational projection under Scale MP-2017 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.	The mortality tables projected to July 1, 2016 under one-half Scale MP-2014 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality table was then further adjusted to future years using generational projection under one-half Scale MP-2014 to reflect future mortality improvement.	Based on the RP-2014 Blue Collar Mortality Tables for annuitants and non-annuitants. These tables are adjusted to future years using generational projection under one-half Scale MP-2014 to anticipate future mortality improvement
Plan Changes	None	None	None	None

NOTES TO SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Utility Workers' Union of America Employees Retirement Plan

Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial Valuation	As of July 1, 2022	As of July 1, 2021	As of July 1, 2020	As of July 1, 2019
Actuarial Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method
Amortization Method	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.
Remaining Amortization Period	7 years as of July 1, 2022 of the initial unfunded liabilities as of July 1, 2014. Each subsequent change in unfunded liability has one more year remaining.	8 years as of July 1, 2021 of the initial unfunded liabilities as of July 1, 2014. Each subsequent change in unfunded liability has one more year remaining.	9 years remaining as of July 1, 2020 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	10 years remaining as of July 1, 2019 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation.	7.00%, net of pension plan investment expense, including inflation.	7.00%, net of pension plan investment expense, including inflation.	7.50%, net of pension plan investment expense, including inflation.
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases
Mortality	The mortality tables were projected to July 1, 2022 under Scale MP-2021. The mortality tables were then further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor in consultation with the auditor.	The mortality tables projected to July 1, 2021 under Scale MP-2021 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2021 to reflect future mortality improvement. The mortality assumption is set by the plan sponsor.	The mortality tables projected to July 1, 2020 under Scale MP-2019 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2019 to reflect future mortality improvement.	The mortality tables projected to July 1, 2019 under Scale MP-2019 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2019 to reflect future mortality improvement.
Plan Changes	None	None	Effective July 25, 2019, the monthly benefit amount for participants who have a retirement date effective on or before November 1, 2018 was increased by 2.5%.	None

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Utility Workers' Union of America Employees Retirement Plan

Fiscal Year End	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarial Valuation	As of July 1, 2018	As of July 1, 2017	As of July 1, 2016	As of July 1, 2015
Actuarial Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method	Projected Unit Credit Cost Method
Amortization Method	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Amortize the change in unfunded liabilities established after July 1, 2014 each over a 15-year period from date of origination.	Level percentage of payroll, closed
Remaining Amortization Period	11 years remaining as of July 1, 2018 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	12 years remaining as of July 1, 2017 of the initial unfunded liabilities established as of July 1, 2014. Each subsequent change in the unfunded liability has one more year remaining.	13 years remaining as of July 1, 2016 of initial unfunded liabilities established as of July 1, 2014. Each subsequent change in unfunded has one more year remaining	15 Years as of July 1, 2014
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.	The actuarial value of assets will be the sum of (i) the prior year's actuarial value, (ii) net new money (i.e., contributions less benefit payments less administrative expenses), (iii) expected investment return on a market value basis, and (iv) 20% of each of the previous 5 years' gain/(loss) due to actual investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 80% nor greater than 120% of market value.	5-year smoothed market
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation.	7.50%, net of pension plan investment expense, including inflation.	7.50%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases	3.00% plus age and service-based merit increases
Mortality	The mortality tables were projected to July 1, 2018 under Scale MP-2017. The mortality tables were further adjusted to future years using generational projection under Scale MP-2017 to reflect future mortality improvement. The mortality assumption was set by the plan sponsor.	The mortality tables projected to July 1, 2017 under Scale MP-2017 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality tables were further adjusted to future years using generational projection under Scale MP-2017 to reflect future mortality improvement.	The mortality tables projected to July 1, 2016 under one-half Scale MP-2014 reasonably reflect the projected mortality experience of the Plan as of the measurement date. The mortality table was then further adjusted to future years using generational projection under one-half Scale MP-2014 to reflect future mortality improvement.	Based on the RP-2014 Blue Collar Mortality Tables for annuitants and non-annuitants. These tables are adjusted to future years using generational projection under one-half Scale MP-2014 to anticipate future mortality improvement.
Plan Changes	None	None	None	None

Schedule of NJ TRANSIT's Proportionate Share of the Net Pension Liability
For Cost-Sharing Multiple-Employer Defined Benefit Plans
Last Ten Fiscal Years *($ in millions):*

Public Employees Retirement System

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Proportion of Net Pension Liability	0.08%	0.08%	0.08%	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%
The Proportionate Share of Net Pension Liability	$12.2	$8.8	$12.5	$11.1	$11.7	$12.7	$15.1	$11.3	$9.4
Covered Payroll	$7.8	$5.9	$5.9	$5.5	$5.5	$4.6	$4.1	$3.8	$3.5
Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	157.1%	149.5%	213.8%	201.8%	212.7%	276.1%	368.3%	297.4%	268.6%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	46.41%	51.52%	42.90%	42.04%	40.44%	36.78%	31.20%	38.21%	42.74%

Police and Firemen's Retirement System

For the years ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Proportion of Net Pension Liability	0.79%	0.79%	0.73%	0.74%	0.66%	0.67%	0.63%	0.65%	0.65%
The Proportionate Share of Net Pension Liability	$90.5	$57.4	$94.4	$90.1	$89.9	$102.9	$121.1	$107.6	$81.6
The State's Proportionate Share of the Net Pension Liability Associated with NJ TRANSIT	16.1	16.1	14.6	14.2	12.2	11.5	10.1	9.4	8.8
Total	$106.6	$73.5	$109.0	$104.3	$102.1	$114.4	$131.2	$117.0	$90.4
Covered Payroll	$32.1	$30.0	$28.3	$27.6	$25.4	$25.1	$22.7	$21.7	$20.6
Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	331.9%	245.2%	384.8%	377.9%	402.0%	455.7%	578.0%	539.2%	438.8%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.29%	71.41%	58.78%	60.20%	57.91%	54.52%	48.55%	52.84%	58.86%

This schedule is intended to show information for 10 years. Historical information prior to implementation of GASB 67/68 is not required.

Schedule of Contributions for Cost-Sharing Multiple-Employer Defined Benefit Plans (UNAUDITED)
Last Ten Fiscal Years *($ in millions):*

Public Employees Retirement System

Years Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2023	$1.0	$1.0	$–	$7.8	12.82%
2022	0.9	0.9	–	5.9	15.25
2021	0.8	0.9	(0.1)	5.9	15.25
2020	0.6	0.7	(0.1)	5.5	12.73
2019	0.6	0.7	–	5.5	12.73
2018	0.6	0.6	–	4.6	13.04
2017	0.6	0.6	–	4.1	14.63
2016	0.5	0.5	–	3.8	13.16
2015	0.5	0.5	–	3.6	13.89
2014	0.4	0.4	–	3.5	11.43

Police and Firemen's Retirement System

Years Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2023	$10.3	$10.5	($0.2)	$32.1	32.71%
2022	9.2	9.6	(0.4)	30.0	32.00
2021	8.2	8.5	(0.3)	28.3	30.04
2020	7.4	8.4	(1.0)	27.6	30.43
2019	6.5	6.8	(0.3)	25.4	26.77
2018	6.2	6.2	–	25.1	24.70
2017	5.7	5.7	–	22.7	25.11
2016	5.5	5.5	–	21.7	25.35
2015	5.2	5.2	–	20.3	25.62
2014	4.8	4.8	–	20.6	23.30

See Notes to Supplementary Schedules.

Schedule of Changes in Total OPEB Liability and Related Ratios for NJ TRANSIT's (UNAUDITED)
Sponsored Single-Employer Plan
Last Ten Fiscal Years *($ in millions):*

	FOR THE YEARS ENDED JUNE 30,					
	2023	2022	2021	2020	2019	2018
Beginning Balance, June 30, as previously reported	**$1,427.6**	**$1,699.6**	**$1,637.9**	**$1,296.6**	**$1,098.5**	**$1,108.9**
Prior period adjustment (unaudited)	—	—	—	—	49.4	—
Beginning Balance, June 30, as restated	**$1,427.6**	**$1,699.6**	**$1,637.9**	**$1,296.6**	**$1,147.9**	**$1,108.9**
Changes for the year:						
Service cost	58.7	81.6	71.9	55.6	55.9	56.6
Interest	51.6	37.8	37.2	46.5	45.5	38.7
Plan changes	57.1	(11.5)	—	—	—	—
Economic/demographic gains(losses)	3.0	9.2	(5.1)	89.4	—	—
Changes of assumptions or other inputs	39.8	(330.2)	12.2	204.2	104.2	(48.2)
Benefit payments	(59.8)	(58.9)	(54.5)	(54.4)	(56.9)	(57.5)
Net changes	**150.4**	**(272.0)**	**61.7**	**341.3**	**148.7**	**(10.4)**
Ending Balance, June 30	**$1,578.0**	**$1,427.6**	**$1,699.6**	**$1,637.9**	**$1,296.6**	**$1,098.5**
Covered employee payroll	**$1,064.0**	**$947.3**	**$892.4**	**$854.2**	**$889.2**	**$859.4**
Total OPEB liability as a percentage of covered payroll	**148.31%**	**150.70%**	**190.45%**	**191.75%**	**145.82%**	**127.82%**

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Changes in benefit terms: None

Changes in assumptions: The discount rate increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023, due to changes in the applicable municipal bond index.

Changes in participants: This valuation reflects providing police members of the Policemen's Benevolent Association that retire on or after July 1, 2022 with retiree medical, prescription drug and dental benefits directly from NJ TRANSIT. Previously, these members received benefits from the New Jersey State Health Benefits Fund.

Actuarial Assumptions and Methods for Sponsored Single-Employer OPEB Plan

Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Valuation Date	July 1, 2021 for Bus, Rail, Non-Agreement and July 1, 2022 for Police	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Salary increases, varies by age	3.16% - 4.84%	3.16% - 4.84%	3.16% - 4.84%	3.16% - 4.84%	3.00%	3.00%
Salary increases, varies by service	3.00% - 29.07%	—	—	—	—	—
Inflation rate	3.00%	3.00%	3.00%.	3.00%	2.20%	2.20%
Discount rate	3.65%	3.54%	2.16%	2.21%	3.51%	3.87%
Healthcare cost trend rates						
Pre-65	Non-police: 6.2% for 2021, decreasing to 3.7% by 2073+ Police: 6.1% for 2022, decreasing to 3.7% by 2073+	5.80% for 2022, decreasing to 3.70% by 2081	6.3% for 2021, decreasing to 3.7% by 2094	6.7% for 2020, decreasing to 3.8% by 2042	5.40% for 2019 decreasing to an ultimate rate of 3.84% by 2075	5.50% for 2018 decreasing to an ultimate rate of 3.84% by 2075
Post-65	Non-agreement: 6.1% for 2021, decreasing to 3.7% by 2073+ Bus: 4.4% for 2021, decreasing to 3.7% by 2073+ Police: 5.8% for 2022, decreasing to 3.7% by 2073+	Non-agreement: 5.60% for 2022, decreasing to 3.70% by 2081 Bus: 4.00% for 2022, decreasing to 3.70% by 2081	Non-agreement: 6.2% for 2021, decreasing to 3.7% by 2094;	Non-agreement: 6.4% for 2020, decreasing to 3.8% by 2074;	5.40% for 2019 decreasing to an ultimate rate of 3.84% by 2075	5.50% for 2018 decreasing to an ultimate rate of 3.84% by 2075
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of NJ TRANSIT's Proportionate Share of Net OPEB Liability (UNAUDITED)
For Cost-Sharing New Jersey Health Benefit Program
Last Ten Fiscal Years *($ in millions):*

	FOR THE YEARS ENDED JUNE 30,					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
NJ TRANSIT's proportion (percentage) of the collective net OPEB liability	0%	0%	0%	0%	0%	0%
NJ TRANSIT's proportionate share (amount) of the collective net OPEB liability	$—	$—	$—	$—	$—	$—
The State's proportionate share of the collective net OPEB liability associated with NJ TRANSIT	$68.7	$74.4	$72.2	$55.9	$63.9	$80.9
Total	**$68.7**	**$74.4**	**$72.2**	**$55.9**	**$63.9**	**$80.9**
Covered payroll	$32.1	$30.0	$28.3	$27.6	$25.4	$25.1
Proportionate share of the collective net OPEB Liability as a percentage of the employer's covered payroll	0%	0%	0%	0%	0%	0%
The OPEB plan's fiduciary net position (deficit) as a percentage of the total OPEB liability	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021
Actuarial Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2021 to June 30, 2022	June 30, 2020 to June 30, 2021	June 30, 2019 to June 30, 2020
Census Data	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Discount rate	3.54%	2.16%	2.21%
Expected Rate of Return	3.54%	2.16%	2.21%
Inflation (CPI)	—	—	2.50%
Municipal Bond Rate Basis	Bond Buyer General Obligation 20-Bond Municipal Bond Index	Bond Buyer General Obligation 20-Bond Municipal Bond Index	Bond Buyer General Obligation 20-Bond Municipal Bond Index
Salary Increases	3.25% to 16.25% based on years of service	3.25% to 15.25% based on years of service	3.25% to 15.25% based on years of service
Healthcare Cost Trend			
Pre-65	6.25% decreasing to 4.5% from fiscal year ending 2023 to 2033 and later	5.6% decreasing to 4.5% long- term trend rate after 7 years	5.6% decreasing to 4.5% long- term trend rate after 7 years
Post-65			
Medical Trend	PPO - 1.89% increasing to 4.5% from fiscal year ending 2023 to 2033 and later; HMO - 1.99% increasing to 4.5% from fiscal year ending 2023 to 2033 and later	PPO - 13.1% decreasing to 5.9% long-term trend rate after 7 years; HMO - 13.8% decreasing to 6.0% long-term trend rate after 7 years	4.5% for all future years
Prescription Drug Benefits	8.00% decreasing to 4.50% fiscal year ending 2023 to 2033 and later	6.75% decreasing to 4.5% long-term trend rate after 7 years	7.0% decreasing to 4.5% long-term trend rate after 7 years
Pre-Retirement Healthy Mortality	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021	PUB-2010 "Safety" classification headcount- weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Post-Retirement Healthy Mortality	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021	PUB-2010 "Safety" classification headcount- weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Disabled Retiree Mortality	PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021	PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021	PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Fiscal Year End	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial Valuation Date	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Measurement Period	June 30, 2018 to June 30, 2019	June 30, 2017 to June 30, 2018	June 30, 2016 to June 30, 2017
Census Data	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Discount rate	3.50%	3.87%	3.58%
Expected Rate of Return	3.50%	3.87%	3.58%
Inflation (CPI)	2.50%	2.50%	2.50%
Municipal Bond Rate Basis	Bond Buyer General Obligation 20-Bond Municipal Bond Index	Bond Buyer General Obligation 20-Bond Municipal Bond Index	Bond Buyer General Obligation 20-Bond Municipal Bond Index
Salary Increases	3.25% to 15.25% based on years of service	FYE 2016 to FYE 2026 - 2.10% to 8.98% based on age; FYE 2026 and later - 3.10% to 9.98% based on age	FYE 2016 to FYE 2026 - 2.10% to 8.98% based on age; FYE 2026 and later - 3.10% to 9.98% based on age
Healthcare Cost Trend			
Pre-65	5.7% decreasing to 4.5% long-term trend rate after 8 years	Pre-Medicare PPO - 5.8% decreasing to 5.0% long- term trend rate after 8 years	Pre-Medicare PPO - 5.9% decreasing to 5.0% long- term trend rate after 9 years
Post-65			
Medical Trend	4.5% for all future years	Self-insured PPO - 4.5%; HMO - 5.8% decreasing to 5.0% long-term trend rate after 8 years	Self-insured PPO - 4.5%; HMO - 5.9% decreasing to 5.0% long-term trend rate after 9 years
Prescription Drug Benefits	7.5% decreasing to 4.5% long-term trend rate after 8 years	8.0% decreasing to 5.0% long-term trend rate after 7 years	10.5% decreasing to 5.0% long-term trend rate after 8 years; Medicare Part B reimbursement, trend rate is 5%
Pre-Retirement Healthy Mortality	PUB-2010 "Safety" classification headcount- weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019	RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using Scale MP-2017	RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using Scale MP-2017
Post-Retirement Healthy Mortality	PUB-2010 "Safety" classification headcount- weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019	RP-2006 headcount-weighted healthy annuitant male/female mortality table with fully generational mortality improvement projections from the central year using Scale MP-2017	RP-2006 headcount-weighted healthy annuitant male/female mortality table with fully generational mortality improvement projections from the central year using Scale MP-2017
Disabled Retiree Mortality	PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019	RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using MP-2017	RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using MP-2017

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Fiscal Year End	June 30, 2023	June 30, 2022	June 30, 2021
Spouse Coverage Election Rate	Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, we have assumed they will not participate. The State provided data for spouses of police officers killed in the line of duty who are assumed to receive retiree health care benefits for life.	Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, we have assumed they will not participate. The State provided data for spouses of police officers killed in the line of duty who are assumed to receive retiree health care benefits for life.	Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, we have assumed they will not participate. The State provided data for spouses of police officers who died in the line of duty who are assumed to receive retiree health care benefits for life.
Future Retirees	It is assumed that 55% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses	It is assumed that 55% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses	It is assumed that 55% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses.
Current Retirees	Spousal coverage is based on actual retiree coverage elections. Males are assumed to be three years older than their female spouses.	Spousal coverage is based on actual retiree coverage elections. Males are assumed to be three years older than their female spouses.	Spousal coverage is based on actual retiree coverage elections. Males are assumed to be three years older than their female spouses.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

Actuarial Assumptions and Methods

Fiscal Year End	June 30, 2020	June 30, 2019	June 30, 2018
Spouse Coverage Election Rate	Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, we have assumed they will not participate. The State provided data for spouses of police officers who died in the line of duty who are assumed to receive retiree health care benefits for life.	Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, it is assumed they will not participate. The State provided data for spouses of police officers who died in the line of duty who are assumed to receive retiree health care benefits for life.	Spouses are assumed to lose coverage upon the death of the former employee. While spouses may participate in the SHBP at an unsubsidized rate, it is assumed they will not participate. The State provided data for spouses of police officers who died in the line of duty who are assumed to receive retiree health care benefits for life.
Future Retirees	It is assumed that 55% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses.	It is assumed that 55% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses.	It is assumed that 55% are married. Future retirees who are assumed to be married are assumed to choose family coverage at retirement. Males are assumed to be three years older than their female spouses.
Current Retirees	Spousal coverage is based on actual retiree coverage elections. Males are assumed to be three years older than their female spouses.	Spousal coverage is based on actual retiree coverage elections. Males are assumed to be three years older than their female spouses.	Spousal coverage is based on actual retiree coverage elections. Males are assumed to be three years older than their female spouses.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

New Jersey Transit Corporation
Combining Statements of Fiduciary Net Position
Pension Trust Funds *(in thousands):*
As of June 30, 2023

	ATU	TERP	UWUA	TOTAL
Assets:				
Investments at Fair Value or NAV	$1,497,312	$696,099	$6,977	$2,200,388
Receivables:				
Accrued Interest and Dividends	2,421	118	15	2,554
Employee Contributions	328	1,316	1	1,645
Medicare Reimbursements	200	—	1	201
Total Receivables	2,949	1,434	17	4,400
Total Assets	**1,500,261**	**697,533**	**6,994**	**2,204,788**
Liabilities:				
Accounts Payable and Accrued Expenses	27,814	11,686	136	39,636
Total Liabilities	**27,814**	**11,686**	**136**	**39,636**
Fiduciary Net Position:				
Net Position Restricted for Pensions	**$1,472,447**	**$685,847**	**$6,858**	**$2,165,152**

New Jersey Transit Corporation
Combining Statements of Changes in Fiduciary Net Position
Pension Trust Funds *(in thousands):*
Year Ended June 30, 2023

	ATU	TERP	UWUA	TOTAL
Additions:				
Investment Income (Loss):				
Net Appreciation in Fair				
Value of Investments	$115,080	$56,680	$544	$172,304
Interest and Dividend Income	28,866	17,470	171	46,507
Investment Fees	(2,923)	(1,139)	(12)	(4,074)
Total Investment Income	141,023	73,011	703	214,737
Contributions:				
Employer	68,681	48,138	337	117,156
Employees	17,074	1,414	13	18,501
Total Contributions	85,755	49,552	350	135,657
Other Receipts	220	13	3	236
Total Additions	**226,998**	**122,576**	**1,056**	**350,630**
Deductions:				
Benefits Paid to Participants	108,883	61,925	663	171,471
Actuarial and Professional Fees	535	342	28	905
Total Deductions	**109,418**	**62,267**	**691**	**172,376**
Net Increase	**117,580**	**60,309**	**365**	**178,254**
Fiduciary Net Position:				
Beginning of Year	1,354,867	625,538	6,493	1,986,898
Net Position Restricted for Pensions	**$1,472,447**	**$685,847**	**$6,858**	**$2,165,152**

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