2022 ANNUAL REPORT

Atlantic City Expressway
Atlantic City International Airport
Transportation Services

Robert M. Damminger
1957 – 2022

This year's annual report is dedicated to Bob Damminger.
He faithfully served the South Jersey Transportation Authority
as Deputy Executive Director from 2002 to 2022.

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SJTA

THE SOUTH JERSEY TRANSPORTATION AUTHORITY

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

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

LETTER OF TRANSMITTAL
from the Board Chair

Diane Gutierrez-Scaccetti
NJDOT Commissioner

This past year, I've had the great honor of serving as the president of the International Bridge, Tunnel and Turnpike Association (IBTTA). In this role, I've spoken to transportation leaders in New Jersey, across the country, and even around the world, and while there are exemplary transportation agencies doing great work in their communities, the South Jersey Transportation Authority (SJTA) will always remain near and dear to my heart.

Most exciting in 2022 was the SJTA's Board of Commissioners approval of an all-electronic toll collection system on the Expressway. Working closely with the New Jersey Department of Transportation and New Jersey Turnpike Authority, the SJTA anticipates being operational in 2025. The project includes the complete removal of both mainline barrier toll plazas and all existing ramp toll plazas, and installation of dynamic message boards, traffic cameras and other technology for an improved customer experience. All-electronic tolling (AET) will immediately reduce congestion, safely expedite vehicular travel and improve the environment by lower auto emissions.

The Atlantic City International Airport (ACY) continues to seek new destinations with both existing and potential new airlines, explore optional revenue streams including cargo and institute services within the terminal that enhance the patron experience. And while not fully recovered from the COVID-19 pandemic, ACY increased total operations 20.85% from 2021 operational statistics.

The SJTA's Transportation Services Department quietly serves riders throughout South Jersey. In 2022, "Trans Services" ridership went up 15.9%, from 200,086 to 231,988. Routes safely bring people to and from work, get to medical appointments on time, attend school and go shopping. This program enhances NJ Transit's footprint and ensures the workforce has more transportation options to arrive at their destination. The home delivered meal program, in coordination with Camden County, rounds out this very diverse and important department.

The Authority's efforts in historically-disadvantaged communities, such as the beautification of Camden and the successful Atlantic City Air Show, contributed to Governor Murphy's mission of establishing a stronger and fairer New Jersey for everyone. These are just a few of the SJTA's accomplishments in 2022 that have earned it a stellar reputation among industry leaders, external stakeholders and the general public.

It is a great privilege to serve as the Chair of the South Jersey Transportation Authority. I truly look forward to a busy 2023, not only for our Authority staff, but the transportation industry as a whole.

Sincerely,

Chairwoman DGS
NJDOT

SJTA PURPOSE

MISSION

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

VISION

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

CORE VALUES

SAFETY

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

INNOVATION

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

PROFESSIONALISM

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

DIVERSITY

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

EXCELLENCE

Commit to the highest standards of customer service delivery.

SJTA BOARD OF COMMISSIONERS 2022


Philip Murphy
Governor


Sheila Oliver
Lt. Governor


Diane Gutierrez-Scaccetti
NJDOT Commissioner

SJTA COMMISSIONERS


Christopher M. Milam
Vice Chair


Jeffery A. April, Esq.


Bryan J. Bush


Maurice B. Hill, Jr. DMD


James “Sonny” McCullough


C. Robert McDevitt


Joseph Ripa


Tim Sullivan

SJTA EXECUTIVE DIRECTOR


Stephen F. Dougherty

SJTA CORE FUNCTIONS

ATLANTIC CITY EXPRESSWAY

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

TRANSPORTATION SERVICES

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

ATLANTIC CITY INTERNATIONAL AIRPORT

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

ECONOMIC IMPACT

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

LETTER OF TRANSMITTAL
from the Executive Director

MOVING FORWARD...

Stephen F. Dougherty
SJTA Executive Director

At the South Jersey Transportation Authority, we are continuously focused on movement – forward progress, new flight destinations, state-of-the-art technologies and employee development are but of the few of the areas equally important to our current and future success.

We strive to ensure vehicles travel safely up and down the Atlantic City Expressway, airplanes transport passengers for business and pleasure in and out of the Atlantic City International Airport (ACY) and shuttles traverse the southern half of the state bringing riders to doctor appointments, schools and places of employment.

On the Atlantic City Expressway, the SJTA continued its role as the lead agency for the state in the transition to all-electronic tolling (AET) as well as the announced east and westbound third lane widening from milepost 31.6 to milepost 44.2. SJTA's surface transportation efforts also included the beautification of Route 676 in Camden as well as our welcomed stewardship of Route 42. Most important, our yearly toll adjustments now allow the Authority to support a robust capital plan that undeniably provides a better travel experience for our patrons.

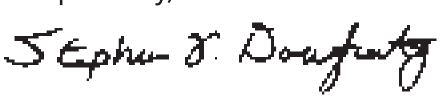
This year we were able to announce several exciting new developments at ACY, including the introduction of American Airlines' Landline luxury bus transportation to and from the airport to Philadelphia International Airport, the addition of service to Minneapolis from Sun Country Airlines and a $3 million federal grant to develop a cargo taxiway. And as we dutifully work with our airline partners, county and state government and our federal representatives, we're optimistic for continued momentum in 2023 to grow and expand our airport operations.

Finally, our Division of Transportation Services saw ridership approach pre-pandemic levels, with more employees returning to the workplace and residents utilizing public transportation in light of high gasoline costs. The Division secured a five-year agreement with Gloucester County government to provide non-emergency medical transportation to those residents in need. Transportation Services also, unassumingly, delivered 94,757 meals to seniors throughout Camden County.

I'm extremely proud to say we could not have accomplished anything without the hard work and dedication of our employees who come to work every day to advance the goals and mission of the Authority.

It's obvious we enjoy what we do, and we look forward to serving the residents of southern New Jersey in 2023 and beyond.

Respectfully,



Stephen F. Dougherty
SJTA Executive Director

We are continuously focused on movement – forward progress, new flight destinations, state-of-the-art technologies, employee development. These are but a few of the areas paramount to our current and future success.

– Stephen F. Dougherty, SJTA Executive Director

ATLANTIC CITY INT'L AIRPORT WELCOMES LANDLINE SERVICE

Atlantic City International Airport (ACY) welcomed a new service by American Airlines (AA) in June. It gives a new option to connect to AA's global network through a new agreement with the transportation platform Landline. The Landline service connects travelers in ACY, to the carrier's Philadelphia (PHL) hub with its state-of-the-art vehicles.

Travelers simply begin their trip at ACY, check in with American, and clear security just as they would for a flight, but board a Landline vehicle instead of an aircraft. Upon arrival in PHL, they'll deboard airside, enter the terminal and proceed directly to their connecting flight. When they're ready to return home, they'll board a Landline vehicle in PHL and drive back to ACY. American will seamlessly transfer travelers' checked bags between Landline's vehicles and American's flight network.

Members of American's AAdvantage® loyalty program also earn miles and Loyalty Points when traveling on Landline-operated routes.

Landline vehicles accommodate up to 35 customers and feature leather seating, complimentary Wi-Fi, streaming entertainment and power at every seat.

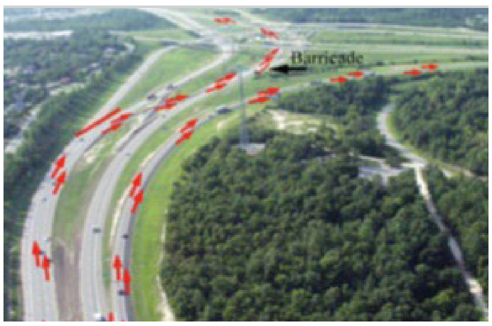
SJTA REOPENS ATLANTIC CITY WELCOME CENTER

The South Jersey Transportation Authority was tasked with reopening the Atlantic City Welcome Center in 2022 by Governor Phil Murphy to ensure there would be a designated place at the entry point to the city that would greet visitors, provide a brief respite to travelers and offer informational brochures to area attractions.

The 25-year-old building was closed in 2019 due to low attendance figures. But as soon as the call came in, the SJTA quickly began renovations and updates to the unique structure to meet the Governor's May opening deadline. Improvements included refinished flooring and sidewalks, new LED lighting, upgraded bathrooms and overall aesthetic enhancements.

Known by many as the "building with the tent roof," the 3,000-square-foot center was completed in 1999 at a cost of $3.5 million. Originally operated by the Casino Reinvestment Development Authority, the SJTA maintained the center until its reopening in 2022.

Hours of operation were from 9 a.m. to 5 p.m., Thursday through Sunday. Not surprising, between May 13 and October 16, close to 2,600 people stopped by the Welcome Center.



SJTA CONDUCTS FULL-SCALE CONTRA-FLOW EXERCISE

In June, the SJTA participated with the State of New Jersey, the New Jersey State Police and Office of Emergency Management in a six-hour contra-flow exercise. The purpose of the training was to provide a general understanding of a reverse lane strategy (Contra-Flow) in the event of an emergency such as a hurricane or other major storm.

This plan is implemented at the direction of the Governor during an emergency scenario that would require a mass evacuation from shore points and towns bordering the Atlantic City Expressway. The goal of the contra-flow exercise is to make sure the SJTA can set-up and coordinate the new traffic pattern within 12 hours.

BOY SCOUTS OF AMERICA ENHANCES BUTTERFLY HABITAT AT ATLANTIC CITY INTERNATIONAL AIRPORT

The South Jersey Transportation Authority partnered with two local Scouts BSA Troops for assistance in creating a large habitat area for the Frosted Elfin Butterfly at the Atlantic City International Airport (ACY). Back in 2019, the SJTA worked closely with Pinelands Commission to amend a previous Memorandum of Agreement that governed certain development projects and environmental commitments at the Airport. As part of the amended agreement, the Airport agreed to enhance a 12-acre area outside of the Airport Operations Area to provide habitat of the Frosted Elfin Butterfly, which is a state threatened species.

The Frosted Elfin Butterfly thrives in the presence of Wild Indigo, a perennial with bright blue flowers. Unfortunately, Wild Indigo is not prevalent in the area. After two growing seasons of only being able to purchase a few hundred plants, staff from ACY were able to successfully harvest seed pods from an existing Frosted Elfin Butterfly Colony at the William J. Hughes FAA Technical Center. A local grower agreed to grow 3,000 wild indigo plants from the seeds provided, however, ACY didn't have the staff available at the optimal planting season to complete this work.

The SJTA invited Scouts BSA Troop 55 of Somers Point and Troop 452 in Mays Landing (one of the first female Troops in the region) to help with the planting efforts. In total, 45 Scouts and Leaders, heeded the call for service and in June, the group spent four hours planting the 3,000 wild-indigo plants.

The SJTA is not new to the Scouts - over the last 18 months the SJTA has supported two Eagle Scout Projects as well.

ATLANTIC CITY INTERNATIONAL AIRPORT HOLDS TRIENNIAL EXERCISE

Every three years, the Atlantic City International Airport (ACY) conducts a large-scale emergency exercise mandated by the Federal Aviation Administration (FAA). The purpose of the drill is to establish a coordinated operational structure that involves all stakeholders in accordance with ACY's Airport Emergency Plan (AEP); ensure timely communications in support of security, situational awareness and operations between first responders; demonstrate ACY's rescue firefighters and its safety partners are able to manage and suppress fires and complexities while protecting the lives, property, and the environment and providing lifesaving medical treatment in the event of an emergency.

In May, over 300 volunteers, gathered for the four-hour exercise that simulated a Boeing 757, which had been given clearance to land, but upon touching down, strikes a construction vehicle that accidentally crosses the runway hold short bar.

This exercise included Airport Management, Airport Fire Department, Local Municipal Emergency Responders, the 177th NJ Air National Guard Fire Department, Atlantic County Office of Emergency Management, Spirit Airlines, the FAA William J. Hughes Technical Center, New Jersey State Police, FBI, Airport Operations, American Red Cross, numerous hospitals and various airport tenants.

Assisting to make the exercise as real as possible, SJTA employees, family, friends and local volunteers were provided makeup simulating different degrees of injuries from minor cuts to life-threatening open wound fractures.

At the conclusion of the triennial, an after-action meeting brought the participants together to debrief and to review and refine the Airport Emergency Plan in case a real-world accident was ever to occur.

SJTA KICKS OFF THE BUSY SEASON WITH 100 DAYS OF SUMMER EVENT

Every year, the SJTA kicks off the summer with its "100 Days of Summer" event. Held in May, the 100 Days of Summer celebrates the busy season at the SJTA between Memorial Day and Labor Day.

The festivities feature local vendors, a petting zoo, complimentary goodies, the Atlantic County Library, Cape May Chamber of Commerce, the Scleroderma Foundation, the African-American Heritage Museum of Southern New Jersey, Atlantic County services, Hero Campaign, Atlantic City International Airport, firetrucks, the NJ State Police, live remote radio broadcasts by WIP sports radio and WPHT 1210 talk radio, and of course, an unlimited supply of Chickie's & Pete's famous Crabfries® for everyone in attendance. Chickie's & Pete's is the 100 Days of Summer main sponsor and popular area sports bar.

The highlight, and most anticipated part of the day is a one-hour long, toll-free passage on the eastbound lanes on the Atlantic City Expressway, paid for by Chickie's & Pete's. It's not uncommon to see motorists giving the "thumbs-up" sign and honking their horns as they pass through the Egg Harbor Toll Plaza without having to pay a toll.

Always a good time, the event continues to grow every year and is a popular stop for those travelers on the way to their favorite shore points.

SJTA HOSTS ENVIRONMENTAL PROFESSIONALS FROM AROUND THE WORLD

The Environmental Division of the South Jersey Transportation Authority, which oversees the Roadway Environmental Advancement Initiative (READI) program, was proud to support Atlantic City by hosting the Northeastern Transportation and Wildlife Conference (NETWC) in September.

Environmental professionals from 19 states, three Canadian provinces and Great Britain attended.

South Jersey Transportation Authority interns from Stockton University, along with Dr. Dan Moscovici, Professor of Environmental Studies and Sustainability, spoke of the academic relationship fostered between the SJTA Operations Department and the university.

Stockton University environmental interns also partnered with NJ Fish and Wildlife (NJFW) to support the important wildlife crossings beneath the Atlantic City Expressway in several locations by collecting and reporting vital data from cameras overseen by the interns. The data is applied to the NJFW Connecting Habitats Across NJ (CHANJ). The interns even had an opportunity to develop their ability to present the READI program to students at the Linwood Elementary School in the spring and spreading the good work the SJTA is doing throughout South Jersey.

The Environmental Division continues to look for innovative ways to expand its footprint in 2023 and beyond including bird boxes, ospreys nests, wildlife habitat preservation and wildflower planting.

DRIVERS GET A CHARGE OUT OF ATLANTIC CITY EXPRESSWAY

New Jersey is leading the way on electric vehicle (EV) adoption on the East Coast. Governor Phil Murphy has set a goal of registering 330,000 EVs in New Jersey by 2025, which will reduce emissions from the transportation sector and help reach the goals of New Jersey's Energy Master Plan and the Global Warming Response Act. The transportation sector accounts for 46% of the state's net greenhouse gas emissions, making it the largest emissions source.

As of December 2022, there were 91,515 electric vehicles registered in New Jersey. This number includes Battery Electric Vehicles and Plug-in Hybrid Electric Vehicles. Ten years ago, in 2012, there were only 338 electric vehicles registered in the state.

The SJTA is playing its part in this initiative, not only in the electrification of its fleet, but by installing eight Tesla Supercharger stations and four "general use" EVGo Level 3 fast charging stations at the Frank S. Farley Service Plaza in May and June.

SJTA ROADSHOW

Executive Director, Stephen F. Dougherty, regularly makes it a point to share the good news about Authority activities to state, regional and local stakeholders. He has participated in numerous events as both a featured speaker and guest panelist in 2022.

SJTA HOSTS EASTERN STATES TRANSPORTATION NETWORK'S 44TH ANNUAL MEETING

The Eastern States Transportation Network (ESTN) convened in December for its 44th annual meeting after being postponed for two years due to the COVID pandemic.

Spearheaded and sponsored by the SJTA's human resources department, the event brought together over 142 transportation professionals from the Northeast and mid-Atlantic regions.

The ESTN was founded in 1970 and originally known as the Five-State Survey Group, until it was renamed numerous times until its most recent iteration in 2002.

The event began with a welcome from SJTA Executive Director, Stephen F. Dougherty, followed by keynote speaker, Michael J. Watson, Esq., Partner, Brown & Connery, LLP, who spoke on Civility in the Workplace, the featured theme for the event.

The day included multiple breakout sessions targeting Human Resources, Maintenance, Purchasing/Procurement, Safety, Toll Operations and Engineering departments. Topics included Building Trust, Maintaining Relationships in a Hybrid Environment, Active Listening for Negotiations, Procurement Fraud and Incorporating Safety Early in Contracts, among others.

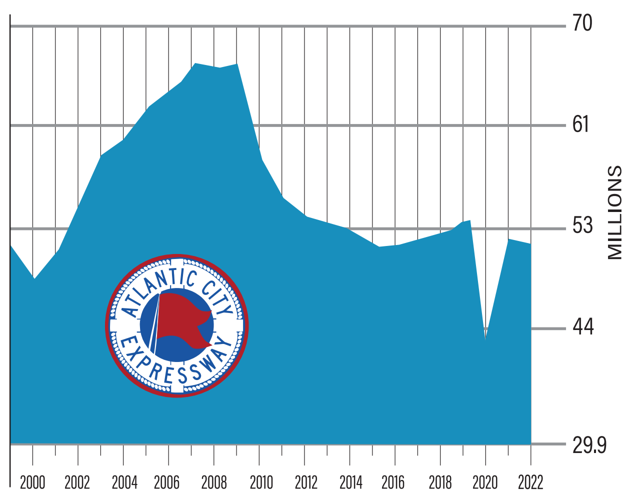
Participating agencies included the Burlington County Bridge Commission, Cape May County Bridge Commission, Delaware Department of Transportation, Delaware River & Bay Authority, Delaware River Port Authority, the Metropolitan Transportation Authority, New Jersey Turnpike Authority, New York State Bridge Authority, New York State Thruway Authority, Pennsylvania Turnpike Commission, Port Authority of NY and NJ and the South Jersey Transportation Authority.

The 45th 2023 ESTN will be hosted by the Pennsylvania Turnpike.

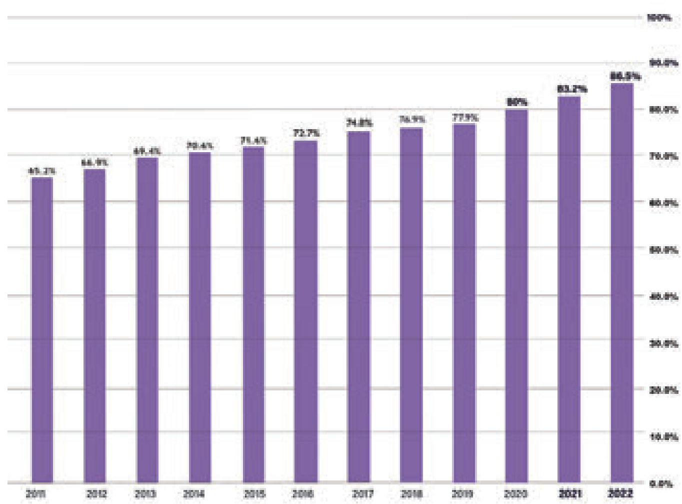
ANNUAL TOLL TRAFFIC AND TOLL REVENUES

YEAR	TOLL TRAFFIC	TOLL REVENUE	TOTAL SJTA REVENUES	PERCENT FROM TOLLS
2022	47,144,731	$114,234,793	$155,879,384	73.3%
2021	47,991,476	$112,852,136	$151,688,050	74.4%
2020	41,022,522	$75,001,197	$112,560,132	66.7%
2019	54,426,484	$83,499,059	$118,431,042	70.5%
2018	53,535,226	$80,672,144	$114,446,942	70.5%
2017	51,782,054	$77,736,375	$109,904,267	70.7%
2016	51,825,590	$77,185,675	$107,343,494	71.9%
2015	51,121,893	$76,141,803	$107,089,866	71.1%
2014	50,985,868	$74,956,149	$105,082,910	71.3%
2013	52,079,719	$76,124,544	$104,981,542	72.5%
2012	52,995,151	$77,569,176	$107,021,581	72.5%
2011	53,382,708	$76,895,065	$106,046,142	72.5%
2010	54,977,031	$78,914,150	$108,654,245	72.6%
2009	58,432,437	$82,162,229	$109,632,566	74.9%
2008	66,961,243	$63,476,068	$91,605,689	69.3%
2007	66,728,789	$61,830,498	$89,416,482	69.1%
2006	66,820,291	$59,477,706	$83,676,217	71.1%
2005	64,594,708	$57,970,661	$82,007,410	70.7%
2004	63,036,743	$57,247,411	$78,771,768	72.7%
2003	60,332,338	$51,190,087	$59,488,734	86.0%
2002	59,000,044	$48,525,003	$56,373,284	86.1%
2001	54,415,354	$45,853,899	$58,712,782	78.1%
2000	50,619,351	$44,322,412	$56,594,079	78.3%
1999	48,050,179	$44,434,942	$57,923,324	76.7%
1998	50,855,587	$27,444,172	$35,321,293	77.7%
1997	49,290,846	$25,056,326	$31,958,892	78.4%

Atlantic City Expressway
ANNUAL TOLL TRAFFIC 1999-2022



USAGE AS A PERCENT OF TOLL TRAFFIC



Atlantic City Expressway E-ZPass usage over the last eleven years

ANNUAL TOLL TRAFFIC INCREASE OR DECREASE BY LOCATION

YEAR	PLEASANTVILLE	NEW ROAD	POMONA	MAYS LANDING	EGG HARBOR	HAMMONTON	WINSLOW	WILLIAMSTOWN	CROSS KEYS	ROUTE 50	TOTAL
2022	-0.6%	-13.6%	-1.9%	-9.0%	-1.2%	0.5%	-0.4%	-2.3%	-1.1%	-0.5%	-1.8%
2021	24.3%	7.1%	17.0%	14.7%	13.8%	4.3%	2.9%	10.4%	12.0%	13.6%	16.5%
2020	-29.9%	-19.4%	-32.5%	-31.5%	-18.6%	-19.6%	-19.1%	-19.7%	-23.9%	-24.4%	-24.6%
2019	3.7%	-13.2%	2.6%	1.6%	4.2%	2.3%	4.5%	0.7%	-3.8%	8.2%	2.5%
2018	4.0%	18.6%	-5.2%	-1.4%	3.8%	-1.7%	1.2%	-1.9%	-0.2%	1.6%	2.5%
2017	-1.7%	-7.6%	0.4%	-3.3%	2.8%	-1.3%	3.0%	1.9%	-1.8%	9.0%	-0.1%
2016	1.4%	5.7%	4.0%	-1.2%	-1.0%	8.1%	6.5%	4.9%	1.6%	13.6%	1.4%
2015	-2.8%	10.3%	2.5%	-2.9%	2.1%	1.5%	-0.3%	1.2%	6.2%	8.2%	0.3%
2014	-5.6%	2.2%	-1.7%	-1.8%	-1.1%	1.6%	4.2%	5.0%	1.1%	14.8%	-2.1%
2013	-1.8%	3.8%	-1.2%	-0.6%	-2.5%	-1.9%	6.0%	-4.0%	-1.1%	10.1%	-1.7%
2012	-2.0%	-1.7%	0.1%	-3.5%	1.7%	0.4%	-1.0%	-3.1%	0.3%	10.7%	-0.8%
2011	-2.3%	-1.4%	-1.7%	-2.9%	-3.9%	0.1%	-2.2%	-7.5%	-0.4%	76.4%	-2.9%
2010	-10.2%	-4.6%	-1.3%	-11.6%	-2.9%	2.4%	2.0%	-2.6%	1.6%	-6.1%	-5.9%
2009	-15.4%	-11.3%	-17.7%	-18.4%	-6.4%	-2.0%	-8.5%	-12.5%	-17.5%	N/A	-12.7%
2008	6.4%	-6.0%	2.1%	-4.4%	-5.4%	-3.9%	-1.0%	-1.0%	-1.9%		0.4%
2007	-0.1%	9.7%	4.8%	-0.7%	-1.5%	-0.5%	-0.8%	-0.9%	1.3%		-0.1%
2006	3.7%	8.7%	6.3%	1.6%	2.2%	2.1%	4.7%	3.1%	7.9%		3.4%
2005	3.1%	7.5%	2.4%	1.8%	1.2%	0.0%	-1.9%	3.7%	5.1%		2.5%
2004	1.7%	17.5%	3.2%	4.3%	5.7%	6.6%	7.6%	6.7%	13.0%		4.4%
2003	-1.1%	58.2%	2.9%	4.0%	2.1%	1.5%	-61.6%	2.2%	170.7%		2.1%
2002	8.1%	N/A	2.0%	15.8%	6.6%	4.8%	-28.9%	4.6%	N/A		8.6%
2001	4.6%		4.6%	13.6%	5.3%	5.0%	68.0%	2.6%			7.5%
2000	0.0%		8.9%	9.2%	2.4%	10.9%	193.5%	11.4%			5.3%
1999	-6.1%		-11.3%	-9.9%	-5.6%	6.7%	2.1%	2.4%			-5.5%
1998	3.5%		2.7%	5.6%	2.6%	0.7%	5.5%	1.7%			3.2%
1997	1.5%		99.3%	13.4%	4.7%	4.5%	5.0%	6.5%			6.6%

MOTORIST AIDS BY EMERGENCY SERVICE PATROL

	2016	2017	2018	2019	2020	2021	2022
Dead Battery	651	741	812	787	372	516	632
Flat Tire	3,708	3,947	4,517	2,796	2,446	3,172	4,223
Accidents	829	731	812	787	703	620	564
Mechanical	3,733	3,906	4,752	3,865	3,658	4,357	4,987
Out of Gas	703	687	699	835	4,334	777	652
Overheat	900	604	747	353	319	427	460
Resting/Cell Phone	813	1,020	913	930	740	1,059	1,278
Request for Tow Truck	3,543	3,562	3,963	2,546	2,700	2,990	2,614
Remove Debris	n/a	n/a	n/a	587	450	575	607
Provided Safety	1,536	1,559	1,679	9,796	8,776	10,093	10,727
Total	16,416	16,757	18,894	23,282	24,498	24,586	26,744

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

ATLANTIC CITY EXPRESSWAY 2022 TOLL RATES

Classification	Curr. Rate	E-Z Pass Frequent User Discount
Pleasantville		
Auto	$1.30	$0.88
Limo	2.35	1.41
Dual Tire	2.35	2.12
Three Axle	3.35	3.02
Four Axle	4.40	3.97
Five Axle	5.45	4.91
Six Axle	6.45	5.81
Egg Harbor and Route 50 Interchange		
Auto	4.40	2.82
Limo	6.45	3.87
Dual Tire	6.45	5.81
Three Axle	9.55	8.60
Four Axle	12.90	11.61
Five Axle	16.00	14.40
Six Axle	19.10	17.19
Pleasantville Route 9 Ramp		
Auto	1.30	0.88*
Truck/Bus/Limo	1.30	1.30*
Pomona (AC Int'l Airport), Mays Landing, Hammonton, Winslow		
Auto	1.30	0.78*
Truck/Bus/Limo	1.30	1.30*
Williamstown, Berlin-Cross Keys		
Auto	0.65	0.39*
Truck/Bus/Limo	0.65	0.65*

* When two outer ramp tolls are used in the same direction during one trip (within one hour) only one toll is charged to the user's E-ZPass account.

FREQUENT USER PLAN: To qualify, use your E-ZPass tag at least 30 times during a 35 day period and the discount will be applied for the next 35 days. Keep using it, and the discount will continue. You must sign up for the Expressway either when you enroll, or by calling the customer service center at 1-888-288-6865. There is no additional charge for this discount.

South Jersey Transportation Authority

Audited Financial Statements

For Year Ended December 31, 2022

SOUTH JERSEY TRANSPORTATION AUTHORITY

FARLEY SERVICE PLAZA • P.O. BOX 351
HAMMONTON, N.J. 08037

(609) 965-6060 • (800) 658-0600 • FAX (609) 965-

Executive Order No. 37 (2006)
Certification of Annual Audit
For Year End 2022

In accordance with Executive Order No. 37 (2006) and Executive Order No. 122 (2004), we certify that, to the best of our knowledge, the information provided to the auditor in connection with this annual audit and contained in the attached report is accurate, and to the best of our knowledge, fairly represents the financial condition of the South Jersey Transportation Authority as of and for the year ended December 31, 2022.

Stephen F. Dougherty
Executive Director

Karen Davis
Chief Financial Officer

SOUTH JERSEY TRANSPORTATION AUTHORITY

FARLEY SERVICE PLAZA • P.O. BOX 351
HAMMONTON, N.J. 08037

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Philip D. Murphy
Governor

Sheila Y. Oliver
Lt. Governor

Diane Gutierrez-Scaccetti
Chair

Stephen F. Dougherty
Executive Director

REPORT OF MANAGEMENT

Management of the South Jersey Transportation Authority is responsible for the financial statements included in this Annual Report for the year ended December 31, 2022. Management is responsible for both the accuracy of the financial information presented and the completeness and fairness of the presentation, including all disclosures. We believe the enclosed financial information fairly presents the financial condition of the South Jersey Transportation Authority and its results of operations for the year ended December 31, 2022 in all material respects. We believe that all the disclosures necessary for the reader to gain an understanding of the Authority's financial activities have been included.

The enabling legislation creating the South Jersey Transportation Authority and our bond resolutions require an annual audit of the Authority's financial statements by a firm of independent auditors. In addition, as a recipient of federal funds, primarily from the Federal Aviation Administration for projects involving the Atlantic City International Airport, the Authority is required to have a single audit performed annually by an independent auditor in accordance with the Single Audit Act Amendments of 1996, and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The purpose of the single audit act is to determine the adequacy of the Authority's internal controls and compliance with applicable laws and regulations relating to the receipt of federal financial assistance. The Authority retains an independent auditor to satisfy these requirements. The report of the independent auditor on the combined financial statements of the Authority is included in this report. Management retains primarily responsible for the information contained in the financial statements and the presentation of the financial information.

Management of the Authority is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the Authority are safeguarded from loss, theft or misuse, and to ensure that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The system of internal controls is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the resulting benefits; and (2) the analysis of costs and benefits requires estimates and judgments by management. As a recipient of federal financial assistance, the Authority is required to ensure that adequate internal controls are in place which ensure compliance with applicable laws and regulations relating to that financial assistance. The system of internal control of the Authority is subject to ongoing evaluation by management.

Stephen F. Dougherty
Executive Director

Karen Davis
Chief Financial Officer

South Jersey Transportation Authority
Financial Statements
For the Year Ended December 31, 2022

FORD - SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the South Jersey Transportation Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

The financial statements of the South Jersey Transportation Authority, as of and for the year ended December 31, 2021, were audited by other auditors whose report dated August 18, 2022 expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Leon P Costello
Leon P. Costello
Certified Public Accountant

July 19, 2023

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements, as listed in the accompanying table of contents, of the South Jersey Transportation Authority (a component unit of the State of New Jersey), Hammonton, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 19, 2023, which was unmodified.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Leon P. Costello
Leon P. Costello
Certified Public Accountant

July 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

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

The Authority operates under the following Core Values:

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

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

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

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

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

Our discussion and analysis of the South Jersey Transportation Authority's (SJTA) financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2022. Please read it in conjunction with the Authority's financial statements that begin on Page 16.

2022 Highlights

Expressway

Traffic on the Atlantic City Expressway in 2022 was relatively flat compared to 2021 after a significant increase in the prior year as the lockdowns and concerns from the COVID-19 pandemic eased. There were 47 million vehicle transactions in 2022, a decrease of 380 thousand compared to 2021, with 86.5% utilizing EZPass as a payment method. As a result of the increased traffic and the new toll rates implemented in September 2020 and the 3% toll indexing effective January 1, 2022, toll revenue reached its highest level in Authority history of $114 million.

Expressway Operations continued its additional responsibilities for a portion of New Jersey Route 30, including Admiral Wilson Boulevard and all of Interstate 676. SJTA performs minor maintenance work, particularly quality of life issues impacting residents of the areas. Operations personnel coordinated a group effort in this respect that included Camden City, Camden County Parks and Camden County Office of Emergency Management.

Airport

The Atlantic City Airport (ACY) continued to show significant recovery in 2022. A total of 956 thousand passengers utilized the Airport in 2022, reflecting an increase of 10% as compared to 2021 despite the challenges that airlines and airports faced this year. American Airlines began its operations at ACY in 2022 where passengers check into their flights at the Atlantic City Airport and then are transported to the Philadelphia airport for their actual flights. Over 17 thousand passengers made use of this service. In addition, the number of charter passengers increased 58% to over 113 thousand in 2022.

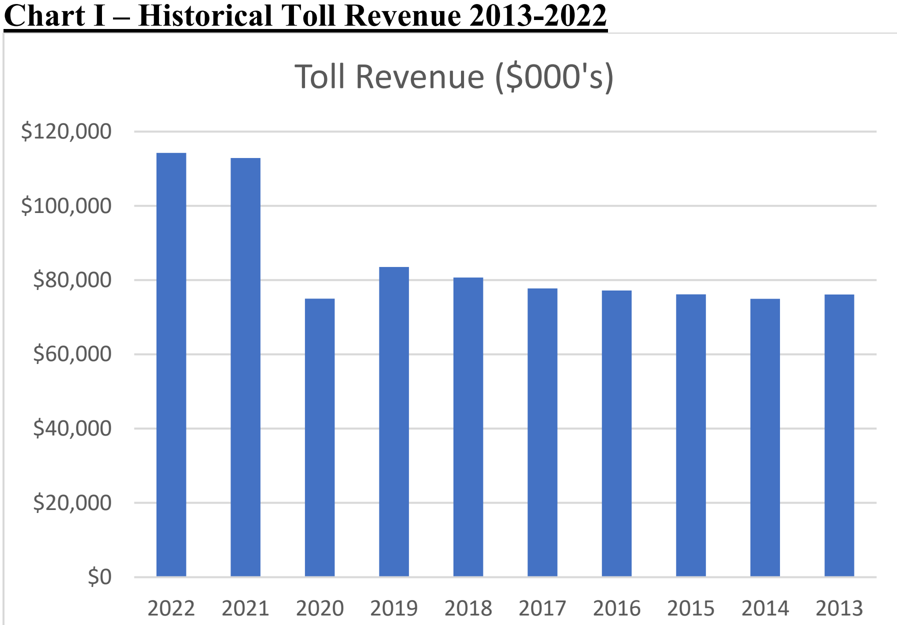
FINANCIAL HIGHLIGHTS

Operating Revenue

- Total operating revenues were $156.2 million in 2022 as compared to $151.7 million in 2021, representing a 3% increase. This is attributable to a number of factors:
  - Toll indexing of 3% that went into effect January 1, 2022
  - Increase in the number of travelers utilizing ACY
  - Receipt of marina parking fees of $1.78 million

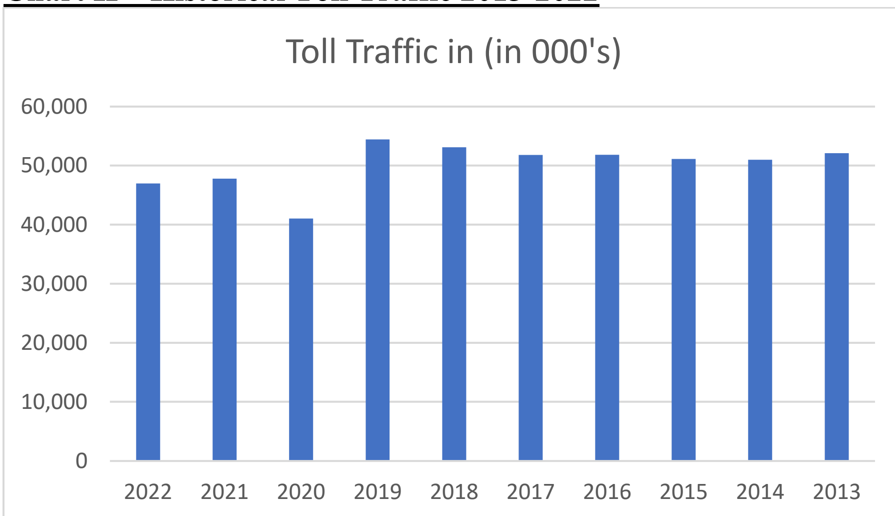
- Toll revenue, which accounted for 73.3 percent of operating revenue, was $114.2 million. This is an increase of 1.2 percent over the prior year. (See Chart I).

Chart I – Historical Toll Revenue 2013-2022



- Traffic on the Atlantic City Expressway (ACE) in 2022 was down by 1.7% in comparison to 2021. (See Chart II).

Chart II – Historical Toll Traffic 2013-2022

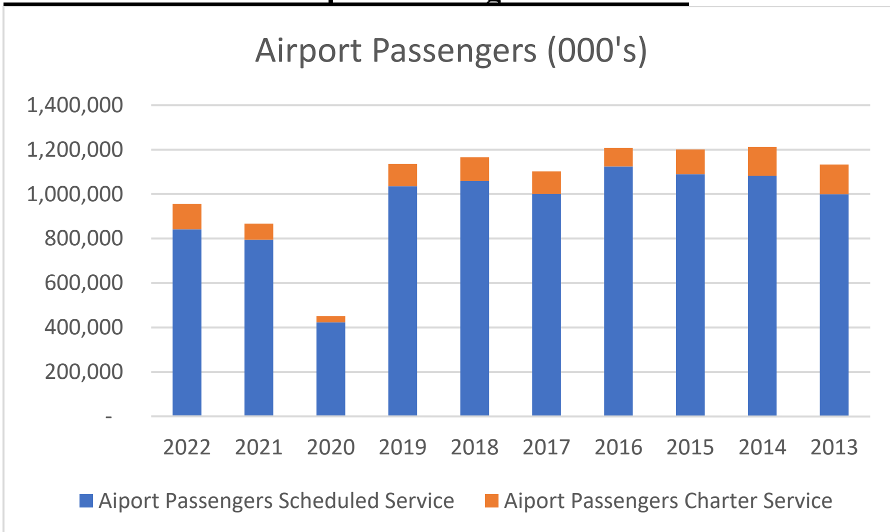


- Airport revenues of $15.3 million increased 4.3% compared to $14.6 million in 2021. This is primarily a result of an increase of 10% in passengers utilizing the Airport. In 2022 the Airport received an American Rescue Plan Act grant of $3 million. In 2021, the Airport received a Coronavirus Response and Relief Supplemental Appropriation of $3.7 million; a decrease in grant revenue of $700 thousand.

- Scheduled service passengers using the Atlantic City Airport in 2022 increased 5.8 percent over the number of scheduled service passengers in 2022. Overall air passenger traffic increased 10.25 percent due to continued recovery from the pandemic and new services.

Chart III Historical Airport Revenue 2013-2022

Chart IV Historical Airport Passengers 2013-2022



Operating Expenses

- Operating expenses before depreciation expense for the year ended December 31, 2022 were \$87.1 million, a \$7.6 million or 9.6 percent increase as compared to the year ended December 31, 2021. Actual operating expenses for 2022 were \$6.1 million or 6.5 percent lower than budgeted operating expenses. The increase over the prior year is in part due to higher electronic toll collections expenses due to the increase in patrons utilizing EZPass as a method of payment, higher expenditures at the airport with new management and maintenance contracts, and higher insurance and pension expenses. The Authority closely monitors spending to maintain operating margins.

- This resulted in net operating income for 2022 of \$30.7 million, as compared to \$34.7 million for 2021.

FINANCIAL POSITION SUMMARY

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

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

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

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

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

Financial Analysis of the Statement of Net Position

Below is a summarized Statement of Net Position as of December 31, 2022 with comparative totals as of December 31, 2021:

	2022	2021
Unrestricted Assets	$ 133,322,822	$ 99,088,815
Restricted Assets	621,815,870	418,035,221
Capital Assets	556,464,529	559,058,939
Deferred Outflows of Resources	31,452,065	31,183,651
Total Assets and Deferred Outflows of Resources	$ 1,343,055,286	$ 1,107,366,626
Current Unrestricted Liabilities	$ 10,038,177	$ 12,170,607
Current Restricted Liabilities	41,819,324	38,009,803
Accrued Expenses	35,000	35,000
Net Pension Liability	38,466,418	32,246,351
Net OPEB Liability	56,042,925	84,220,309
Non-Current Bonds Payable, net	966,531,275	751,655,731
Deferred Inflows of Resources	52,162,506	28,500,754
Total Liabilities and Deferred Inflows of Resources	1,165,095,625	946,838,555
Net Investment in Capital Assets	98,061,959	114,141,943
Restricted	91,406,712	94,166,932
Unrestricted Net Position	83,000,333	68,685,856
Related to Net Pension Liability	(38,466,418)	(32,246,351)
Related to Net OPEB Liability	(56,042,925)	(84,220,309)
Total Net Position	177,959,661	160,528,071
Total Liabilities, Deferred Inflow of Resources and Net Position	$ 1,343,055,286	$ 1,107,366,626

- Unrestricted assets increased by $22.8 million due to increased operating revenue, as well as an increase in interest and dividends as a result of higher interest rates and closer cash management.

- Restricted assets increased by $203.8 million in 2022 primarily in cash and cash equivalents from proceeds of the August bond issuance.

- Capital assets, net of accumulated depreciation, decreased by a net of $2.6 million. Depreciation during the year was $38.5 million while net additions amounted to $28.6 million.

- Deferred outflows of resources decreased $2.9 million due to changes to actuarial assumptions in calculating the OPEB liability and pension liability.

- Current unrestricted liabilities decreased $885 thousand primarily due to relatively minor changes in accounts payable and escrow deposits.

- Post-Employment Benefits are part of an exchange of salaries and benefits for employee services rendered. Most OPEB expenses have been funded on a pay-as-you-go basis and have been reported in the financial statements when the promised benefits are paid. GASB 75 requires state and local government's financial reports to reflect systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and provides information about actuarial accrued liabilities associated with the OPEB and whether and to what extent progress is being made in funding the plan.

- The Authority's net OPEB liability at December 31, 2022, was $56 million, a decrease of $28.2 million from 2021 mainly resulting from the actuarial increase of the discount rate to 3.7% which represents the expected rate of return on plan assets. See the required supplementary information ("RSI") in the financial statements. The discount rate used in the actuarial calculation at December 31, 2021 was 2.05%. The increase in the discount rate used is consistent with the increase in the Federal Reserve rate during 2022. The net pension liability of $30.3 million represents the Authority's proportionate share of the net pension liability of the State of New Jersey's multi-employer, cost sharing pension plans. This liability and how it is determined is discussed in greater detail in the accompanying Notes to the Financial Statements.

- The increase in non-current bonds payable is due to the issuance of $225 million of Transportation System Revenue bonds in August 2022 less principal payments on outstanding bonds.

- Deferred inflows of resources increased $25.8 million mainly resulting from actuarial differences between expected and actual experience related to OPEB and Pensions. See the required supplementary information ("RSI") in the financial statements.

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

Below is a summarized Statement of Revenue, Expenses and Changes in Net Position as of December 31, 2022 with comparative totals as of December 31, 2021:

	2022	2021
Operating Revenue	$ 156,160,920	$ 151,688,050
Operating Expenses	(125,514,143)	(117,007,504)
Non-Operating Income (Expense)	(22,657,029)	(33,123,666)
Capital Contributions	9,441,842	16,241,489
Change in Net Position	17,431,590	17,798,369
Net Position -- Beginning	160,528,071	142,729,702
Net Position -- Ending	$ 177,959,661	$ 160,528,071

- Operating revenue increase of $4 million is a result of the 3% toll indexing implemented January 1, 2022 and receipt of $1.8 million of marina parking fees.
- Operating expenses increased by $9.8 million due to higher EZPass usage resulting in increased electronic toll collection expense, higher expenditures at the airport with more passengers and flights, and increased insurance and pension expenses.
- Capital Contributions received during the year decreased by $6.8 million. This decrease was a result of grant funding provided in 2021 by the United States Department of Transportation Federal Aviation Administration for runway rehabilitation that was completed.

New Accounting Pronouncements

In 2022, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognize inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Investment in Infrastructure

Capital projects on ***Atlantic City Expressway*** substantially completed in 2022 are:

- Pavement Rehabilitation Project encompassing for a total of $3.4 million
- Atlantic City Expressway Connector Tunnel Improvements
- Resurfacing of the Atlantic City Expressway Connector, portions of Routes 30, 87 and 187
- Bridge 18 Rehabilitation
- West Maintenance Yard Addition
- Ramp Lighting Improvements

Capital projects at the ***Atlantic City International Airport*** substantially completed in 2022 are:

- Airfield Electrical Rehabilitation Project
- Terminal HVAC Upgrades
- Grassland Conservation Management Area Building Demolition
- Amelia Earhart Sign Project

AIRPORT SUBSIDY

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

The airport subsidy, net of depreciation and debt service was \$4.9 million for the year ended December 31, 2022 compared with \$2.9 million in 2021, not including debt service on airport bonds. The increase in the subsidy is attributable to the 2021 Coronavirus Response and Relief Supplemental Appropriation of \$3.7 million compared to the American Rescue Plan Act grant of \$3 million in 2022 and increases in expenses as a result of new management and maintenance contracts.

USING THIS FINANCIAL REPORT

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

Proprietary Fund financial statements for the Authority's two main funds start on Page 22. These financial statements report the Authority's operations in more detail than the Basic Financial Statements by providing information about the Authority's most significant funds. The Authority's two major operating entities, which are being reported separately in the Proprietary Fund financial statements, are the Atlantic City Expressway and the Atlantic City International Airport. Common costs for these two major operating entities are generally assigned to the Expressway. The Statements of Net Position and Changes in Fiduciary Net Position for the Other Postemployment Benefit Trust can be found on Page 28. Fund financial statements are also included in the Other Supplementary Information on Pages 95 - 98. Fund financial statements report the Authority's operations, in detail, for all the funds of the Authority.

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

Notes to the Financial Statements

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

Other Supplementary Information

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

Contacting the Authority's Financial Management

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

BASIC FINANCIAL STATEMENTS

South Jersey Transportation Authority
Statement of Net Position
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 108,226,476	$ 87,875,370
Change Funds	171,465	147,807
Accounts Receivable, net	8,044,485	6,102,154
Leases Receivable	11,409,760	-
Grants Receivable	2,178,893	1,910,961
Prepaid Expenses	3,016,060	2,760,839
Security Deposits	151,736	151,736
Inventory	123,947	139,948
Total Unrestricted Assets	133,322,822	99,088,815
Restricted Assets:		
Cash and Cash Equivalents	592,027,818	373,448,050
Investments	24,289,735	37,745,939
Accounts Receivable	5,183,202	6,083,262
Grants Receivable	214,568	570,757
Interest Receivable	100,547	187,213
Total Restricted Assets	621,815,870	418,035,221
Capital Assets:		
Non-Depreciable Capital Assets:		
Land and Right of Ways	145,464,608	145,464,608
Construction in Progress	57,396,285	57,161,468
Total Non-Depreciable Capital Assets	202,860,893	202,626,076
Non-Infrastructure Capital Assets:		
Buildings and Equipment	217,164,642	210,822,946
Less Accumulated Depreciation	(145,775,132)	(133,649,228)
Total Non-Infrastructure Capital Assets	71,389,510	77,173,718
Infrastructure Capital Assets:		
Infrastructure - Equipment	27,768,255	27,648,367
Infrastructure	658,789,424	629,921,141
Less Accumulated Depreciation	(404,343,553)	(378,310,363)
Total Infrastructure Capital Assets	282,214,126	279,259,145
Total Assets	1,311,603,221	1,076,182,975
Deferred Outflows of Resources:		
Related to Pensions	9,462,734	6,187,119
Related to OPEB	16,078,895	18,015,210
Loss on Early Extinguishment of Debt	5,910,436	6,981,322
Total Deferred Outflows of Resources	31,452,065	31,183,651
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,343,055,286	$ 1,107,366,626

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

South Jersey Transportation Authority
Statement of Net Position
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	2022	2021
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities Payable from Unrestricted Assets:		
Accounts Payable	$ 7,485,358	$ 9,373,974
Unearned Income	476,334	666,249
Escrow Deposits	179,993	619,233
Accrued Expenses	1,896,492	1,511,151
Total Current Liabilities Payable from Unrestricted Assets	10,038,177	12,170,607
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable	7,224,213	5,257,040
Accounts Payable	7,543,277	5,979,459
Escrow Deposits	29,375	154,920
Retainages Payable	2,433,234	2,176,887
Due to Other Governmental Agencies	208,335	208,334
PFC Advanced	1,425,926	840,901
CFC Advanced	3,339,964	3,092,554
Insurance and Labor Reserves	4,651,678	4,837,809
Bonds Payable, Net of Discount and Premiums of ($3,743,322)	14,963,322	15,461,900
Total Current Liabilities Payable from Restricted Assets	41,819,324	38,009,804
Noncurrent Liabilities:		
Accrued Expenses	35,000	35,000
Net Pension Liability	38,466,418	32,246,351
Net OPEB Liability	56,042,925	84,220,309
Bonds Payable, Net of Discount and Premiums of ($52,876,275)	966,531,275	751,655,730
Total Non-Current Liabilities	1,061,075,618	868,157,390
Total Liabilities	1,112,933,119	918,337,801
Deferred Inflows of Resources:		
Related to Pensions	6,900,237	19,317,406
Related to OPEB	34,059,425	9,183,348
Related to Leases	11,202,844	-
Total Deferred Inflows of Resources	52,162,506	28,500,754
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,165,095,625	946,838,555

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

South Jersey Transportation Authority
Statement of Net Position
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	2022	2021
NET POSITION		
Net Investment in Capital Assets	98,061,959	114,141,943
Restricted for:		
Debt Service	3,034,464	7,195,068
Rehabilitation and Repair	6,597,087	6,508,331
Debt Service Reserve	33,383,767	35,651,228
State Payment	253	246
Capital Projects	29,663,516	26,405,897
Arbitrage Rebate	169	169
Subordinated Debt Fund	18,727,456	18,405,993
Unrestricted:		
Unrestricted Net Position	83,000,333	68,685,856
Related to Net Pension Liability	(38,466,418)	(32,246,351)
Related to Net OPEB Liability	(56,042,925)	(84,220,309)
Total Net Position	177,959,661	160,528,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,343,055,286	$ 1,107,366,626

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

South Jersey Transportation Authority
Statement of Revenue, Expenses and
Changes in Net Position
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	2022	2021
Operating Revenue:		
Tolls	$ 114,234,793	$ 112,844,105
Concessions	819,433	788,589
ETC Administrative Revenue	11,019,673	10,909,791
Parking (Non Airport)	-	89,607
Marina Parking Revenue	1,784,310	-
Rentals	4,041,252	4,100,756
Naming Rights	336,615	304,680
SJTPO Programs	2,144,309	2,096,366
Transportation Services	4,583,382	4,090,388
Other	1,943,135	1,880,481
Airport	15,254,018	14,583,287
Total Operating Revenue	156,160,920	151,688,050
Operating Expenses:		
Executive	1,211,619	1,155,049
Business Administration	858,310	726,160
Engineering	1,463,528	1,031,896
Finance	1,672,015	1,695,108
Central Accounts	12,305,830	11,876,698
Other Post-Employment Benefits	2,666,207	2,335,934
Marketing and Communications	141,733	116,438
Toll Services	4,512,182	4,133,685
Maintenance	14,722,476	13,796,003
Police	9,646,055	9,135,937
Emergency Service Patrol	1,049,341	977,772
Electronic Toll Collection Expense	7,649,266	6,335,014
Parking (Non Airport)	-	322,770
Information Services	2,148,752	2,061,807
SJTPO Programs	2,144,309	2,096,366
Transportation Services	4,947,613	4,309,103
Airport	19,833,498	17,270,244
Depreciation	38,541,409	37,631,520
Total Operating Expenses	125,514,143	117,007,504
Operating Income	30,646,777	34,680,546
Non-Operating Revenue (Expenses):		
Interest and Dividends	7,594,998	991,377
Market Value Adjustment on Investments	(2,946,204)	(387,314)
Gain (Loss) on Disposal of Assets	-	491,316
Other Income (Expenses)	(172,609)	7,440
Amortization of Bond Premium	4,020,550	3,950,870
Bad Debt Expense	(16,157)	(49,115)
Effect of Change in Pension Liability	9,324,763	6,227,625
Effect of Change in OPEB Liability	(1,447,820)	(6,237,555)
Cost of Issuance Expense	(1,865,277)	(5,036)
Interest on Bonds	(34,649,273)	(35,613,274)
State Payment	(2,500,000)	(2,500,000)
Total Non-Operating Income (Expense)	(22,657,029)	(33,123,666)
Income (Loss) before Contributions	7,989,748	1,556,880
Capital Contributions	9,441,842	16,241,489
Change in Net Position	17,431,590	17,798,369
Total Net Position -- Beginning	160,528,071	142,729,702
Total Net Position -- Ending	$ 177,959,661	$ 160,528,071

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

South Jersey Transportation Authority
Statement of Cash Flows
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers, users and grants	$ 154,121,990	$ 150,764,101
Payments to suppliers	(64,973,541)	(59,376,430)
Payments to employees	(22,928,786)	(22,892,655)
Net cash provided by operating activities	66,219,663	68,495,016
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Payment of State Payment Obligation	(2,500,000)	(2,500,000)
Net cash used by noncapital financing activities	(2,500,000)	(2,500,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants	10,274,277	16,440,481
Proceeds from sale of fixed assets	-	491,316
Other income (expenses)	(172,609)	7,440
Payments for capital acquisitions	(34,990,796)	(37,560,603)
Principal paid on capital debt	(11,580,000)	(11,090,000)
Loan payments received	895,002	850,000
Proceeds from bonds issued	225,000,000	-
Bond issue premium	4,908,547	-
Bond issuance costs	(1,865,277)	(5,036)
Interest paid on capital debt	(32,613,130)	(37,166,137)
Net cash provided (used) by capital and related financing activities	159,856,014	(68,032,539)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	(25,031,593)
Proceeds from sales and maturities of investments	10,510,000	4,026,659
OPEB Contribution	(2,812,812)	(2,335,934)
Interest and dividends	7,681,667	999,610
Net cash provided (used) by investing activities	15,378,855	(22,341,258)
Net increase (decrease) in cash and cash equivalents	238,954,532	(24,378,781)
Balance - beginning of period	461,471,227	485,850,008
Balance - end of period	$ 700,425,759	$ 461,471,227
Reconciliation to Statement of Net Position:		
Unrestricted Cash and Cash Equivalents	$ 108,226,476	$ 87,875,370
Change Funds	171,465	147,807
Restricted Cash and Cash Equivalents	592,027,818	373,448,050
	$ 700,425,759	$ 461,471,227

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

South Jersey Transportation Authority
Statement of Cash Flows
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	2022	2021
Reconciliation of operating income to net cash provided (used) by operating activities:		
Adjustments to reconcile operating income to net cash provided by operating activities:		
Operating income	30,646,777	34,680,546
Depreciation expense	38,541,409	37,631,520
Change in assets and liabilities:		
Receivables, net	(1,937,272)	(710,707)
Grants receivable	88,257	(467,805)
Prepaid expenses	(255,221)	(290,753)
Security deposits	-	(4,000)
Inventories	16,001	(85,273)
Accounts and other payables	(324,798)	(2,628,636)
Unearned income	(189,915)	254,563
Escrow deposits and reserves	(750,916)	115,561
Net cash provided by operating activities	$ 66,219,663	$ 68,495,016

Noncash capital financing activities:
Capital assets of $9,441,842 were acquired through contributions from government agencies and private entities.

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

South Jersey Transportation Authority
Statement of Net Position - Proprietary Funds
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	Expressway	Airport	Consolidation Eliminations	Totals 2022	Totals 2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Unrestricted Assets:					
Cash and Cash Equivalents	$ 102,876,051	$ 5,350,425		$ 108,226,476	$ 87,875,370
Change Funds	149,916	21,549		171,465	147,807
Accounts Receivable, net	6,501,987	1,542,498		8,044,485	6,102,154
Leases Receivable	8,784,967	2,624,793		11,409,760	-
Grants Receivable	2,006,549	172,344		2,178,893	1,910,961
Prepaid Expenses	2,126,804	889,256		3,016,060	2,760,839
Security Deposits	150,206	1,530		151,736	151,736
Inventory	123,947	-		123,947	139,948
Interfunds Receivable	11,996,440	37,970,618	$ (49,967,058)	-	-
Total Unrestricted Assets	134,716,867	48,573,013	(49,967,058)	133,322,822	99,088,815
Restricted Assets:					
Cash and Cash Equivalents	567,452,696	24,575,122		592,027,818	373,448,050
Investments	23,484,235	805,500		24,289,735	37,745,939
Accounts Receivable	5,179,998	3,204		5,183,202	6,083,262
Grants Receivable	-	214,568		214,568	570,757
Interest Receivable	99,567	980		100,547	187,213
Total Restricted Assets	596,216,496	25,599,374	-	621,815,870	418,035,221
Capital Assets:					
Non-Depreciable Capital Assets:					
Land and Right of Ways	126,797,086	18,667,522		145,464,608	145,464,608
Construction in Progress	12,519,967	44,876,318		57,396,285	57,161,468
Total Non-Depreciable Capital Assets	139,317,053	63,543,840	-	202,860,893	202,626,076
Non-Infrastructure Capital Assets:					
Buildings and Equipment	61,915,121	155,249,521		217,164,642	210,822,946
Less Accumulated Depreciation	(47,261,308)	(98,513,824)		(145,775,132)	(133,649,228)
Total Non-Infrastructure Capital Assets	14,653,813	56,735,697	-	71,389,510	77,173,718
Infrastructure Capital Assets:					
Infrastructure - Equipment	14,721,863	13,046,392		27,768,255	27,648,367
Infrastructure	543,678,470	115,110,954		658,789,424	629,921,141
Less Accumulated Depreciation	(336,071,747)	(68,271,806)		(404,343,553)	(378,310,363)
Total Infrastructure Capital Assets	222,328,586	59,885,540	-	282,214,126	279,259,145
Total Capital Assets	376,299,452	180,165,077	-	556,464,529	559,058,939
Total Assets	1,107,232,815	254,337,464	(49,967,058)	1,311,603,221	1,076,182,975
Deferred Outflows of Resources:					
Related to Pensions	7,853,578	1,609,156		9,462,734	6,187,119
Related to OPEB	14,310,217	1,768,678		16,078,895	18,015,210
Loss on Early Extinguishment of Debt	5,850,481	59,955		5,910,436	6,981,322
Total Deferred Outflows of Resources	28,014,276	3,437,789	-	31,452,065	31,183,651
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,135,247,091	$ 257,775,253	$ (49,967,058)	$ 1,343,055,286	$ 1,107,366,626

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

South Jersey Transportation Authority
Statement of Net Position - Proprietary Funds
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	Expressway	Airport	Consolidation Eliminations	Totals 2022	Totals 2021
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current Liabilities Payable From Unrestricted Assets:					
Accounts Payable	$ 5,375,268	$ 2,110,090		$ 7,485,358	$ 9,373,974
Unearned Income	215,005	261,329		476,334	666,249
Escrow Deposits	48,354	131,639		179,993	619,233
Accrued Expenses	1,461,577	434,915		1,896,492	1,511,151
Interfunds Payable		49,967,058	$ (49,967,058)		
Total Current Liabilities Payable From Unrestricted Assets	7,100,204	52,905,031	(49,967,058)	10,038,177	12,170,607
Current Liabilities Payable From Restricted Assets:					
Accrued Interest Payable	6,619,464	604,749		7,224,213	5,257,040
Accounts Payable	3,828,205	3,715,072		7,543,277	5,979,459
Escrow Deposits	29,375			29,375	154,920
Retainages Payable	944,346	1,488,888		2,433,234	2,176,887
Due to Other Governmental Agencies	208,335			208,335	208,334
PFC Advanced		1,425,926		1,425,926	840,901
CFC Advanced		3,339,964		3,339,964	3,092,554
Insurance and Labor Reserves	3,626,315	1,025,363		4,651,678	4,837,809
Bonds Payable, Net of Discount and Premiums of ($3,743,322)	13,458,015	1,505,307		14,963,322	15,461,900
Total Current Liabilities Payable From Restricted Assets	28,714,055	13,105,269	-	41,819,324	38,009,804
Noncurrent Liabilities:					
Accrued Expenses	35,000			35,000	35,000
Net Pension Liability	32,627,657	5,838,761		38,466,418	32,246,351
Net OPEB Liability	49,878,203	6,164,722		56,042,925	84,220,309
Bonds Payable, Net of Discount and Premiums of ($52,876,275)	882,466,554	84,064,721		966,531,275	751,655,730
Total Non-Current Liabilities	965,007,414	96,068,204	-	1,061,075,618	868,157,390
Total Liabilities	1,000,821,673	162,078,504	(49,967,058)	1,112,933,119	918,337,801
Deferred Inflows of Resources:					
Related to Pensions	3,535,113	3,365,124		6,900,237	19,317,406
Related to OPEB	30,312,888	3,746,537		34,059,425	9,183,348
Related to Leases	8,621,959	2,580,885		11,202,844	-
Total Deferred Inflows of Resources	42,469,960	9,692,546	-	52,162,506	28,500,754
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,043,291,633	171,771,050	(49,967,058)	1,165,095,625	946,838,555

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

South Jersey Transportation Authority
Statement of Net Position - Proprietary Funds
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	Expressway	Airport	Consolidation Eliminations	Totals 2022	Totals 2021
NET POSITION					
Net Investment in Capital Assets	1,264,277	96,797,682		98,061,959	114,141,943
Restricted for:					
Debt Service	3,017,805	16,659		3,034,464	7,195,068
Rehabilitation and Repair	6,597,087			6,597,087	6,508,331
Debt Service Reserve	28,405,415	4,978,352		33,383,767	35,651,228
State Payment	253			253	246
Capital Projects	22,581,930	7,081,586		29,663,516	26,405,897
Arbitrage Rebate	169			169	169
Subordinated Debt Fund	18,727,456			18,727,456	18,405,993
Unrestricted:					
Unrestricted Net Position	93,866,926	(10,866,593)		83,000,333	68,685,856
Related to Net Pension Liability	(32,627,657)	(5,838,761)		(38,466,418)	(32,246,351)
Related to Net OPEB Liability	(49,878,203)	(6,164,722)		(56,042,925)	(84,220,309)
Total Net Position	91,955,458	86,004,203	-	177,959,661	160,528,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,135,247,091	$ 257,775,253	$ (49,967,058)	$ 1,343,055,286	$ 1,107,366,626

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

South Jersey Transportation Authority
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	Expressway	Airport	Consolidation Eliminations	Totals 2022	Totals 2021
Operating Revenue:					
Tolls	$ 114,234,793			$ 114,234,793	$ 112,844,105
Concessions	819,433			819,433	788,589
ETC Administrative Revenue	11,019,673			11,019,673	10,909,791
Parking (Non Airport)	-			-	89,607
Marina Parking Revenue	1,784,310			1,784,310	-
Rentals	4,041,252			4,041,252	4,100,756
Naming Rights	336,615			336,615	304,680
SJTPO Programs	2,144,309			2,144,309	2,096,366
Transportation Services	4,583,382			4,583,382	4,090,388
Other	1,943,135			1,943,135	1,880,481
Airport		$ 15,254,018		15,254,018	14,583,287
Total Operating Revenue	140,906,902	15,254,018	$ -	156,160,920	151,688,050
Operating Expenses:					
Executive	1,211,619			1,211,619	1,155,049
Business Administration	858,310			858,310	726,160
Engineering	1,463,528			1,463,528	1,031,896
Finance	1,672,015			1,672,015	1,695,108
Central Accounts	12,305,830			12,305,830	11,876,698
Other Post-Employment Benefits	2,372,924	293,283		2,666,207	2,335,934
Marketing and Communications	141,733			141,733	116,438
Toll Services	4,512,182			4,512,182	4,133,685
Maintenance	14,722,476			14,722,476	13,796,003
Police	9,646,055			9,646,055	9,135,937
Emergency Service Patrol	1,049,341			1,049,341	977,772
Electronic Toll Collection Expense	7,649,266			7,649,266	6,335,014
Parking (Non Airport)	-			-	322,770
Information Services	2,148,752			2,148,752	2,061,807
SJTPO Programs	2,144,309			2,144,309	2,096,366
Transportation Services	4,947,613			4,947,613	4,309,103
Airport		19,833,498		19,833,498	17,270,244
Depreciation	25,919,917	12,621,492		38,541,409	37,631,520
Total Operating Expenses	92,765,870	32,748,273	-	125,514,143	117,007,504
Operating Income (Loss)	48,141,032	(17,494,255)	-	30,646,777	34,680,546
Non-Operating Revenue (Expenses):					
Interest and Dividends	7,462,368	132,630		7,594,998	991,377
Market Value Adjustment on Investments	(2,946,204)			(2,946,204)	(387,314)
Gain (Loss) on Disposal of Assets	-			-	491,316
Other Income (Expenses)	(172,609)			(172,609)	7,440
Amortization of Bond Premium	2,514,940	1,505,610		4,020,550	3,950,870
Bad Debt Expense	(16,157)			(16,157)	(49,115)
Effect of Change in Pension Liability	7,636,230	1,688,533		9,324,763	6,227,625
Effect of Change in OPEB Liability	(1,288,560)	(159,260)		(1,447,820)	(6,237,555)
Cost of Issuance Expense	(1,865,277)			(1,865,277)	(5,036)
Interest on Bonds	(31,018,010)	(3,631,263)		(34,649,273)	(35,613,274)
State Payment	(2,500,000)			(2,500,000)	(2,500,000)
Total Non-Operating Income (Expense)	(22,193,279)	(463,750)	-	(22,657,029)	(33,123,666)
Income (Loss) before Contributions and Transfers	25,947,753	(17,958,005)		7,989,748	1,556,880
Capital Contributions	157,551	9,284,291		9,441,842	16,241,489
Transfers In		16,903,195	(16,903,195)		
Transfers Out	(16,903,195)		16,903,195		
Change in Net Position	9,202,109	8,229,481	-	17,431,590	17,798,369
Total Net Position -- Beginning	82,753,349	77,774,722		160,528,071	142,729,702
Total Net Position -- Ending	$ 91,955,458	$ 86,004,203	$ -	$ 177,959,661	$ 160,528,071

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

South Jersey Transportation Authority
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	Expressway	Airport	Totals 2022	Totals 2021
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers, users and grants	$ 138,621,608	$ 15,500,382	$ 154,121,990	$ 150,764,101
Payments to suppliers	(46,693,221)	(18,280,320)	(64,973,541)	(59,376,430)
Payments to employees	(19,331,473)	(3,597,313)	(22,928,786)	(22,892,655)
Net cash provided (used) by operating activities	72,596,914	(6,377,251)	66,219,663	68,495,016
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment of state payment obligation	(2,500,000)		(2,500,000)	(2,500,000)
Operating subsidies and transfers to other funds	(6,440,790)	6,440,790	-	-
Net cash provided (used) by noncapital financing activities	(8,940,790)	6,440,790	(2,500,000)	(2,500,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	157,551	10,116,726	10,274,277	16,440,481
Proceeds from the sale of fixed assets			-	491,316
Other income (expenses)	(172,609)		(172,609)	7,440
Payments for capital acquisitions	(32,815,924)	(2,174,872)	(34,990,796)	(37,560,603)
Principal paid on capital debt	(11,580,000)		(11,580,000)	(11,090,000)
Loan payments received	895,002		895,002	850,000
Proceeds from bonds issued	225,000,000		225,000,000	-
Bond issue premium	4,908,547		4,908,547	-
Bond issuance costs	(1,865,277)		(1,865,277)	(5,036)
Interest paid on capital debt	(28,981,313)	(3,631,817)	(32,613,130)	(37,166,137)
Net cash provided (used) by capital and related financing activities	155,545,977	4,310,037	159,856,014	(68,032,539)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	-	-	-	(25,031,593)
Proceeds from sales and maturities of investments	10,510,000	-	10,510,000	4,026,659
OPEB Contribution	(2,503,403)	(309,409)	(2,812,812)	(2,335,934)
Interest and dividends	7,257,434	424,233	7,681,667	999,610
Net cash provided (used) by investing activities	15,264,031	114,824	15,378,855	(22,341,258)
Net increase (decrease) in cash and cash equivalents	234,466,132	4,488,400	238,954,532	(24,378,781)
Balance - beginning of period	436,012,531	25,458,696	461,471,227	485,850,008
Balance - end of period	$ 670,478,663	$ 29,947,096	$ 700,425,759	$ 461,471,227
Reconciliation to Statement of Net Position:				
Unrestricted Cash and Cash Equivalents	$ 102,876,051	$ 5,350,425	$ 108,226,476	$ 87,875,370
Change Funds	149,916	21,549	171,465	147,807
Restricted Cash and Cash Equivalents	567,452,696	24,575,122	592,027,818	373,448,050
	$ 670,478,663	$ 29,947,096	$ 700,425,759	$ 461,471,227

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

South Jersey Transportation Authority
Statement of Cash Flows - Proprietary Funds
With Summarized Comparative Information for the Year Ended December 31, 2021

	Expressway	Airport	Totals 2022	Totals 2021
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income	$ 48,141,032	$ (17,494,255)	$ 30,646,777	$ 34,680,546
Depreciation expense	25,919,917	12,621,492	38,541,409	37,631,520
Change in assets and liabilities:				
Receivables, net	(1,824,418)	(112,854)	(1,937,272)	(710,707)
Grants receivable	(238,492)	326,749	88,257	(467,805)
Prepaid expenses	(200,684)	(54,537)	(255,221)	(290,753)
Security deposits			-	(4,000)
Inventory	16,001		16,001	(85,273)
Accounts and other payables	1,580,658	(1,905,456)	(324,798)	(2,628,636)
Unearned Income	(222,384)	32,469	(189,915)	254,563
Escrow deposits and reserves	(746,033)	(4,883)	(750,916)	115,561
Accrued Expenses	171,317	214,024	385,341	-
Net cash provided (used) by operating activities	$ 72,596,914	$ (6,377,251)	$ 66,219,663	$ 68,495,016

Noncash capital financing activities:
Capital assets of $9,441,842 were acquired through contributions from government agencies and private entities.

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

South Jersey Transportation Authority
Statement of Fiduciary Net Position - Other Postemployment Benefit Trust
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	$ 16,533,587	$ 8,912,046
Accrued income	199,305	192,261
Investments	23,954,183	31,855,351
Total assets	40,687,075	40,959,658
LIABILITIES	-	-
NET POSITION		
Restricted for OPEB	$ 40,687,075	$ 40,959,658

Statement of Changes in Fiduciary Net Position - Other Postemployment Benefit Trust
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	2022	2021
ADDITIONS		
Employer Contributions	$ 2,812,812	$ 3,679,559
Benefits	2,666,207	2,335,934
Investment income (loss)		
Net realized gains (losses)	(4,159,088)	(123,469)
Interest and dividend income	1,073,693	910,345
Net unrealized gains (losses)	-	(846,787)
Total investment income (loss)	(3,085,395)	(59,911)
Total additions	2,393,624	5,955,582
DEDUCTIONS		
Benefit payments	2,666,207	2,335,934
Net increase (decrease)	(272,583)	3,619,648
NET POSITION		
Beginning of year	40,959,658	37,340,010
Restricted for OPEB, end of year	$ 40,687,075	$ 40,959,658

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

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

B. Basis of Accounting

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (continued)

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

C. Operating Revenue and Expenses

The Authority's operating revenue and expenses consist of revenue earned and expenses incurred relating to the operation and maintenance of its Transportation System, which specifically includes the operations of the Atlantic City Expressway and the Atlantic City International Airport. Grant revenue and expenses for South Jersey Transportation Planning Organization ("SJTPO") and Transportation Services (see Footnotes 17 and 23, respectively) are included in operations of the Atlantic City Expressway. All other revenue and expenses are reported as non-operating revenue and expenses. The Authority has allocated certain direct costs to Airport operations. Among the direct cost allocations are expenses for health insurance coverage for eligible employees and reserve requirements for the Authority's self-insurance program, which includes coverage for worker's compensation insurance, auto liability and general liability coverage. Additional direct cost allocations are made pertaining to pension expenses and other post-employment benefits. Costs such as administrative staff time and other indirect costs remain in the expressway fund.

D. Cash and Cash Equivalents

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

E. Investments

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

F. Accounts Receivable

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

G. Restricted Assets

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

H. Basis of Organization: Description of Funds

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Basis of Organization: Description of Funds (Continued)

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

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

Revenue Fund – accounts for resources and expenditures for Authority operations of a general nature. The Revenue Fund contains two sub-funds; one relating to revenue and expenses of the SJTPO and one relating to revenue and expenses of Transportation Services Program (see footnotes 17 and 23 for further details).

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

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

Debt Service Reserve Fund – maintenance of an amount equal to the maximum annual Debt Service requirement on all outstanding bonds in a calendar year. The monies in this fund are utilized to make up any deficiency in the Debt Service Fund. In accordance with the Bond Resolution, the Authority may maintain a surety bond or an insurance policy payable to the trustee in lieu of required cash deposit in the Debt Service Reserve. As of December 31, 2022**,** the total cash and investments in the Debt Service Reserve Fund was $60,308,741.

Rehabilitation and Repair Fund – accounts for monies that shall be used to pay the costs of major resurfacing, repairs, renewals or reconstruction of each Pledged Project or any part thereof, whether buildings, improvements, fixtures, or equipment as determined in writing by the Authority and filed with the Trustee. The Authority is required to maintain a minimum balance of $6,000,000 at December 31, 2022.

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

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

Subordinated Debt Fund – The Authority issued 2020 and 2019 subordinated bonds. These bonds are secured by amounts on deposit from the Subordinated Debt Fund or the General Reserve Fund. The Debt Service Reserve balance for the Subordinated Debt was $3,072,881 as of December 31, 2022.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Basis of Organization: Description of Funds (Continued)

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

I. Interest Income on Funds

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

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

J. Inability to Meet Debt Service Requirements

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

K. Pledged and General Projects

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Budgetary Information

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

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

M. Inventory

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

N. Capital Assets

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Assets (Continued)

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

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

O. Pensions

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

P. Bond Discount and Premium Amortization

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

Q. Restricted Net Position

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

R. Postemployment Benefits Other Than Pensions (OPEB)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. New Accounting Pronouncements Recently Adopted

For the year ended December 2022, the Authority implemented Government Accounting Standards Board (GASB) Statement No. 87, *Leases.* This Statement requires recognition of certain lease assets and liabilities as inflows and outflows of resources which were previously classified as operating leases. SJTA also implemented GASB Statement No. 91, *Conduit Debt Obligations,* which requires further note disclosure.

GASB has issued the following Statements:

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for reporting periods beginning after June 15, 2022.

- Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for reporting periods beginning after June 15, 2022.

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for reporting periods beginning after June 15, 2021.

- GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB No. 62*

- GASB Statement No. 101, *Compensated Absences*

The Authority is evaluating the impact of these new Statements.

T. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. DEPOSITS AND INVESTMENTS

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

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

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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

(a) Federal securities,

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

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

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

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

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

(g) "A-3" or better by Moody's, and "A-1" or "A" or better by S&P, or any commercial bank with the above ratings, provided:
   (i) a master repurchase agreement or specific written repurchase agreement governs the transaction which characterizes the transaction as a purchase and sale of securities.
   (ii) the securities are held free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than $75,000,000, or (iii) a bank approved in writing for such purpose by each credit issuer, if any, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

(iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. or a successor provision in such securities is created for the benefit of the Trustee.

(iv) the repurchase agreement has a term of six months or less, or the Authority will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation.

(v) the repurchase agreement matures on or before a debt service payment date (or, if held in a fund other than the Debt Service Fund, Debt Service Reserve Fund or Subordinated Debt Fund, other appropriate liquidation period).

(vi) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to the collateral levels established by a rating agency for the ratings assigned by the rating agency to the seller.

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

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

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

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

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

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

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

All monies held under the Bond Resolution shall be continuously and fully secured by lodging, as collateral security, direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. The Authority’s total book (cash and investments) balances were $724,715,494 at December 31, 2022. The Authority’s total bank (cash and investments) balances were $725,811,668 at December 31, 2022. The difference between bank balance and book balance is due primarily to the timing of deposits and outstanding checks. In accordance with GASB 40, the Authority is also required to disclose custodial credit risk, concentration of credit risk, and interest rate risk of its investments.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk:

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

Institution/Issuer	Amount	% of Portfolio
U.S. Treasury	$ 17,542,894	2.42%
Bank of America	1,439,175	0.20%
Wells Fargo	12,303,897	1.70%
Bank of New York/Mellon	431,954,589	59.60%
NJ Cash Management Fund	261,303,474	36.06%
Change Funds	171,465	0.02%
	$ 724,715,494	100.00%

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the Authority will not be able to recover the value of its investment. The Authority mitigates this risk by depositing or investing most of its funds available for investment in insured or collateralized investments or in pooled investments of US government securities from time to time, as well as investing in high rated uncollateralized financial instruments. As of December 31, 2022, the Authority's custodial credit risk is classified as follows:

Insured	$ 500,000
Collaterialized:	
Collateral held by pledging bank in Authority's Name	13,243,072
Pooled Investments	693,258,063
Government Securities	17,542,894
Change Funds	171,465
	$ 724,715,494

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk:

Interest rate risk is the possibility that an interest rate change could adversely affect an investment's fair value. The Authority manages interest rate risk on its short-term investments by purchasing investments with staggering maturities. The weighted average maturity is calculated taking into consideration the maturity dates of the securities in the consolidated portfolio.

On December 31, 2022, the Authority had no investments nearing maturity.

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

The Authority also has two (2) investments in United States Treasury Notes in the face amount totaling $19,981,843. This investment relates to the debt service reserve for the Senior 2019 Transportation System Revenue Refunding Bonds. These investments mature 3/31/26 and 2/15/31. Earnings are restricted to the bond yield of 2.0%.

Fair Value Measurement

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

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement. The Authority's fair value measurements as of December 31, 2022 are as follows:

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investment	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Treasury Bonds and Notes	$ 17,542,894	$ 17,542,894	$ -	$ -
Municipal Bonds	5,307,666	-	5,307,666	-
Repurchase Agreement	1,439,175	-	1,439,175	-
Total Investments	$ 24,289,735	$ 17,542,894	$ 6,746,841	$ -

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

3. ACCOUNTS RECEIVABLE

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

	2022
Unrestricted Assets:	
Airport User Fees	$ 1,542,498
Transportation Service User Fees	550,765
EZ-Pass Toll Revenue Receivable	2,069,150
Billboard Leases	116,319
Other Expressway User Fees	3,826,167
Gross Receivables	8,104,899
Less: Allowance for Uncollectibles	(60,414)
Net Receivables	$ 8,044,485

	2022
Restricted Assets:	
Airport Capital	$ 3,202
New Jersey DOT- South Inlet Project	5,180,000
	$ 5,183,202

The receivable from the New Jersey Department of Transportation of $5,180,000 in Restricted Assets represents the unpaid principal portion of the $17,000,000 originally borrowed from the Authority for the South Inlet Transportation Improvements Program (See Footnote #26 for additional information).

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is as follows:

	December 31, 2021	Additions	Transfers to Completed/ Deletions	December 31, 2022
Capital Assets not being Depreciated:				
Land and Improvements	$ 145,464,608	$ -	$	$ 145,464,608
Construction in Progress	57,161,468	234,817		57,396,285
	202,626,076	234,817	-	202,860,893
Non-Infrastructure Capital Assets:	210,822,946	6,341,696		217,164,642
Infrastructure Capital Assets:				
Infrastructure - Equipment	27,648,367	119,888		27,768,255
Infrastructure	629,921,141	28,868,283		658,789,424
	657,569,508	28,988,171	-	686,557,679
Less:				
Accumulated Depreciation	(511,959,591)	(38,159,094)		(550,118,685)
Total Capital Assets	$ 559,058,939	$ (2,594,410)	$ -	$ 556,464,529

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

5. CAPITAL CONTRIBUTIONS

The Authority received Capital Contributions totaling $9,441,842 in 2022. These contributions are detailed as follows:

Source	2022	2021
Federal Aviation Administration	$ 7,124,695	$13,704,115
Passenger Facility Charges	1,368,993	1,845,455
Transportation Security Administration	774,332	331,857
State of New Jersey - DOT	157,550	128,435
New Jersey Air National Guard	16,272	226,363
	$ 9,441,842	$16,241,489

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

The Authority has been approved by the Federal Aviation Administration ("FAA") to impose a Passenger Facility Charge ("PFC") of $4.50 on passengers enplaned at the Atlantic City International Airport. PFC collections, including any interest earned after such collections, may be used only to finance the allowable costs of approved projects at the Airport. PFC collections are classified as PFC Advanced until allowable costs are incurred. The Authority collected $1,942,176 in PFC fees in 2022. The balance of PFC Advance as of December 31, 2022 was $1,425,926. At the time costs are incurred, the associated PFC revenue is recognized as Capital Contributions. The Authority recognized $1,368,993 in PFC Capital Contributions in 2022.

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

The rental car companies at the Airport impose a Customer Facility Charge ("CFC") of $3.00 per vehicle, per day, which is remitted to the Authority. These charges, along with any interest earned on cash balances, are dedicated to the improvements in the construction of the parking garage associated with rental cars. CFC collections are classified as CFC Advanced until allowable costs are incurred. At the time costs are incurred, the associated CFC revenue is recognized as Capital Contributions. The Authority collected CFC fees of $269,988 in 2022. Through December 31, 2022, the Authority has recognized CFC revenue in the amount of $1,828,688.

6. COMMITMENTS AND CONTINGENCIES

A. The Authority recognizes expenses when they are incurred. Commitments do not constitute expenses or liabilities; they relate to unperformed contracts for goods or services. As of December 31, 2022, commitments for projects still in progress was $37.1 million.

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

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

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

7. ACCOUNTS PAYABLE

Accounts payable consists of liabilities payable from unrestricted and restricted assets. The following provides a summary of the amounts of accounts payable at December 31, 2022 and 2021:

	2022	2021
Unrestricted:		
Electronic toll collection expense	$ 1,096,727	$ 1,351,197
State Police	1,476,485	2,893,708
Payroll liabilities	598,400	662,021
Airport	2,110,090	1,424,584
SJTPO	254,514	161,823
Expressway operating expenses	1,949,142	2,880,641
	$ 7,485,358	$ 9,373,974

7. ACCOUNTS PAYABLE (CONTINUED)

	2022	2021
Restricted:		
Roadway Improvements	$ 1,692,164	$ 711,697
Roadway Equipment	192,165	49,345
Vehicles and Equipment	188,122	9,808
Tunnel Equipment and Upgrades	730,733	499,670
3rd Lane widening	-	670,503
Road Overlay & Rehabilitation	-	2,323,732
Bridge Repair/Restoration	96,024	89,148
Electronic Tolls	301,699	124,640
Facility Improvements	440,856	282,080
Berlin-Cross Keys Road	8,689	-
Other expressway improvements	184,361	-
Airport Deicing Pad/Recovery System	1,457,631	273,381
Taxiway Rehabilitation	132,219	-
Runway Improvements	894,886	206,524
Loading Bridge Replacement/Rehabilitation	68,926	107,110
Parking Garage Rehabilitation and Upgrades	94,333	211,185
Terminal Road Improvements	302,440	1,632
Terminal Improvements	186,271	37,544
Airport Facilities Rehabilitation	214,160	19,109
Escalator/Elevator Maintenance	18,843	36,505
Airport Equipment	12,181	8,623
Airport Fire Station Rehabilitation	22,285	-
Mitigation and Security Fencing	304,289	317,223
	$ 7,543,277	$ 5,979,459

The most significant changes in restricted Accounts Payable was a decrease in Road Overlay & Rehabilitation and increases in Roadway Improvements, Airport Deicing Pad/Recovery System and Runway Improvements.

8. BONDS PAYABLE

Transportation System Revenue Bonds, Series 2022 A

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

8. BONDS PAYABLE (CONTINUED)

Optional Redemption

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

Mandatory Sinking Fund Redemption

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

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

* Final maturity.

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

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

* Final maturity.

8. BONDS PAYABLE (CONTINUED)

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

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

* Final maturity.

Transportation System Revenue Bonds, Series 2020 A

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

Optional Redemption

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

Mandatory Sinking Fund Redemption

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

8. BONDS PAYABLE (CONTINUED)

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

* Final maturity.

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

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

* Final maturity.

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

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

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

Optional Redemption

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

8. BONDS PAYABLE (CONTINUED)

Mandatory Sinking Fund Redemption

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

Year (November 1)	Principal Amount
2021	$ 985,000
2022	1,010,000
2023*	205,000

* Final maturity.

2020 Subordinated Bonds, Series A

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

Optional Redemption

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

Mandatory Sinking Fund Redemption

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

8. BONDS PAYABLE (CONTINUED)

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

* Final maturity.

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

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

* Final maturity.

Transportation System Revenue Refunding Bonds, Series 2019 A

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

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

Optional Redemption

The 2019 Series A Bonds maturing prior to November 1, 2030 are not subject to optional redemption prior to maturity. The 2019 Series A Bonds maturing on or after November 1, 2030 are subject to redemption, at

8. BONDS PAYABLE (CONTINUED)

the option of the Authority, on or after November 1, 2029 in whole or in part (and if in part, by lot) at any time or from time to time at 100% of the principal amount thereof, together with accrued interest to the date of redemption.

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

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

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

Mandatory Sinking Fund Redemption

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

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

* Final maturity.

Notice of Redemption – 2019 Senior Bonds

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

Notice having been given in the manner provided in the Resolution, the 2019 Senior Bond will be due and payable on the redemption date so designated at a redemption price equal to the principal amount thereof, without premium, plus interest accrued and unpaid to the redemption date, upon presentation and surrender thereof at the office specified in such notice. If, on the redemption date, moneys for the redemption of all the 2019 Senior Bond of a Series, together with interest to the redemption date, shall be held by the Trustee

8. BONDS PAYABLE (CONTINUED)

to be available therefore on said date and, if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on such Series of the 2019 Senior Bond will cease to accrue and become payable. If said moneys shall not be so available on the redemption date, the 2019 Senior Bond of such Series will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

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

Transportation System Revenue Refunding Bonds, Series 2019 A Subordinated Bonds

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

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

Optional Redemption

The 2019 Subordinated Bonds are not subject to optional redemption.

Transportation System Revenue Refunding Bonds, Series 2014A

In December of 2014, the Authority issued $112,305,000 Series A Transportation System Revenue Refunding Bonds to achieve a reduction in debt service. Because these bonds were issued over par value, a premium in the amount of $10,760,051 was also received with this issue. Proceeds from the 2014A Bonds were used for the following purposes:

- A current refunding of its outstanding 2004 Series A Bonds to achieve a reduction in debt service. Proceeds of $17,957,445 were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of this defeasance, the Authority reduced its total debt requirements by $1,192,369 which resulted in net present value savings in the amount of $1,545,658.

- An advance refunding of a portion of its outstanding 2009 Series A-1 Bonds to achieve a reduction in debt service. Proceeds of $16,240,761 from the 2014A Bonds were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of

8. BONDS PAYABLE (CONTINUED)

- the defeasance, the Authority increased its total debt service requirements over the life of the issue by $9,087,619 which resulted in negative net present value savings in the amount of $1,812,002. Although there was an increase in debt service requirements over the life of the issue, the Authority will be able to save $3,598,756 during the first five (5) years of the new issue.

- The Authority tendered the purchase of its outstanding 2009 Series A-3 and A-4 Bonds to achieve a reduction in debt service with proceeds of the 2014A Bonds of $88,866,846. As a result of the defeasance, the Authority decreased its total debt service requirements over the life of the issue by $3,744,988 which resulted in net present value savings in the amount of $5,006,707. By eliminating the variable rate obligations, the Authority also eliminated the counterparty risk associated with outstanding letters of credit and the Authority's exposure to variable interest rate risk.

Optional Redemption

The 2014 Series A Bonds maturing prior to November 1, 2025 are not subject to optional redemption prior to maturity. The 2014 Series A Bonds maturing on or after November 1, 2025 are subject to redemption, at the option of the Authority, on or after November 1, 2024 in whole or in part (and if in part, by lot) at any time or from time to time at 100% of the principal amount thereof, together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The 2014 Series A Bonds maturing on November 1, 2039 shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The mandatory sinking fund redemption payments shall be sufficient to redeem the principal amount of the 2014 Series A Bonds on November 1 in each of the years and in the principal amounts as follows:

Year (November 1)	Principal Amount
2035	$ 4,585,000
2036	5,180,000
2037	5,780,000
2038	24,100,000
2039*	27,110,000

* Final maturity.

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

8. BONDS PAYABLE (CONTINUED)

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

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

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

Mandatory Sinking Fund Redemption

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

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

* Final maturity.

Make Whole Redemption

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

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period

8. BONDS PAYABLE (CONTINUED)

from the redemption date to the maturity date of the 2014 Series B Taxable Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

Transportation System Revenue Refunding Bonds, Series 2012

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

Optional Redemption

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

Transportation System Revenue Refunding Bonds, Series 2012 A

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

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

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

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

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

8. BONDS PAYABLE (CONTINUED)

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

The cash subsidy payments received are treated as an offset to interest expense pursuant to the Third Amended and Restated Resolution. During 2022, the Authority received $2,223,943. Through December 31, 2022, the Authority has received a total of $29,670,702 in cash subsidy payments from the United States Treasury.

Redemption

Make Whole Redemption

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

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

Extraordinary Optional Redemption

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

8. BONDS PAYABLE (CONTINUED)

Mandatory Sinking Fund Redemption

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

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

* Final Maturity

Sources of Payment and Security for Bonds and Subordinated Indebtedness

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

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

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

As of December 31, 2022, the outstanding bonds payable balance has been offset with unamortized bond discounts in the amount of $875,801 and increased by the unamortized bond premium of $57,495,398.

8. BONDS PAYABLE (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Long Term Debt Issued and Outstanding:

Bonds Payable:

Calendar Year	Non-Airport Principal	Non-Airport Interest	Airport Principal	Airport Interest	Total
2023	$ 11,220,000	$ 39,732,279		$ 3,613,000	$ 54,565,279
2024	14,530,000	37,970,527		3,613,000	56,113,527
2025	18,220,000	37,570,981		3,613,000	59,403,981
2026	18,775,000	37,018,463		3,613,000	59,406,463
2027	19,370,000	36,421,061		3,613,000	59,404,061
2028-2032	54,130,000	174,060,732	$ 55,715,000	13,492,500	297,398,232
2033-2037	128,325,000	156,351,381	10,400,000	2,302,750	297,379,131
2038-2042	168,715,000	121,845,526	6,145,000	469,750	297,175,276
2043-2047	221,195,000	75,977,037			297,172,037
2048-2052	198,135,000	23,717,649			221,852,649
	$ 852,615,000	$ 740,665,636	$ 72,260,000	$ 34,330,000	$ 1,699,870,636

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

	2022	2021
Principal on Expressway Bonds	$ 852,615,000	$ 639,195,000
Principal on Airport Bonds	72,260,000	72,260,000
Discount on Bonds Payable	(875,801)	(944,772)
Premium on Bonds Payable	57,495,396	56,607,402
	981,494,595	$ 767,117,630
Short Term portion of Bonds Payable	$ 14,963,322	$ 15,461,899
Long Term portion of Bonds Payable	966,531,273	751,655,731
	$ 981,494,595	$ 767,117,630

8. BONDS PAYABLE (CONTINUED)

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

	Principal Balance	Unamortized Bond Discount	Unamortized Bond Premium	Bonds net of defeasance, discount and premium
2009 A-5	$ 96,260,000	$ (875,801)		$ 95,384,199
2012 A	9,430,000		$ 73,261	9,503,261
2014 A	106,125,000		6,347,257	112,472,257
2014 B	9,610,000			9,610,000
2019 A	62,435,000		12,703,865	75,138,865
2019 B	38,630,000			38,630,000
2019 Sub	6,380,000		696,422	7,076,422
2020 A	298,910,000		29,880,138	328,790,138
2020 B	46,005,000			46,005,000
2020 A Sub	26,090,000		2,942,576	29,032,576
2022 A	225,000,000		4,851,877	229,851,877
	$ 924,875,000	$ (875,801)	$ 57,495,396	$ 981,494,595

Debt Defeasance

In October of 2019, the Authority refunded the outstanding balance of its Series 2006 A Transportation System Revenue Bonds, the outstanding balance of its 2009 Series A-2 Transportation System Revenue Bonds, a partial balance of its 2012 Series A Transportation Revenue Bonds, a partial balance of its 2014 Series A Transportation System Revenue Bonds, a partial balance of its 2014 Series B Transportation System Revenue Bonds, and the outstanding balance of its 2009 Series A Subordinated Bonds by issuing $62,435,000 of Series 2019 A Transportation System Revenue Refunding Bonds as well as issuing $38,630,000 of Series 2019 B Transportation System Revenue Refunding Bonds (Federally Taxable) as well as 2019 Series A Subordinated Transportation System Refunding Bonds to realize debt service savings. Proceeds from the 2019 A and 2019 B Bonds were used to purchase U.S. Government Securities that were placed in an escrow account. The investments and fixed earnings from the investments were sufficient to fully service the defeased debt until the debt was called. As a result of the defeasance, the Authority decreased its total debt service requirements by $36,111,835. This financing resulted in net present value savings in the amount of $18,044,670. As a result of this refunding the Authority will recognize near-term debt service savings over the next five (5) years in the amount of $23,101,455.

In October of 2020, the Authority refunded a portion of the outstanding balance of its 2012 Series A Transportation System Revenue Refunding Bonds in the amount of $43,365,000 by issuing $48,000,000 of 2020 Series B Federally Taxable Transportation System Revenue Refunding Bonds to realize debt saving on its 2012 Series A obligations. The Authority also defeased the November 1, 2020 principal amounts due for the 2012 Series Transportation System Revenue Refunding Bonds, the 2014 Series A Transportation System Revenue Refunding Bonds and the 2019 Series B Transportation System Revenue Refunding Bonds in the amounts of $8,145,000, $720,000 and $805,000, respectively.

9. ARBITRAGE REBATE PAYABLE

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liabilities on issuers of tax-exempt debt. This Act requires the remittance to the IRS of 90% of the cumulative rebatable arbitrage within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The estimated amount of arbitrage payable represents the excess of amounts earned on "taxable" investments over the interest cost of the tax-exempt borrowing, plus income attributable to the excess. The Authority had no arbitrage rebate due on any of its outstanding debt as of December 31, 2022.

10. CONDUIT DEBT OBLIGATIONS

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

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

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

The total amount of this outstanding conduit debt as of December 31, 2022 is as follows:

Year Issued	Amount Issued	Accreted Value at 12/31/22	Maturity Value
1999	$ 20,003,701	$ 24,425,000	$ 24,425,000
2000	24,999,328	30,075,000	30,075,000
2001	9,996,322	11,390,000	11,390,000
	$ 54,999,351	$ 65,890,000	$ 65,890,000

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

In 2007, the Authority began receiving payments pursuant to the CRDA Pledge Agreement described above. As of December 31, 2022, the Authority has cumulatively received $19,157,303. This amount was applied to outstanding interest payable proportionally to all series and remitted to the bondholders by the trustee in accordance with the terms of the indenture.

11. LONG-TERM LIABILITIES

Long-Term Liabilities as of December 31, 2022 were as follows:

	Balance January 1, 2022	Additions	Deductions	Balance December 31, 2022	Due within One Year
Bonds Payable:					
General Obligation Bonds	$ 699,975,458	$ 225,000,000	$ (11,424,780)	$ 913,550,678	$ 11,220,000
Less Amount:					
Issuance Premiums	52,625,044	4,908,547	(3,677,192)	53,856,399	
Issuance Discounts	(944,772)		68,970	(875,802)	
Total Bonds Payable	751,655,730	229,908,547	(15,033,002)	966,531,275	11,220,000
Other Liabilities:					
Acrued Expenses	35,000			35,000	
Net Pension Liabilities	32,246,351	8,129,673	(1,909,606)	38,466,418	
Postemployment Benefits	84,220,309	13,167,213	(41,344,597)	56,042,925	
Total Other Liabilities	116,501,660	21,296,886	(43,254,203)	94,544,343	-
Total Long-Term Liabilities	$ 868,157,390	$ 251,205,433	$ (58,287,205)	$ 1,061,075,618	$ 11,220,000

12. RATES AND CHARGES

Section 7.08 of the Bond Resolution states as follows:

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

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

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

- 120% of the debt service payable on all outstanding bonds (net of capitalized interest available for the purpose), or
- 100% the aggregate of debt service payable on all outstanding bonds (net of available capitalized interest as aforesaid), Rehabilitation and Repair Requirements, State Payment Requirement,

12. RATES AND CHARGES (CONTINUED)

debt service payable during the period on subordinated indebtedness, operating expenses of general projects, and other required deposits to funds, including the Debt Service Reserve Fund and Rebate Fund.

	Section 7.08 (a)(1) 120.00%	Section 7.08 (a)(1) 100.00%	Section 7.08 (a)(2) 100.00%
Operating Revenue	$ 156,160,920	$ 156,160,920	$ 156,160,920
Contract Payments - South Inlet		1,258,750	
Interest Revenue - Unrestricted	1,064,247	1,064,247	1,064,247
Total Revenue	157,225,167	158,483,917	157,225,167
Less:			
Grant Revenue	4,632,611	4,632,611	4,632,611
Airport Revenue	15,254,018	15,254,018	15,254,018
Airport Interest	132,630	132,630	132,630
Total Available Revenue	137,205,908	138,464,658	137,205,908
Pledged Project Expenses	62,213,342	62,213,342	62,213,342
Net Revenues	74,992,566	76,251,316	74,992,566
Airport Revenue Available for Debt Service (ARAFDS)	3,631,263	3,631,263	3,631,263
Net Revenue + ARAFDS	78,623,829	79,882,579	78,623,829
Total Available Revenue + ARAFDS			140,837,171
Senior Debt Service	42,668,274	42,668,274	42,668,274
Subordinated Debt Service		2,421,143	
State Payment Requirement		2,500,000	
General Project Operating Expenses		8,371,396	
Total Debt Service & Other Obligations	$ 42,668,274	$ 55,960,813	N/A
Total Pledged Projects and Debt Service	N/A	N/A	$ 104,881,616
Coverage Ratio	184.27%	142.75%	134.28%
Required Coverage	120.00%	100.00%	100.00%
Excess Coverage	64.27%	42.75%	34.28%

13. PENSION PLANS

General Information about the Pension Plans

Plan Descriptions

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

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

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

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

Benefits Provided

Public Employees' Retirement System

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

13. PENSION PLANS (CONTINUED)

The following represents the membership tiers for PERS:

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

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

Police and Firemen's Retirement Fund

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits to substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

13. PENSION PLANS (CONTINUED)

Contributions

The contribution policy for PERS and PFRS is set by N.J.S.A. 43:15A and N.J.S.A. 43:16A, respectively, and requires contributions by active members and contributing employers. PERS and PFRS covered employees are required by state statute to contribute a certain percentage of their salaries to the Plans. The contribution requirements of employees are established and may be amended by the Pension Plan Design Committee of the respective plan. The PERS employee contribution rate was 7.5% for 2021. The rate for PFRS employee contributions is 10.0%.

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

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

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

13. PENSION PLANS (CONTINUED)

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

The Authority's proportionate share of the net pension liability at December 31, 2022 and 2021 is as follows:

	2022	2021
PERS	$ 35,464,845	27,335,173
PFRS*	3,001,573	4,911,178
Total	$ 38,466,418	32,246,351

The net pension liability 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 that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. The Authority's proportion at June 30, 2022 and 2021 were:

	6/30/2022	6/30/2021
PERS	0.2350%	0.2307%
PFRS*	0.0416%	0.0380%

For the year ended December 31, 2022, the Authority recognized pension expense (benefit) as follows:

	Expressway	Airport	Total
PERS	$ (1,536,790)	$ (133,634)	$ (1,670,424)
PERS - State Support	68,650	5,970	74,620
PFRS*		478,609	478,609
PFRS - State Support*		73,334	73,334
Total	$ (1,468,140)	$ 424,279	$ (1,043,861)

The Authority recognized revenue in 2022 for support provided by the State in the amount of $74,620 for PERS and $73,334 for PFRS.

13. PENSION PLANS (CONTINUED)

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Deferred Outflows of Resources Related to Pensions

	PERS	PFRS*	TOTAL
Difference between expected and actual experience	$ 225,728	$ 34,244	$ 259,972
Changes of assumptions	5,310,491	15,972	5,326,463
Difference between expected and actual investment earnings on pension plan investments	-	397,411	397,411
Changes in proportion	36,807	-	36,807
Difference between actual employer contributions and employer's prorata share	2,963,472	478,609	3,442,081
Total Deferred Outflows of Resources from Pensions	$ 8,536,498	$ 926,236	$ 9,462,734

Deferred Inflows of Resources Related to Pensions

	PERS	PFRS*	TOTAL
Difference between expected and actual experience	$ 255,969	$ 359,557	$ 615,526
Changes of assumptions	109,881	899,558	1,009,439
Difference between expected and actual investment earnings on pension plan investments	1,467,858	1,279,068	2,746,926
Changes in proportion	2,008,806	519,540	2,528,346
Total Deferred Outflows of Resources from Pensions	$ 3,842,514	$ 3,057,723	$ 6,900,237

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

	PERS	PFRS*	Total
Year ending December 31:			
2022	$ -	$ (796,493)	$ (796,493)
2023	(3,048,603)	(597,882)	(3,646,485)
2024	(1,553,161)	(513,025)	(2,066,186)
2025	(1,553,161)	(505,905)	(2,059,066)
2026	(757,446)	(63,813)	(821,259)
2027	1,652,461	-	1,652,461
Thereafter	-	(10,848)	(10,848)
Total	$ (5,259,910)	$ (2,487,966)	$ (7,747,876)

13. PENSION PLANS (CONTINUED)

Actuarial Assumptions

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:

	PERS
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

	PFRS*
Inflation rate:	
Price	2.75%
Salary increases:	3.25 - 15.25% based on years of service
Investment rate of return	7.00%

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

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

13. PENSION PLANS (CONTINUED)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

13. PENSION PLANS (CONTINUED)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.90%
Private Equity	13.00%	11.30%
Real Estate	8.00%	7.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	7.50%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	4.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	9.50%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

Public Employees' Retirement System

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

13. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement Fund

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan member will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefits payment to determine the total pension liability.

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

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

	PERS		
Pension Plan	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	$ 42,557,814	$ 35,464,845	$ 29,435,821

	PFRS*		
	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
Authority's Proportionate Share of the Net Pension Liability	$ 4,232,218	$ 3,001,573	$ 1,981,038
State of New Jersey's Proportional Share of Net Pension Liability associated with the Authority	1,013,559	762,192	553,413
	$ 5,245,777	$ 3,763,765	$ 2,534,451

Pension Plans Fiduciary Net Position

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

*PFRS information reflected in these statements reference the measurement year-ended June 30, 2021.

14. RISK MANAGEMENT AND HEALTH INSURANCE

Risk Management

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

Expressway

The Authority has established a self-insurance fund program for certain risk areas. The Authority's per occurrence self-insurance retention levels are $500,000 for worker's compensation, $500,000 for auto liability, $500,000 for Shuttle liability, $500,000 for general liability $100,000 for law enforcement liability, $100,000 for public officials' liability, and $150,000 for employment practices liability. The Reserve for Insurance Claims is $3,313,869 as of December 31, 2022.

Airport

The Authority established a self-insurance reserve for certain risk areas related to Airport activity. The Authority's per occurrence self-insurance retention levels are $500,000 for worker's compensation, $500,000 for auto liability, and $500,000 for general liability. The Authority also purchased a separate Aviation Liability program for the Airport. An allocation of these retention levels has been made based on the number of employees currently employed at the Airport. The reserve balance as of December 31, 2022 is $1,000,000.

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

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

Health Insurance

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

15. COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accumulation and payment of vacation and sick leave for agreement employees is based on the collective bargaining agreements with the various unions. As required under GASB Statement No. 16, *Accounting for Compensated Absences*, the compensated absences should be accrued as a liability when earned and the liability should be measured using the pay rates in effect at the statement of net position date.

A. Non-Union Employees

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

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

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

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

B. Union Employees

Vacation Time

In accordance with the union contract in effect in 2022, members of the International Federation of Professional and Technical Engineers, Local 196, Chapter 2 and Local 193, Chapter A, states that ten vacation days may be carried to the next calendar year for Local 196 and Local 193. Any carried-over vacation time must be taken during the subsequent year, or it is lost.

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

15. COMPENSATED ABSENCES (CONTINUED)

Sick Time

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

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

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

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

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

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

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

Compensatory Time

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

C. Accrued Expense

The Authority's liability for compensated absences is included in Current Liabilities Payable from Unrestricted Assets in the accompanying Statement of Net Position. The Authority's accrued liability for compensated absences, including additional amounts accrued for Social Security, Medicare and pension plan contributions as of December 31, 2022 is as follows:

	Expressway	Airport	Total
Sick Time	$ 767,859	$ 244,188	$ 1,012,047
Vacation Time	424,868	106,575	531,443
Compensatory Time	268,850	84,152	353,002
	$ 1,461,577	$ 434,915	$ 1,896,492

16. SOUTH JERSEY TRANSPORTATION PLANNING ORGANIZATION

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

17. AIRPORT MANAGEMENT

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

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

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

18. STATE PAYMENT

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

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

On May 19, 2009, the State Contract was amended to provide for a reduction in the amount of the State Payment by the amount of the NJDOT's Payment Obligation regarding the 2009 Subordinated Bonds (as hereinafter defined) to the extent such NJDOT's Payment Obligation is unpaid in any Fiscal Year. See Note 26 ("South Inlet Transportation Improvements Project") regarding the Authority's issuance of the 2009 Subordinated Bonds.

19. ELECTRONIC TOLL COLLECTION

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

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

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

20. INTERFUNDS AND AIRPORT SUBSIDY

The total interfund payable from the Airport Fund to the Expressway Fund at December 31, 2022 is $49,967,058 which is payable from unrestricted funds.

The third amended and restated resolution authorizing bonds and other obligations, Section 5.02(I) establishes an Airport Fund. Accordingly, the Airport Fund is maintained separately from the Expressway Fund and the financial results are separately presented in the accompanying Proprietary Fund Financial Statements. Any excess direct operating expense incurred over revenue earned at the Airport is subsidized by the Expressway Fund and is a liability of the Airport Fund to the Expressway Fund. The Authority periodically transfers amounts from the Expressway Fund to the Airport Fund to subsidize Airport operations. When such transfers are made, the Authority establishes a loan receivable from the Airport Fund to the Expressway Fund for the amount transferred. The loan is payable to the Expressway Fund from unrestricted funds of the Airport Fund when the monies are used on Airport operating expenses, and the loan is payable from restricted funds of the Airport Fund when the monies are used on Airport capital expenditures. These loans are payable to the Expressway Fund when Airport revenue exceeds Airport direct operating expense in any given year, but in no event later than ten years from the date of the loan. Any amounts not repaid by the end of the term due will be written off at the end of the ten-year period. During 2022, $3,270,897 was written off.

21. CRDA PARKING FEE AGREEMENT

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

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

21. CRDA PARKING FEE AGREEMENT (CONTINUED)

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

The maximum amount payable by CRDA under the Parking Fee Agreement is an amount sufficient to amortize $65 million in Authority bonds issued to finance the Atlantic City Expressway Connector Project and certain allocated costs of issuance. CRDA's payment obligations under the Parking Fee Agreement, as amended by the First, Second and Third Amendments dated June 15, September 20, 2001, and March 2005 respectively are subordinate to the prior lien on the Marina Parking Fees of certain parking revenue bonds of CRDA, plus liens associated with two additional issuances of CRDA parking revenue bonds. During 2022, the Authority received revenue of $1,784,310 compared to $0 in 2021.

Through December 31, 2022, CRDA has paid the Authority a total of $49,1283,208. Because of the subordination provisions described above, there are no assurances that the amount of Marina Parking Fees available to enable CRDA to pay the Authority will be sufficient for such purposes.

22. TRANSPORTATION SERVICES

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

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

During 2022, the Authority realized $4,583,382 in program revenue compared to $4,090,388 in 2021.

23. RELATED PARTY

As of June 30, 2005, a board member was appointed to the Authority Board of Commissioners. This individual is the brother of one of the partners in a law firm that provided representation and received compensation from the Authority during 2022. During 2022, this firm billed the Authority $17,280 for services rendered. At December 31, 2022, $12,680 was payable and due to the firm. This commissioner does not direct legal work to any law firms on behalf of the Authority and, additionally, abstains from voting when legal invoices are presented to the Board of Commissioners for approval.

24. LEASES

Effective January 1, 2022, SJTA adopted Governmental Accounting Standards Board Statement No. 87 Leases. The objective of this Statement is to increase the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

SJTA leases portions of its land, buildings and other assets to unrelated entities for the use and convenience of the Authority's patrons. The terms of current leases expire between December 31, 2024 – December 31, 2061. No leases transfer ownership of the underlying asset.

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

The balance of the Leases Receivable and related Interest Receivable at December 31, 2022 is shown below:

	Expressway	Airport	Total
Beginning Balance	$ -	$ -	$ -
Leases receivable recognized per GASB 87	11,115,918	2,727,382	13,843,300
Lease revenue			
Billboards	(2,251,406)		(2,251,406)
Land	(108,733)	(67,426)	(176,159)
Office		(43,883)	(43,883)
	8,755,779	2,616,073	11,371,852
Interest Receivable			
Billboards	$ 21,059		$ 21,059
Land	8,129	$ 7,898	16,027
Office		822	822
	29,188	8,720	37,908
Total Receivable	$ 8,784,967	$ 2,624,793	$ 11,409,760

25. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

Contributions

SJTA management determines the annual contribution rate based on the prior year's OPEB Valuation. The contribution rate is the amount of the change in the Net OPEB Liability less the deferral amounts. The contribution rate for 2022 was $2,812,812. For 2023 the contribution rate will be $4,449,461. Employees are not required to contribute to the Plan.

Net OPEB Liability

The Authority's net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

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

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

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

Economic Assumptions

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

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. Effective in 2018, SJTA established an irrevocable OPEB Trust and expects to fund the trust based on the increase in the benefit obligation during the prior year. The discount rate used for determining the Total OPEB Liability as of December 31, 2022 is the long-term expected rate of return on plan investments of 3.70%. Given that the plan assets are 100% invested in fixed income securities, we estimated the expected rate of return using the "The Bond Buyer 20-Bond GO Index" as of the measurement date.

Salary Increases
Three percent per year.

Inflation Rate
2.5% per year.

Health Care Cost Trend Rates

Year	Pre-65 Medical	Post -65 Medical	Prescription Drug	Medicare Part B	Dental/Vision
2023*	5.25%	4.50%	7.00%	5.00%	3.50%
2024	5.15%	4.50%	6.75%	5.00%	3.50%
2025	5.05%	4.50%	6.50%	5.00%	3.50%
2026	5.00%	4.50%	6.25%	5.00%	3.50%
2027	5.00%	4.50%	6.00%	5.00%	3.50%
2028	5.00%	4.50%	5.75%	5.00%	3.50%
2029	5.00%	4.50%	5.50%	5.00%	3.50%
2030	5.00%	4.50%	5.25%	5.00%	3.50%
2031 +	5.00%	4.50%	5.00%	5.00%	3.50%

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

Benefit Assumptions

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

2023 Annual age-adjusted claims cost for retirees and spouses are as follows:

Age	Medical	Prescription Drug	Dental/Vision
45	10,638.60	1,525.62	580.00
50	12,663.88	1,918.26	580.00
55	15,447.55	2,412.54	580.00
60	19,044.07	3,021.29	580.00
65	1,631.53	2,280.18	580.00
70	1,845.00	2,746.32	580.00
75	2,003.58	3,107.16	580.00
80	2,217.05	3,233.53	580.00
85	2,525.06	3,268.63	580.00
90	2,696.85	3,282.67	580.00

In addition, to the claims costs defined above, we have also assumed a Medicare Part B reimbursement for future retirees of $164.90 per month for 2023. The Medicare Part B rate assumed for current retirees is $133.73, which is based on actual premium reimbursement amounts for current retirees, adjusted for the change in the Medicare Part B premium amount from 2022 to 2023.

Demographic Assumptions

Mortality

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

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

Retirement Rates

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

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

Withdrawal

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

Service	Less than 31 Years Old	31 Years or Older	Service	Less than 31 Years Old	31 Years or Older
0	21.00%	12.00%	13	1.20%	1.20%
1	21.00%	12.00%	14	1.10%	1.10%
2	16.00%	9.00%	15	0.90%	0.90%
3	15.00%	8.00%	16	0.80%	0.80%
4	13.00%	7.00%	17	0.70%	0.70%
5	12.00%	7.00%	18	0.60%	0.60%
6	10.00%	6.50%	19	0.60%	0.60%
7	9.00%	5.50%	20	0.50%	0.50%
8	9.00%	5.00%	21	0.50%	0.50%
9	6.50%	4.00%	22	0.50%	0.50%
10	1.70%	1.70%	23	0.40%	0.40%
11	1.50%	1.50%	24-29	0.30%	0.30%
12	1.40%	1.40%			

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

Disability Rates
Disability rates vary by age.

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

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

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

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

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

Assumption Changes
The discount rate was changed from 2.05% at the beginning of the year to 3.70% at the end of the year to reflect changes in the "The Bond Buyer 20-Bond GO Index."

Actuarial Methods

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

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

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

Changes in Net OPEB Liability:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	A	**B**	**A-B**
Beginning Balance	$ 125,179,967	$ 40,959,658	$ 84,220,309
Changes for the year:			
Service cost	4,778,785		4,778,785
Interest cost	2,636,826	854,207	1,782,619
Difference between expected and actual experience loss (gain)	(3,164,253)		(3,164,253)
Changes in assumptions	(30,035,118)		(30,035,118)
Contributions - employer		5,479,019	(5,479,019)
Plan asset gain or (loss)		(3,939,602)	3,939,602
Benefits payments, including refunds	(2,666,207)	(2,666,207)	-
Administrative expense	-	-	-
Net changes	(28,449,967)	(272,583)	(28,177,384)
Ending Balance	$ 96,730,000	$ 40,687,075	$ 56,042,925

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

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

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

Net OPEB liability at December 31, 2022 calculated using a discount rate that is:	1% Decrease 2.70%	Current Rate 3.70%	1% Increase 4.70%
Total OPEB liability	$ 113,184,934	$ 96,730,000	$ 83,569,980
Plan fiduciary net position	40,687,075	40,687,075	40,687,075
Net OPEB liability	$ 72,497,859	$ 56,042,925	$ 42,882,905
Plan fiduciary net position as a percentage of the total OPEB liability	35.9%	42.1%	48.7%

Net OPEB liability at December 31, 2022 calculated using a healthcare cost trend rate that is:	1% Decrease	Current Rate	1% Increase
Total OPEB liability	$ 82,031,585	$ 96,730,000	$ 115,684,695
Plan fiduciary net position	40,687,075	40,687,075	40,687,075
Net OPEB liability	$ 41,344,510	$ 56,042,925	$ 74,997,620
Plan fiduciary net position as a percentage of the total OPEB liability	49.6%	42.1%	35.2%

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

OPEB plan Fiduciary Net Position

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

For the year ended December 31, 2022, the Authority recognized OPEB expense of $4,114,027. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resource related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual demographic experience	$ 198,955	$ 9,030,160
Changes of assumptions	12,525,564	25,029,265
Net difference between projected and actual investment performance	3,354,376	-
Employer contributions subsequent to the measurement date	-	-
Total	$ 16,078,895	$ 34,059,425

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

Year ended December 31,	
2023	$ (2,393,119)
2024	(3,156,809)
2025	(2,545,806)
2026	(4,351,570)
2027	(5,533,226)

Payable to the OPEB Plan

At December 31, 2022, there was no amount outstanding for contributions payable to the Plan.

26. SOUTH INLET TRANSPORTATION IMPROVEMENTS PROJECT

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

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

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

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

Year	Amount	Year	Amount
2023	1,254,000	2026	1,261,500
2024	1,257,250	2027	1,257,000
2025	1,253,000	2028	1,260,000

27. POLLUTION REMEDIATION COST

Effective 2008, pollution remediation costs are required to be charged in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The Statement establishes standards for determining when expected pollution remediation outlays should be accrued as a liability or, if appropriate, capitalized. An operating expense and corresponding liability, measured at its current value using the expected cash flow method, should be recognized for certain pollution remediation obligations that are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events take place:

27. POLLUTION REMEDIATION COST (CONTINUED)

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

As of December 31, 2022, the Authority has determined that it is not required to recognize any operating expense or record a corresponding liability for any pollution remediation obligation.

28. ATLANTIC CITY INTERNATIONAL AIRPORT

Below are detailed schedules of Atlantic City International Airport's operating revenue and expenses. These schedules are presented to provide additional detail of the single-line item entitled "Airport" presented in the Statement of Revenue, Expenses and Changes in Net Position on pages 20, 26 and 102, in the accompanying financial statements.

	2022	2021
Revenue:		
Non-Aeronautical		
Airside	$ 126,082	$ 126,082
Landside	940,122	820,415
Parking	4,983,598	4,517,454
Terminal	5,367,908	5,690,008
Aeronautical		
Airside	3,162,703	2,893,763
Landside	42,000	38,500
Terminal	631,605	497,065
	$ 15,254,018	$ 14,583,287
Expenses:		
Central Accounts	$ 1,914,874	$ 1,930,985
Marketing	745,584	238,873
SJTA Administration	953,522	873,810
ACY Customer Service	2,578	31,495
Firefighter Administration	2,543,645	2,259,747
Operations - Airside	34,205	38,177
Operations - Landside	13,061	10,381
Operations - Terminal	2,830,570	2,737,221
NJ State Police-LEO/ACY	4,469,534	4,223,299
Maintenance - Airside	1,246,127	802,029
Maintenance - Landside	129,633	71,237
Maintenance - Terminal	3,583,623	2,725,374
Parking	1,289,354	1,090,996
ACY Shuttle	370,471	423,495
	$ 20,126,781	$ 17,457,119

29. SUBSEQUENT EVENTS

Management has evaluated events occurring after December 31, 2022 for possible adjustment to or disclosure in the financial statements through July 19, 2023 the date on which the financial statements were available to be issued. Based on this evaluation, the Authority has determined that no subsequent events have occurred that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

South Jersey Transportation Authority
Schedules of Proportionate Share of the Net Pension Liability
December 31, 2022

Public Employees' Retirement System

Measurement Date Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015 *
Authority's proportion of the net pension liability	23.5000725500%	0.2307447324%	0.2260935132%	0.2213124262%	0.215793%	0.217251%	0.210408%	0.231252%
Authority's proportionate share of the net pension liability	$ 35,464,845	$ 27,335,173	$ 36,869,939	$ 39,877,142	$ 42,488,523	$ 50,572,598	$ 62,316,827	$ 51,911,440
Authority's covered payroll (plan measurement period)	$ 18,256,137	$ 17,022,188	$ 16,589,176	$ 16,095,568	$ 15,749,013	$ 15,078,852	$ 14,774,681	$ 14,757,134
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	194.3%	160.6%	222.3%	247.8%	269.8%	335.4%	421.8%	351.8%
Plan fiduciary net position as a percentage of the total pension liability	62.9%	70.3%	58.3%	56.3%	53.6%	48.1%	40.1%	47.9%

Police and Firemen's Retirement System**

Measurement Date Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015 *
Authority's proportion of the net pension liability	0.0410659506%	0.0410659506%	0.0380083314%	0.0398232631%	0.042547%	0.044675%	0.045559%	0.048000%
Authority's proportionate share of the net pension liability	$ 3,001,573	$ 3,001,573	$ 4,911,178	$ 4,873,499	$ 5,757,247	$ 6,896,991	$ 8,708,697	$ 7,995,159
Authority's covered payroll (plan measurement period)	$ 1,371,219	$ 1,314,756	$ 1,280,488	$ 1,158,359	$ 1,225,875	$ 1,223,495	$ 1,264,577	$ 1,306,281
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	218.9%	228.3%	383.5%	420.7%	469.6%	563.7%	688.7%	612.1%
Plan fiduciary net position as a percentage of the total pension liability	77.3%	77.3%	63.5%	65.0%	62.5%	58.6%	52.0%	56.3%

* This schedule is intended to show information for 10 years. The Authority adopted GASB 68 in 2015. Additional years will be presented as they become available.

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

South Jersey Transportation Authority
Schedules of Authority's Pension Contributions
December 31, 2022

Public Employees' Retirement System

Year Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015 *
Contractually required contribution	$ 2,842,316	$ 2,702,289	$ 2,473,349	$ 2,152,718	$ 2,146,441	$ 2,012,600	$ 1,869,235	$ 1,988,147
Contributions in relation to the contractually required contribution	2,842,316	2,702,289	2,473,349	2,152,718	2,146,441	2,012,600	1,869,235	1,988,147
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll (Calendar Year)	$18,256,137	$17,526,825	$ 16,722,193	$ 16,166,495	$ 15,749,013	$ 15,078,852	$ 14,774,681	$ 14,757,134
Contributions as a percentage of covered payroll	15.6%	15.4%	14.8%	13.3%	13.6%	13.3%	12.7%	13.5%

Police and Firemen's Retirement System

Year Ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015 *
Contractually required contribution	$ 478,609	$ 491,702	$ 424,618	$ 402,259	$ 415,955	$ 395,384	$ 371,707	$ 375,187
Contributions in relation to the contractually required contribution	478,609	491,702	424,618	402,259	415,955	395,384	371,707	375,187
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll (Calendar Year)	$ 1,373,559	$ 1,344,212	$ 1,288,244	$ 1,094,328	$ 1,225,875	$ 1,223,495	$ 1,264,577	$ 1,306,281
Contributions as a percentage of covered payroll	34.8%	36.6%	33.0%	36.8%	33.9%	32.3%	29.4%	28.7%

* This schedule is intended to show information for 10 years. The Authority adopted GASB 68 in 2015. Additional years will be presented as they become available.

South Jersey Transportation Authority
Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios*
December 31, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 4,778,785	$ 4,488,723	$ 3,679,559	$ 3,238,571	$ 3,109,466
Interest	2,636,826	2,609,583	2,926,282	3,394,643	3,334,258
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(3,164,253)	(253,583)	(4,371,758)	(12,115,048)	1,193,720
Changes of assumptions	(30,035,118)	2,615,990	14,147,184	9,105,267	4,037,351
Benefit payments	(2,666,207)	(2,335,934)	(2,113,570)	(2,095,856)	(3,139,880)
Net change in total OPEB liability	(28,449,967)	7,124,779	14,267,697	1,527,577	8,534,915
Total OPEB liability-beginning	125,179,967	118,055,188	103,787,491	102,259,914	93,724,999
Total OPEB liability-ending	$ 96,730,000	$ 125,179,967	$ 118,055,188	$ 103,787,491	$ 102,259,914
Plan fiduciary net position					
Contributions - employer	$ 5,479,019	$ 6,015,493	$ 5,293,099	$ 6,294,662	$ 29,632,315
Net investment income	(3,085,395)	(59,911)	1,466,259	1,540,564	462,417
Benefit payments	(2,666,207)	(2,335,934)	(2,113,570)	(2,095,856)	(3,139,880)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	(272,583)	3,619,648	4,645,788	5,739,370	26,954,852
Plan fiduciary net position-beginning	40,959,658	37,340,010	32,694,222	26,954,852	-
Plan fiduciary net position-ending	$ 40,687,075	$ 40,959,658	$ 37,340,010	$ 32,694,222	$ 26,954,852
Authority's net OPEB liability-ending	$ 56,042,925	$ 84,220,309	$ 80,715,178	$ 71,093,269	$ 75,305,062
Plan fiduciary net position as a percentage of the total OPEB liability	42%	33%	32%	32%	26%
Covered-employee payroll	$ 19,629,696	$ 18,871,037	$ 18,010,437	$ 17,126,649	$ 16,307,396
Authority's net OPEB liability as a percentage of covered employee payroll	286%	446%	448%	415%	462%
Authority's Total OPEB liability as a percentage of covered employee payroll	493%	663%	655%	606%	627%

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

South Jersey Transportation Authority
Schedule of Authority's OPEB Contributions*
December 31, 2022

	2022	2021	2020	2019	2018
Actuarily determined contribution	$ 4,778,785	$ 4,488,723	$ 3,179,529	$ 4,198,806	$ 3,785,492
Contributions in relation to the actuarily determined contribution	4,778,785	4,488,723	3,179,529	4,198,806	3,785,492
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee-payroll	$ 19,629,696	$ 18,871,037	$ 18,010,437	$ 17,126,649	$ 16,307,396
Contributions as a percentage of covered-employee payroll	24.34%	23.79%	17.65%	24.52%	23.21%

Notes to Schedule

Valuation date: December 31.

Actuarially determined contribution rates are calculated as of December 31 one year prior to the end of the year in which contributions are reported.

For actuarial assumptions and methods see Note 25 of the Notes to the Financial Statements.

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

OTHER SUPPLEMENTARY INFORMATION

South Jersey Transportation Authority
Statement of Net Position - Fund Financial Statements
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	Unrestricted Accounts			Restricted Accounts								Totals	
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidation Eliminations	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES													
Unrestricted Assets:													
Cash and Cash Equivalents	$ 16,361,679	$ 5,350,425	$ 86,514,372									$ 108,226,476	$ 87,875,370
Investments												-	-
Change Funds	149,916	21,549										171,465	147,807
Accounts Receivable, net of allowance for uncollectible accounts of $60,414	6,501,987	1,542,498										8,044,485	6,102,154
Leases Receivable	8,784,967	2,624,793										11,409,760	-
Grants Receivable	2,006,549	172,344										2,178,893	1,910,961
Prepaid Expenses	2,126,804	889,256										3,016,060	2,760,839
Security Deposits	150,206	1,530										151,736	151,736
Inventory	123,947											123,947	139,948
Interfunds Receivable	34,203,480	37,970,618	61,852,090								$ (134,026,188)	-	-
Total Unrestricted Assets	70,409,535	48,573,013	148,366,462	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(134,026,188)	133,322,822	99,088,815
Restricted Assets:													
Cash and Cash Equivalents				7,244,905	7,020,962	254	36,019,006		28,699,445	513,043,246		592,027,818	373,448,050
Investments							24,289,735					24,289,735	37,745,939
Accounts Receivable									5,180,000	3,202		5,183,202	6,083,262
Grants Receivable										214,568		214,568	570,757
Interest Receivable							100,547					100,547	187,213
Interfunds Receivable				16,287,754	1,608,036	208,334	1,507,322	224,295	22,960,412	68,457,232	(111,253,385)		
Total Restricted Assets	-	-	-	23,532,659	8,628,998	208,588	61,916,610	224,295	56,839,857	581,718,248	(111,253,385)	621,815,870	418,035,221
Capital Assets:													
Non-Depreciable Capital Assets:													
Land and Right of Ways										145,464,608		145,464,608	145,464,608
Construction in Progress										57,396,285		57,396,285	57,161,468
Total Non-Depreciable Capital Assets	-	-	-	-	-	-	-	-	-	202,860,893	-	202,860,893	202,626,076
Non-Infrastructure Capital Assets:													
Buildings and Equipment										217,164,642		217,164,642	210,822,946
Less Accumulated Depreciation										(145,775,132)		(145,775,132)	(133,649,228)
Total Non-Infrastructure Capital Assets	-	-	-	-	-	-	-	-	-	71,389,510	-	71,389,510	77,173,718
Infrastructure Capital Assets:													
Infrastructure - Equipment										27,768,255		27,768,255	27,648,367
Infrastructure										658,789,424		658,789,424	629,921,141
Less Accumulated Depreciation										(404,343,553)		(404,343,553)	(378,310,363)
Total Infrastructure Capital Assets	-	-	-	-	-	-	-	-	-	282,214,126	-	282,214,126	279,259,145
Total Assets	70,409,535	48,573,013	148,366,462	23,532,659	8,628,998	208,588	61,916,610	224,295	56,839,857	1,138,182,777	(245,279,573)	1,311,603,221	1,076,182,975
Deferred Outflows of Resources:													
Related to Pensions	7,853,578	1,609,156										9,462,734	6,187,119
Related to OPEB	14,310,217	1,768,678										16,078,895	18,015,210
Loss on Early Extinguishment of Debt										5,910,436		5,910,436	6,981,322
Total Deferred Outflows of Resources	22,163,795	3,377,834	-	-	-	-	-	-	-	5,910,436	-	31,452,065	31,183,651
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 92,573,330	$ 51,950,847	$ 148,366,462	$ 23,532,659	$ 8,628,998	$ 208,588	$ 61,916,610	$ 224,295	$ 56,839,857	$ 1,144,093,213	$ (245,279,573)	$ 1,343,055,286	$ 1,107,366,626

South Jersey Transportation Authority
Statement of Net Position - Fund Financial Statements
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	Unrestricted Accounts			Restricted Accounts								Totals	
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidation Eliminations	2022	2021
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES													
Current Liabilities Payable from Unrestricted Assets:													
Accounts Payable	$ 5,375,268	$ 2,110,090										$ 7,485,358	$ 9,373,974
Unearned Income	215,005	261,329										476,334	666,249
Escrow Deposits	48,354	131,639										179,993	619,233
Accrued Expenses	1,461,577	434,915										1,896,492	1,511,151
Interfunds Payable	92,957,078	49,967,058	$ 42,859								$ (142,966,995)		
Total Current Liabilities Payable from Unrestricted Assets	100,057,282	52,905,031	42,859	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(142,966,995)	10,038,177	12,170,607
Current Liabilities Payable from Restricted Assets:													
Accrued Interest Payable				6,976,071					248,142			7,224,213	5,257,040
Accounts Payable										7,543,277		7,543,277	5,979,459
Escrow Deposits										29,375		29,375	154,920
Retainages Payable	35,950									2,397,284		2,433,234	2,176,887
Due to Other Governmental Agencies						208,335						208,335	208,334
PFC Advanced										1,425,926		1,425,926	840,901
CFC Advanced										3,339,964		3,339,964	3,092,554
Insurance and Labor Reserves	3,626,315	1,025,363										4,651,678	4,837,809
Bonds Payable, Net of Discounts and Premiums of ($3,743,322)									1,251,557	13,711,765		14,963,322	15,461,900
Interfunds Payable				13,522,124	2,031,911		28,532,843	224,126	1,755,260	56,246,314	(102,312,578)		
Total Current Liabilities Payable from Restricted Assets	3,662,265	1,025,363	-	20,498,195	2,031,911	208,335	28,532,843	224,126	3,254,959	84,693,905	(102,312,578)	41,819,324	38,009,804
Noncurrent Liabilities:													
Accrued Expenses	35,000											35,000	35,000
Net Pension Liability	32,627,657	5,838,761										38,466,418	32,246,351
Net OPEB Liability	49,878,203	6,164,722										56,042,925	84,220,309
Bonds Payable, Net of Discounts and Premiums of ($52,876,275)									34,857,442	931,673,833		966,531,275	751,655,730
Total Non-Current Liabilities	82,540,860	12,003,483	-	-	-	-	-	-	34,857,442	931,673,833	-	1,061,075,618	868,157,390
Total Liabilities	186,260,407	65,933,877	42,859	20,498,195	2,031,911	208,335	28,532,843	224,126	38,112,401	1,016,367,738	(245,279,573)	1,112,933,119	918,337,801
Deferred Inflows of Resources:													
Related to Pensions	3,535,113	3,365,124										6,900,237	19,317,406
Related to OPEB	30,312,888	3,746,537										34,059,425	9,183,348
Related to Leases	8,621,959	2,580,885										11,202,844	-
Total Deferred Inflows of Resources	42,469,960	9,692,546	-	-	-	-	-	-	-	-	-	52,162,506	28,500,754
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	228,730,367	75,626,423	42,859	20,498,195	2,031,911	208,335	28,532,843	224,126	38,112,401	1,016,367,738	(245,279,573)	1,165,095,625	946,838,555

South Jersey Transportation Authority
Statement of Net Position - Fund Financial Statements
as of December 31, 2022
With Summarized Comparative Information as of December 31, 2021

	Unrestricted Accounts			Restricted Accounts								Totals	
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidation Eliminations	2022	2021
NET POSITION													
Net Investment in Capital Assets										98,061,959		98,061,959	114,141,943
Restricted for:													
Debt Service				3,034,464								3,034,464	7,195,068
Rehabilitation and Repair					6,597,087							6,597,087	6,508,331
Debt Service Reserve							33,383,767					33,383,767	35,651,228
State Payment						253						253	246
Capital Projects										29,663,516		29,663,516	26,405,897
Arbitrage Rebate								169				169	169
Subordinated Debt Fund									18,727,456			18,727,456	18,405,993
Unrestricted for:													
Unrestricted Net Position	(53,651,177)	(11,672,093)	148,323,603									83,000,333	68,685,856
Related to Net Pension Liability	(32,627,657)	(5,838,761)										(38,466,418)	(32,246,351)
Related to Total OPEB Liability	(49,878,203)	(6,164,722)										(56,042,925)	(84,220,309)
Total Net Position	(136,157,037)	(23,675,576)	148,323,603	3,034,464	6,597,087	253	33,383,767	169	18,727,456	127,725,475	-	177,959,661	160,528,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 92,573,330	$ 51,950,847	$ 148,366,462	$ 23,532,659	$ 8,628,998	$ 208,588	$ 61,916,610	$ 224,295	$ 56,839,857	$ 1,144,093,213	$ (245,279,573)	$ 1,343,055,286	$ 1,107,366,626

South Jersey Transportation Authority
Statement of Revenue, Expenses and
Changes in Net Position - Fund Financial Statements
For the Year Ended December 31, 2022
With Summarized Comparative Information for the Year Ended December 31, 2021

	Unrestricted Accounts			Restricted Accounts								Totals	
	Revenue Fund	Airport Fund	General Reserve Fund	Debt Service Fund	Rehabilitation and Repair Fund	State Payment Fund	Debt Service Reserve Fund	Rebate Fund	Subordinated Debt Fund	Construction Fund	Consolidation Eliminations	2022	2021
Operating Revenue:													
Tolls	$ 114,234,793											$ 114,234,793	$ 112,844,105
Concessions	819,433											819,433	788,589
ETC Administration Revenue	11,019,673											11,019,673	10,909,791
Parking (Non Airport)	-											-	89,607
Marina Parking Revenue	1,784,310											1,784,310	-
Rentals	4,041,252											4,041,252	4,100,756
Naming Rights	336,615											336,615	304,680
SJTPO Programs	2,144,309											2,144,309	2,096,366
Transportation Services	4,583,382											4,583,382	4,090,388
Other	1,943,135											1,943,135	1,880,481
Airport		$ 15,254,018										15,254,018	14,583,287
Total Operating Revenue	140,906,902	15,254,018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	156,160,920	151,688,050
Operating Expenses:													
Executive	1,211,619											1,211,619	1,155,049
Business Administration	858,310											858,310	726,160
Engineering	1,463,528											1,463,528	1,031,896
Finance	1,672,015											1,672,015	1,695,108
Central Accounts	12,305,830											12,305,830	11,876,698
Other Post-Employment Benefits	2,372,924	293,283										2,666,207	2,335,934
Marketing and Community Relations	141,733											141,733	116,438
Toll Services	4,512,182											4,512,182	4,133,685
Maintenance	14,722,476											14,722,476	13,796,003
Police	9,646,055											9,646,055	9,135,937
Emergency Service Patrol	1,049,341											1,049,341	977,772
Electronic Toll Collection Expense	7,649,266											7,649,266	6,335,014
Parking (Non Airport)	-											-	322,770
Information Services	2,148,752											2,148,752	2,061,807
SJTPO Programs	2,144,309											2,144,309	2,096,366
Transportation Services	4,947,613											4,947,613	4,309,103
Airport		19,833,498										19,833,498	17,270,244
Depreciation										38,541,409		38,541,409	37,631,520
Total Operating Expenses	66,845,953	20,126,781	-	-	-	-	-	-	-	38,541,409	-	125,514,143	117,007,504
Operating Income (Loss)	74,060,949	(4,872,763)	-	-	-	-	-	-	-	(38,541,409)	-	30,646,777	34,680,546
Non-Operating Revenue (Expenses)													
Interest and Dividends	109,278	37,038	917,931	109,565	89,554	705	708,368		745,558	4,877,001		7,594,998	991,377
Market Value Adjustments on Investments							(2,946,204)					(2,946,204)	(387,314)
Gain (Loss) on Disposal of Assets												-	491,316
Other Income (Expenses)				(81)						(172,528)		(172,609)	7,440
Amortization of Bond Premiums									343,359	3,677,191		4,020,550	3,950,870
Bad Debt Expense	(16,157)											(16,157)	(49,115)
Effect of Change in Pension Liability	7,636,230	1,688,533										9,324,763	6,227,625
Effect of Change in OPEB Liability	(1,288,560)	(159,260)										(1,447,820)	(6,237,555)
Cost of Issuance Expense										(1,865,277)		(1,865,277)	(5,036)
Interest on Bonds				(31,983,274)					(1,526,143)	(1,139,856)		(34,649,273)	(35,613,274)
State Payment						(2,500,000)						(2,500,000)	(2,500,000)
Total Non-Operating Income/(Expense)	6,440,791	1,566,311	917,931	(31,873,790)	89,554	(2,499,295)	(2,237,836)	-	(437,226)	5,376,531	-	(22,657,029)	(33,123,666)
Income (Loss) before Contributions and Transfers	80,501,740	(3,306,452)	917,931	(31,873,790)	89,554	(2,499,295)	(2,237,836)	-	(437,226)	(33,164,878)		7,989,748	1,556,880
Capital Contributions										9,441,842		9,441,842	16,241,489
Transfers (To) From Unrestricted Funds	(34,732,635)	3,475,041	31,257,594	38,398,186	(798)	2,499,302	(29,625)		758,689	215,671		41,841,425	37,656,465
Transfers (To) From Restricted Funds	(36,371,642)	(703,703)	(4,766,080)	(10,685,000)						10,685,000		(41,841,425)	(37,656,465)
Change in Net Position	9,397,463	(535,114)	27,409,445	(4,160,604)	88,756	7	(2,267,461)	-	321,463	(12,822,365)		17,431,590	17,798,369
Total Net Position Balance -- Beginning	(145,554,500)	(23,140,462)	120,914,158	7,195,068	6,508,331	246	35,651,228	169	18,405,993	140,547,840	-	160,528,071	142,729,702
Total Net Position -- Ending	$ (136,157,037)	$ (23,675,576)	$ 148,323,603	$ 3,034,464	$ 6,597,087	$ 253	$ 33,383,767	$ 169	$ 18,727,456	$ 127,725,475	$ -	$ 177,959,661	$ 160,528,071

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2022

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2021	Issued	Paid	Balance December 31, 2022
Transportation System Revenue Bonds,	08/04/2009	$ 96,260,000	7.000%	11/01/2030	5,460,000			5,460,000
2009 Series A-5			7.000%	11/01/2031	5,725,000			5,725,000
Federally Taxable-Issuer Subsidy-Build America Bonds			7.000%	11/01/2032	6,020,000			6,020,000
			7.000%	11/01/2033	11,710,000			11,710,000
			7.000%	11/01/2034	12,775,000			12,775,000
			7.000%	11/01/2035	13,375,000			13,375,000
			7.000%	11/01/2036	19,555,000			19,555,000
			7.000%	11/01/2037	19,725,000			19,725,000
			7.000%	11/01/2038	1,915,000			1,915,000
					96,260,000	-	-	96,260,000
Transportation System Revenue Refunding Bonds,	06/05/2012	$ 25,680,000	5.000%	11/01/2022	8,980,000		8,980,000	-
Series 2012					8,980,000	-	8,980,000	-
Tax Exempt								
Transportation System Revenue Refunding Bonds	9/20/2012	$ 76,780,000	5.000%	11/01/2023	9,430,000			9,430,000
2012 Series A					9,430,000	-	-	9,430,000
Tax Exempt								
Transportation System Revenue Refunding Bonds,	12/29/2014	$ 112,305,000	5.000%	11/01/2022	695,000		695,000	-
2014 Series A			5.000%	11/01/2023	650,000			650,000
Tax Exempt			5.000%	11/01/2024	545,000			545,000
			5.000%	11/01/2025	1,705,000			1,705,000
			5.000%	11/01/2026	1,790,000			1,790,000
			5.000%	11/01/2027	1,880,000			1,880,000
			5.000%	11/01/2028	3,485,000			3,485,000
			5.000%	11/01/2029	4,555,000			4,555,000
			5.000%	11/01/2030	4,755,000			4,755,000
			5.000%	11/01/2031	4,965,000			4,965,000
			5.000%	11/01/2032	5,190,000			5,190,000
			5.000%	11/01/2033	5,415,000			5,415,000
			5.000%	11/01/2034	4,435,000			4,435,000
			5.000%	11/01/2035	4,585,000			4,585,000
			5.000%	11/01/2036	5,180,000			5,180,000
			5.000%	11/01/2037	5,780,000			5,780,000
			5.000%	11/01/2038	24,100,000			24,100,000
			5.000%	11/01/2039	27,110,000			27,110,000
					106,820,000	-	695,000	106,125,000
Transportation System Revenue Refunding Bonds,	12/29/2014	$ 17,255,000	4.550%	11/01/2024	2,065,000			2,065,000
2014 Series B			4.900%	11/01/2027	6,665,000			6,665,000
Federally Taxable			5.050%	11/01/2028	880,000			880,000
					9,610,000	-	-	9,610,000

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2022

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2021	Issued	Paid	Balance December 31, 2022
Transportation System Revenue Refunding Bonds,	10/24/2019	$ 62,435,000	5.000%	11/01/2028	1,075,000			1,075,000
2019 Series A			5.000%	11/01/2029	16,305,000			16,305,000
Tax Exempt			5.000%	11/01/2030	11,690,000			11,690,000
			5.000%	11/01/2031	12,290,000			12,290,000
			5.000%	11/01/2032	12,900,000			12,900,000
			5.000%	11/01/2033	8,175,000			8,175,000
					62,435,000	-	-	62,435,000
Transportation System Revenue Refunding Bonds	10/24/2019	$ 38,630,000	3.020%	11/01/2025	2,180,000			2,180,000
2019 Series B			3.120%	11/01/2026	2,265,000			2,265,000
Federally Taxable			3.260%	11/01/2027	2,365,000			2,365,000
			3.360%	11/01/2028	12,740,000			12,740,000
			3.936%	11/01/2034	9,320,000			9,320,000
			3.936%	11/01/2035	9,760,000			9,760,000
					38,630,000	-	-	38,630,000
Subordinated Refunding Bonds	10/24/2019	$ 8,930,000	5.000%	11/01/2022	895,000		895,000	-
2019 Series A			5.000%	11/01/2023	935,000			935,000
Tax Exempt			5.000%	11/01/2024	985,000			985,000
			5.000%	11/01/2025	1,030,000			1,030,000
			5.000%	11/01/2026	1,090,000			1,090,000
			5.000%	11/01/2027	1,140,000			1,140,000
			5.000%	11/01/2028	1,200,000			1,200,000
					7,275,000	-	895,000	6,380,000
Transportation System Revenue Bonds,	10/29/2020	$ 298,910,000	4.000%	11/01/2040	21,450,000			21,450,000
2020 Series A			5.000%	11/01/2041	22,305,000			22,305,000
Tax Exempt			5.000%	11/01/2042	23,420,000			23,420,000
			5.000%	11/01/2043	24,595,000			24,595,000
			5.000%	11/01/2044	25,825,000			25,825,000
			5.000%	11/01/2045	27,115,000			27,115,000
			4.000%	11/01/2046	28,470,000			28,470,000
			4.000%	11/01/2047	29,610,000			29,610,000
			4.000%	11/01/2048	30,790,000			30,790,000
			4.000%	11/01/2049	32,025,000			32,025,000
			4.000%	11/01/2050	33,305,000			33,305,000
					298,910,000	-	-	298,910,000
Transportation System Revenue Refunding Bonds	10/29/2020	$ 48,000,000	1.865%	11/01/2022	1,010,000		1,010,000	-
2020 Series B			1.865%	11/01/2023	205,000			205,000
Federally Taxable			2.095%	11/01/2024	10,935,000			10,935,000
			2.195%	11/01/2025	11,165,000			11,165,000
			2.401%	11/01/2026	11,410,000			11,410,000
			2.381%	11/01/2027	11,680,000			11,680,000
			2.561%	11/01/2028	610,000			610,000
					47,015,000	-	1,010,000	46,005,000

South Jersey Transportation Authority
Schedule of Bonds Payable
As of December 31, 2022

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance December 31, 2021	Issued	Paid	Balance December 31, 2022
Subordinated Bonds	10/29/2020	$ 26,090,000	5.000%	11/01/2040	1,855,000			1,855,000
2020 Series A			5.000%	11/01/2041	1,950,000			1,950,000
Tax Exempt			5.000%	11/01/2042	2,045,000			2,045,000
			5.000%	11/01/2043	2,150,000			2,150,000
			5.000%	11/01/2044	2,255,000			2,255,000
			5.000%	11/01/2045	2,370,000			2,370,000
			4.000%	11/01/2046	2,485,000			2,485,000
			4.000%	11/01/2047	2,585,000			2,585,000
			4.000%	11/01/2048	2,690,000			2,690,000
			4.000%	11/01/2049	2,795,000			2,795,000
			4.000%	11/01/2050	2,910,000			2,910,000
					26,090,000	-	-	26,090,000
Transportation System Revenue Bonds,	9/22/2022	$ 225,000,000	5.000%	11/01/2036		4,160,000		4,160,000
2022 Series A			5.000%	11/01/2037		4,775,000		4,775,000
Tax Exempt			5.000%	11/01/2038		5,715,000		5,715,000
			5.000%	11/01/2039		6,200,000		6,200,000
			5.000%	11/01/2040		11,670,000		11,670,000
			5.000%	11/01/2041		12,255,000		12,255,000
			4.500%	11/01/2042		12,870,000		12,870,000
			4.625%	11/01/2043		13,445,000		13,445,000
			4.625%	11/01/2044		14,065,000		14,065,000
			4.625%	11/01/2045		14,715,000		14,715,000
			4.625%	11/01/2046		15,400,000		15,400,000
			4.625%	11/01/2047		16,110,000		16,110,000
			5.250%	11/01/2048		16,860,000		16,860,000
			5.250%	11/01/2049		17,745,000		17,745,000
			5.250%	11/01/2050		18,675,000		18,675,000
			5.250%	11/01/2051		19,655,000		19,655,000
			5.250%	11/01/2052		20,685,000		20,685,000
					-	225,000,000	-	225,000,000
					$ 711,455,000	$ 225,000,000	$ 11,580,000	$ 924,875,000

South Jersey Transportation Authority
Schedule of Toll Revenue
Year Ended December 31, 2022

Interchange:	Toll Revenue	Vehicle Count
Pleasantville	$ 25,886,603	17,296,280
Exit 5, Route 9	1,412,001	987,948
Mays Landing	3,055,747	2,308,318
Egg Harbor	72,357,477	15,794,781
Hammonton	2,152,306	1,536,920
Winslow	1,139,309	824,404
Williamstown	2,457,569	3,367,873
Pomona	2,830,484	2,151,584
Berlin Crosskeys	1,779,116	2,438,751
Route 50	1,164,181	251,585
Unusual and Toll Free	-	186,287
	$ 114,234,793	47,144,731

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

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