

The Long Island Rail Road Company Plan for Additional Pensions

(A Fiduciary Component Unit of the Metropolitan Transportation
Authority)

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Supplemental Schedules and
Independent Auditor's Report

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1–2
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)	3–9
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023:	
Statements of Fiduciary Net Position	10
Statements of Changes in Fiduciary Net Position	11
Notes to Financial Statements	12–32
REQUIRED SUPPLEMENTAL INFORMATION	33
Schedule of Changes in the Employers’ Net Pension Liability and Related Ratios—Schedule I	34
Schedule of Employer Contributions—Schedule II	35–37
Schedule of Investment Returns—Schedule III	38

INDEPENDENT AUDITOR'S REPORT

To the Board of Administration of
The Long Island Rail Road Company Plan
for Additional Pensions:

Opinion

We have audited the accompanying statements of fiduciary net position of the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan"), as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Additional Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Changes in the Employers' Net Pension Liability and Related Ratios—Schedule I; Schedule of Employer Contributions—Schedule II; and Schedule of Investment Returns—Schedule III be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Deloitte Touche LLP

August 7, 2025

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—This management's discussion and analysis ("MD&A") of The Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") financial performance for the years ended December 31, 2024 and 2023, provides an overview of the Additional Plan's financial activities. It is meant to assist the reader in understanding the Additional Plan's financial statements by providing an overview of the financial activities and the effects of significant changes, as well as a comparison with the prior year's activities and results. This discussion and analysis are intended to be read in conjunction with the Additional Plan document as well as the Additional Plan's financial statements. Additionally, an analysis of major economic factors and industry decisions that have contributed to significant changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are extracted from the Additional Plan's financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America and is intended to be read in conjunction with the Plan's financial statements which begin on page 9.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Additional Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** - present the financial position of the Additional Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Additional Plan presently controls (assets), consumption of net assets by the Additional Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Additional Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Additional Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statements of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Additional Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information** - as required by the Government Accounting Standards Board (“GASB”), includes the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Additional Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Financial Highlights

Financial Analysis

Fiduciary Net Position

As of December 31, 2024, 2023 and 2022

(Amounts in thousands)

	2024	2023	2022	Increase / (Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Assets:							
Cash	\$ 31	\$ 625	\$ 697	\$ (594)	(95)%	\$ (72)	(10)%
Investments, at fair value	710,108	711,905	652,011	(1,797)	(0.3)%	59,894	9 %
Receivables	1,239	1,110	598	129	12 %	512	86 %
Total assets	711,378	713,640	653,306	(2,262)	(0.3)%	60,334	9 %
Liabilities:							
Due to broker for securities purchased	1,023	1,606	611	(583)	(36)%	995	163 %
Forward Currency & Margin contracts	33	48	59	(15)	(31)%	(11)	(19)%
Due to broker for investment fee	407	211	(19)	196	93 %	230	1,211 %
Due to broker for administrative fee	289	(6)	257	295	4,917 %	(263)	(102)%
Total liabilities	1,752	1,859	908	(107)	(6)%	951	105 %
Net position restricted for pensions	\$ 709,626	\$ 711,781	\$ 652,398	\$ (2,155)	(0.3)%	\$ 59,383	9 %

December 31, 2024 versus December 31, 2023

The assets of the Additional Plan exceeded its liabilities by \$709.6 million as of December 31, 2024. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan’s net position restricted for pensions decreased by \$2.2 million during 2024, representing a decrease of 0.30% over 2023. This decrease is a result of lower investment activity and plan contributions net of benefit payments and expenses during 2024.

Investments at December 31, 2024 were \$710.1 million representing a decrease of \$1.8 million from 2023. The decrease was a result of the changes noted above together with lower employer contributions in 2024.

Payables for investments purchased at December 31, 2024, amounted to \$1.0 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

December 31, 2023 versus December 31, 2022

The assets of the Additional Plan exceeded its liabilities by \$711.8 million as of December 31, 2023. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan's net position restricted for pensions increased by \$59.4 million during 2023, representing an increase of 9% over 2022. This increase is a result of investment activity and plan contributions net of benefit payments and expenses during 2023.

Investments at December 31, 2023 were \$711.9 million representing an increase of \$59.9 million from 2022. The increase was a result of the changes noted above together with the appreciation of investment markets in 2023.

Payables for investments purchased at December 31, 2023, amounted to \$1.6 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

CHANGES IN FIDUCIARY NET POSITION

For the Years Ended December 31, 2024, 2023 and 2022

(Amounts in thousands)

	2024	2023	2022	Increase / (Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Additions:							
Net investment income / (loss)	\$ 57,552	\$ 58,303	\$ (51,214)	\$ (751)	(1)%	\$ 109,517	214 %
Employer contributions	74,957	140,400	70,763	(65,443)	(47)%	69,637	98 %
Employee contributions	45	50	51	(5)	(10)%	(1)	(2)%
Total additions	132,554	198,753	19,600	(66,199)	(33)%	179,153	914 %
Deductions:							
Benefits paid directly to participants	133,794	138,824	143,764	\$ (5,030)	(4)%	\$ (4,940)	(3)%
Administrative expenses	915	546	761	369	68 %	(215)	(28)%
Total deductions	134,709	139,370	144,525	(4,661)	(3)%	(5,155)	(4)%
Net increase / (decrease)	(2,155)	59,383	(124,925)	(61,538)	(104)%	\$ 184,308	148 %
Net position restricted for pensions							
Beginning of Year	711,781	652,398	777,323	59,383	9 %	(124,925)	(16)%
End of year	\$ 709,626	\$ 711,781	\$ 652,398	\$ (2,155)	(0.3)%	\$ 59,383	9 %

December 31, 2024 versus December 31, 2023

At the end of 2024, the net investment income decreased by \$0.8 million due to lower net investment gains of \$57.6 million in 2024 versus net gain of \$58.3 million experienced in 2023.

Employer and employee contributions for the year ended December 31, 2024 totaled \$75.0 million, which represents a decrease of 47% from 2023. This decrease was the result of a lower prepayment of 2025 actuarially determined contributions (“ADC”) to the Plan.

Benefit payments for the year ended December 31, 2024 totaled \$133.8 million, which was lower than benefit payments made in 2023 in the amount of \$138.8 million, due to lower Plan benefits paid out to existing retirees attaining age sixty-five in 2024.

December 31, 2023 versus December 31, 2022

At the end of 2023, the net investment income increased by \$109.5 million due to net investment gains of \$58.3 million in 2023 versus net loss of \$51.2 million experienced in 2022.

Employer and employee contributions for the year ended December 31, 2023 totaled \$140.4 million, which represents an increase of 98% from 2022. This increase was the result of prepayment of 2024 actuarially determined contributions (“ADC”) in the amount of \$68.7 million.

Benefit payments for the year ended December 31, 2023 totaled \$138.8 million, which was lower than benefit payments made in 2022 in the amount of \$143.8 million, due to lower Plan benefits paid out to existing retirees attaining age sixty-five in 2023.

Economic Factors

Market Overview 2024

The year 2024 was another strong year for markets and was characterized by disinflation, monetary policy easing, a resilient United States (“U.S.”) economy, continued investment in the Artificial Intelligence (“AI”) revolution, credit spread tightening, and political regime changes. These developments led to strong performance across risk assets, particularly in the U.S., with low broad market volatility. This was a period of relative steadiness despite the contentious U.S. election, a slew of geopolitical tensions, and rapid central bank policy shifts. The largest shock occurred in August, when the Bank of Japan unexpectedly hiked interest rates leading to the unwind of the Yen carry trade. This resulted in a spike in the value of the yen as investors sold off U.S. equities to cover their shorts on the currency. Markets recovered quickly thereafter, and equities went on to sharply rally in November following the U.S. presidential race.

Following the strong performance of global risk assets in 2023, the economic conditions in 2024 brought with it another year of positive performance, however foreign assets significantly underperformed those of the U.S. European markets were challenged from high energy costs, high levels of regulation, political turmoil, and lack of exposure to the AI boom. While in Asia, inflation in Japan, government stimulus in China, and strong results out of Taiwan resulted in positive performance, despite a weak Chinese consumer and property market.

In the U.S., disinflation, real Gross Domestic Product (“GDP”) growth surprises to the upside, low but rising unemployment, and steady wage growth supported strong consumption. In 2024, the Federal Reserve (“the Fed”) cut Interest rates by 100 bps through three cuts, with more cuts expected to come in 2025. This resulted in a steepening of the yield curve. Despite lower short-term rates, dry powder remains elevated as U.S. money market assets continued to increase. The dollar remained strong, commodity volatility increased, cryptocurrency prices skyrocketed, and AI optimism led to expansion of already high equity multiples.

Except for local currency emerging market debt, most global risk assets had positive performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was

experienced in 2022 remained positive in 2023 and 2024, which resulted in another strong year for the 60/40 equity/bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong, posting gains against the Yen and the Euro currencies, due to high-interest rate differentials and investor expectations of tariffs and tax cuts following the U.S. Presidential election results. Cryptocurrencies also performed well with skyrocketing prices off the heels of a huge post-election rally with Bitcoin returning 122.8% for 2024. In the commodities market, returns were dispersed with natural gas, gold, and silver posting 20%+ returns, while WTI Crude ended the year flat.

Macro Themes

- Higher interest rates for longer
- Disinflation
- U.S. exceptionalism
- Geopolitical risk and deglobalization
- Innovation and AI
- Easing monetary policy

United States

U.S. economic growth remained strong, with a 2.8% increase in Real GDP growth in 2024, compared to a 2.9% increase in 2023. The unemployment rate increased but remained low, finishing 2024 at 4.1% compared to 3.8% in 2023. Consumer Prices rose only 2.9% in 2024 compared to 3.4% in 2023, while core inflation, which excludes the volatile food and energy components, rose 3.2% in 2024 compared to 3.9% in 2023.

U.S. equities were positive across the board, with the Large Cap (S&P 500 Index: 25.0% and Russell 1000 Index: 24.5%) indices posting double digit returns. Across other capitalizations, Mid Cap (S&P 400 Index: 13.9%), and Small Cap (Russell 2000 Index: 11.5%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%). Concentration and outperformance from the Magnificent 7 (Apple, Amazon, Google, META, Microsoft, Nvidia, and Tesla) continued to drive growth in the first half of 2024, however, in the second half of the year, returns were more dispersed. In the first half of 2024, the Magnificent 7 accounted for 59.1% of the S&P 500's total return, while these companies only accounted for 35.6% of the total returns in the second half of the year.

U.S. Treasury yields remained volatile and credit spreads tightened meaningfully in 2024. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 1.3%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 10.1%), Leveraged Loans (Bloomberg Us Lev Loan 100 Index: 8.7%) and High Yield (Bloomberg High Yield Index: 8.2%). Low positive returns were realized in Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%).

International Developed

International developed equity markets (MSCI EAFE Index: 3.8%) posted positive results in 2024 but significantly underperformed the U.S. large cap equity markets. The Japanese (MSCI Japan Index: 8.3%) and United Kingdom (MSCI United Kingdom Index: 7.6%) markets led the way, with Europe lagging (MSCI Europe Index: 2.4%). The International developed Small Cap (MSCI EAFE SC Index: 1.8%) market also posted low single digit returns, but below the International large cap counterpart.

Emerging Markets

Emerging Markets (“EM”) posted positive returns in 2024. Returns were stronger compared to international developed equity, but weaker compared to the U.S equity market. The broad EM Market (MSCI EM Index: 7.5%) garnished high single digit returns, led by strong positive returns from Chinese (MSCI EM China Index: 19.4%) equities. In September 2024, the People’s Bank of China announced widespread stimulus measures that would ease monetary policy and inject liquidity into the market to support real estate and capital markets. This stimulus package dramatically shifted sentiment surrounding the Chinese market and led to the large Chinese equity rally at the tail end of the third quarter. The EM Small Cap (MSCI EM Small Cap Index: 4.8%) market posted weaker returns compared to EM large cap market.

The EM fixed income markets were positive in hard currency, but negative in local currencies. Hard currency bonds (JPMorgan EMBI Global Diversified Index: 6.5%), which are bonds predominately issued in U.S. Dollars, significantly outperformed bonds issued in local currencies (JPMorgan GBI-EM Global Diversified Index: -2.4%).

Commodities

Commodities (Bloomberg Commodity Index: 5.4%) had positive performance in 2024. Prices experienced significant volatility and the dispersion of returns among commodities was wide. Precious Metals were among the best performers in this category, with gold spot prices up 27.2% for the year.

Market Outlook – 2025

Through the first quarter of 2025, equity markets were moderately lower with losses in the single digits. Value equities have outperformed growth, reversing the 2024 trend. There was heightened volatility in equity markets this quarter, as the market comes to terms with potentially slower economic growth and large-scale regulatory shifts implemented by the Trump administration. Fixed income markets had a positive start to 2025, with low positive returns for the quarter. Economic reports have been mixed, but interest rate cuts are still expected towards the end of the year. International Equity had positive gains, due to monetary policy easing and increased fiscal stimulus in the Euro area following U.S. funding cuts in Ukraine. Emerging Markets have also performed well with expectations for increased stimulus in China. Markets are expected to be more volatile this year than in 2024.

2025’s macroeconomic backdrop will likely be dominated by heightened volatility, weaker growth, stagflation fears, geopolitical tensions, and global monetary and fiscal policy shifts. Coming out of 2024, a positive year for risk assets, market participants were predominantly optimistic for U.S. equity returns in 2025 despite the expectation of increased volatility. Several roadblocks to continued growth still loom such as tight credit markets with low deal flow in private markets, high U.S. government debt, and high equity multiples. U.S. growth optimism stemmed from real disposable income growth in a lower inflation environment, strong labor markets, and high exposure to the AI revolution. However, optimism eroded over the quarter, with global equities outperforming their U.S. counterparts.

At the beginning of April 2025, global markets have been decimated by the higher-than-expected tariff announcement on President Trump’s “Liberation Day.” Immediately following the announcement of broad tariffs spanning the globe, markets sold off violently and volatility skyrocketed. Following backlash from the announcement, the President paused the reciprocal tariffs on most countries for 90 days while increasing the tariff on China to 145%. By the end of April, markets regained most of their losses. While the situation is highly fluid, this historic trade war is expected to have massive economic implications.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the Long Island Rail Road Company for Additional Pensions' finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF FIDUCIARY NET POSITION AS OF DECEMBER 31, 2024 AND 2023

(Amounts in thousands)

	2024	2023
ASSETS:		
Cash	\$ 31	\$ 625
Investment at fair value (notes 2 and 3):		
Investments measured at readily determined fair value	333,230	256,097
Investments measured at net asset value	<u>376,878</u>	<u>455,808</u>
Total investments	<u>710,108</u>	<u>711,905</u>
Receivables:		
Participant and union contributions	(4)	3
Other receivables	66	73
Securities sold	217	476
Accrued interest and dividends	<u>960</u>	<u>558</u>
Total receivables	<u>1,239</u>	<u>1,110</u>
Total assets	<u>711,378</u>	<u>713,640</u>
LIABILITIES:		
Due to broker for securities purchased	1,023	1,606
Forward currency and margin contracts	33	48
Due to broker for investment fees	407	211
Due to broker for administrative expenses	<u>289</u>	<u>(6)</u>
Total liabilities	<u>1,752</u>	<u>1,859</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 709,626</u>	<u>\$ 711,781</u>

See notes to financial statements.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Amounts in thousands)

	2024	2023
ADDITIONS:		
Investment income:		
Net realized and unrealized gains	\$ 50,777	\$ 53,613
Interest income	5,229	3,376
Dividend income	<u>6,074</u>	<u>6,641</u>
Total investment income	62,080	63,630
Less investment expenses	<u>(4,528)</u>	<u>(5,327)</u>
Total net investment income	<u>57,552</u>	<u>58,303</u>
Contributions (Note 5):		
Employer	74,957	140,400
Participant and union	<u>45</u>	<u>50</u>
Total contributions	<u>75,002</u>	<u>140,450</u>
Total additions	<u>132,554</u>	<u>198,753</u>
DEDUCTIONS:		
Benefits paid to participants	133,794	138,824
Administrative expenses	<u>915</u>	<u>546</u>
Total deductions	<u>134,709</u>	<u>139,370</u>
NET INCREASE / (DECREASE) IN NET POSITION	(2,155)	59,383
NET POSITION		
RESTRICTED FOR PENSIONS		
Beginning of year	<u>711,781</u>	<u>652,398</u>
End of year	<u>\$ 709,626</u>	<u>\$ 711,781</u>

See notes to financial statements.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (Dollars in thousands)

1. PLAN DESCRIPTION

The Long Island Rail Road Company Plan for Additional Pensions (the “Additional Plan”) is a single employer defined benefit plan administered by the Board of Pension Managers. The following brief description of the Additional Plan is provided for general information purposes only. Participants should refer to the Additional Plan document for more complete information.

General - Effective July 1, 1971, The Long Island Rail Road Company (the “Company”) adopted two fully integrated defined benefit pension plans, The Long Island Rail Road Company Pension Plan (the “Plan”) and the Additional Plan. These plans cover employees hired before January 1, 1988. Effective January 1, 1989, the Plan was amended to limit the accrual of credited service time and determination of average earnings through December 31, 1988. All pension plan benefits were frozen as of that date by virtue of a Plan amendment. All benefit accruals subsequent to that date are provided under the Additional Plan, which was amended to provide for accruals on and after January 1, 1989. The Additional Plan benefits are now the total benefit that would have been paid previously from the sum of the two plans reduced by any portion of benefits that a participant received from the frozen pension plan benefits. The total benefits payable to participants have not been changed. These financial statements do not include any amounts related to the Plan, as all Plan assets were transferred into the MTA Defined Benefit Pension Plan, effective October 2, 2006.

Both Company’s pension plans are governmental plans and, accordingly, are not subject to funding and other requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Metropolitan Transportation Authority Defined Benefit Pension Plan and The Long Island Rail Road Company Plan for Additional Pensions comprise the Metropolitan Transportation Authority’s Master Trust. The MTA Master Trust is governed by the Board of Pension Managers (the “Board”). The Board has contracted with JP Morgan Chase, as the Trustee for the Trust, and has provided the Master Trust Investment Guidelines to the respective Trustee. These guidelines provide the specific goals and objectives of the Trust as well as the allowable investments permitted under the Trust. Under the Investment Guidelines, the Trustee is permitted to invest in commingled funds on behalf of the Master Trust.

The total asset allocation of the 2024 Master Trust is 91.84% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 8.16% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2024.

The total asset allocation of the 2023 Master Trust is 91.12% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 8.88% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2023.

Pension Benefits - All full-time employees who were hired before January 1, 1988, are eligible for Additional Plan membership. At January 1, 2024 and 2023, the most recent valuation date, the Additional Plan's membership consisted of the following:

	January 1 2024	January 1 2023
Active plan members	12	14
Terminated vested & other inactives	13	13
Retirees and beneficiaries receiving benefits	<u>4,772</u>	<u>4,962</u>
Total	<u>4,797</u>	<u>4,989</u>

An employee who retires under the Additional Plan, either: (a) after completing at least 20 years of credited service, or (b) after both attaining age 65 while in service and completing at least five years of credited service, or in the case of those who were active employees on January 1, 1988, after completing at least 10 years of credited service, is entitled to an annual retirement benefit, payable monthly for life. Payments commence to an employee referred to in: (a) only after attaining age 50, or (b) only after attaining age 65.

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the Company, subject to the obligations of the Company under its collective bargaining agreements. The Company's Board of Directors must approve all amendments. The Additional Plan has both contributory and non-contributory requirements, with retirement ages varying from 50 to 65 depending upon a participant's length of credited service. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earnings for each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65, regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including any supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is as follows:

- (i) 25% for an employee who had 20 years credited service prior to July 1, 1974,
- (ii) 50% for any other employee first employed before July 1, 1974, and
- (iii) 100% for any employee first employed on or after July 1, 1974.

Beginning in 1999, for all represented employees who were hired between July 1, 1974, and December 31, 1987, who were employees after January 1, 1999, and were not retired when their collective bargaining agreement was ratified and approved by MTA Board after that date, the offset of Railroad Retirement Benefits is reduced to 50% (under the Additional Plan). For all management employees who were hired between July 1, 1974, and December 31, 1987, and who were employees on September 30, 1999, the offset of Railroad Retirement Benefits was reduced to 50% (under the Additional Plan).

For participants, the Additional Plan has both non-contributory and contributory requirements. Participants who entered qualifying service before July 1, 1978 are not required to contribute.

Participants who entered qualifying service on or after July 1, 1978, are required to contribute 3% of their wages to the Additional Plan. The Company contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

Death and Disability Benefits - Participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Additional Plan receive a disability benefit. Disability pension benefits are calculated based on the participant's qualifying service and a percentage of final average compensation reduced by the full amount of benefit under the Federal Railroad Retirement Act.

Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than \$5,000 is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Additional Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred, and revenues are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

For financial reporting purposes, The Additional Plan adheres to accounting principles generally accepted in the United States of America. The Additional Plan applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

New Accounting Standards Adopted – The Plan adopted the following GASB Statement for the year ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

The adoption of this Statement has no material impact on the net position of the Plan.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The adoption of this Statement has no material impact on the net position of the Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	The Long Island Rail Road Company Plan for Additional Pensions
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

Use of Management's Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include fair value of investments, the annual required contribution, and the Net Pension liability.

Payment of Benefits - Benefits are recorded when paid.

Investment and Administrative Expenses - Investment and administrative expenses are paid by the Additional Plan assets and accordingly are reflected in the accompanying financial statements.

Income Tax Status - The Additional Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) of the Internal Revenue Code. Accordingly, the Additional Plan is tax-exempt and is not subject to the provisions of ERISA.

3. CASH AND INVESTMENTS

Investment Committee - The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MTA Defined Benefit Pension Plan Board adopted asset allocation policy, which includes assets of the Additional Plan, as of December 31, 2024.

Asset Class	Target Strategic Asset Allocation	Allocation Range	Benchmark Index
Total Equity	50.0%	40.0% -60.0%	
Domestic Large Cap Equity	23.0%	18.0%-28.0%	S&P 500 Index
Domestic Small/Mid Cap Equity	4.5%	0%-9.5%	Russell 2000 Index
Developed International Equity	10.5%	5.5%-15.5%	MSCI EAFE
Emerging Markets Large Cap Equity	3.0%	0%-0.8.0%	MSCI Emerging Markets
Emerging Markets Small Cap Equity	1.0%	0%-6.0%	MSCI Emerging Markets Small Cap
Private Equity	8.0%	3.0%-13.0%	C/A Global All PE (Qtr Lag)
Total Fixed Income	31%	21.0% -41.0%	
US TIPS	2.0%	0%-7.0%	Bloomberg US TIPS
US Treasury Bonds	2.0%	0%-7.0%	Bloomberg US Treasury
US Aggregate Bonds	15.5%	10.5%-20.5%	Bloomberg US Aggregate
US High Yield	3.5%	0%-8.5%	ICE BofA US High Yield
Private Debt	8.0%	3.0%-13.0%	50% CS Leveraged Loan/50% ICE BofA Euro HY Constrained
Total Real Assets	11.0%	1.0% -21.0%	
Public Real Assets	3.0%	0%-8.0%	SSgA Real Assets Index
Private Real Assets - Natural Resources/Infrastructure	3.0%	0%-8.0%	CPI + 3.0%
Private Real Estate - Core/Non-Core	5.0%	0%-10.0%	NCREIF Property Index (Qtr Lag)
Total Multi-Asset	8.0%	3.0% -13.0%	
Hedge Funds	8.0%	3.0%-13.0%	HFRI Fund of Funds Index

Investment Objective - The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return with prudent levels of risk through a combination of income and capital appreciation.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All investment managers shall be registered advisors under the Investment Advisors Act of 1940.

The Strategic Asset Allocation targets and permissible ranges for eligible asset classes of the Plan are detailed within the Investment Policy Statement (“IPS”). Full discretion, within the parameters of the IPS and in any individual investment policy associated with that allocation, is granted to the Investment Managers regarding the selection of securities and the timing of transactions. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement (“IMA”). Should there be conflicts between the IPS and the IMA, the manager guidelines set forth in the IMA supersede the general guidelines in this Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle’s offering documents and any applicable side letter agreements. Should there be conflicts, the individual vehicle’s investment guidelines supersede the general guidelines in the IPS.

Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

- The compliance of each investment manager with the guidelines as expressed herein.
- The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Investment Managers - Investment managers are governed by the provisions described in the IPS. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities, such as:

- Domestic fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Bloomberg Barclays US Aggregate Bond Index represents the opportunity set for intermediate-term investment grade bonds traded in the United States
- International fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed market bonds. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging market bonds denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging market bonds denominated in local currency.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Equity Investment Managers - Investment managers are governed by the provisions described in the IPS. The equity portion of the Additional Plan's assets shall be invested in marketable securities, such as:

- Domestic equity securities, subject to the guidelines. Generally defined, the Standard & Poor's 500 and the Russell 3000 Index represents the opportunity set for the Large Cap and Small Cap equities traded in the United States.
- International equity securities, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for equities traded in international developed markets. The Morgan Stanley Emerging Markets Index represents the opportunity set for equities traded in international emerging markets.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Overlay Managers - For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Committee may retain an overlay manager(s). The overlay manager may use exchange traded futures contracts, Treasuries, and/or Exchange-Traded Funds (ETFs) to expose the cash to the Policy Target Allocation.

In addition, the overlay manager may be utilized for the following:

- Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
- Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
- Invest excess cash into highly liquid short-term investments
- Provide the market (or “beta”) exposures in a portable alpha program.
- The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers - Alternative investments allow the Plan to expand the opportunity set beyond public markets and can be used to enhance overall Plan returns and diversify risk.

Alternative investments are broadly categorized into the following categories:

- Private fixed income
- Real assets
- Real estate
- Absolute return or Hedge Funds
- Private equity
- Venture Capital

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

Derivatives Policy – Where appropriate, investment managers may use derivative securities for the following reasons:

- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.
- Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.
- Management of Country and Asset Allocation Exposure. Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.
- Additional uses of derivatives shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments - Unless specifically approved by the Committee or set forth in the individual investment guidelines of a particular allocation, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts. These are:

- Privately-placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,

- Investments in Russian securities,
- Investments in any securities issued by the Metropolitan Transportation Authority or any of its affiliates,
- Commodities,
- Naked Short sales and short sales not acting as a hedge, and
- Direct investments in private placements, real estate, oil and gas and venture capital.

Investment Valuation - Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered and held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Risks and Uncertainties - The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2024 and 2023:

LIRRD Additional Pension Plan
Investments measured by fair value level
(In thousands)

	2024			
	December 31, 2024	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 149,437	149,437	-	-
Separate account small-cap equity funds	40,329	40,329	-	-
Separate account small-Real Estate Investments Trusts	5,951	5,951	-	-
Separate account - International equity funds	21,730	21,730	-	-
Total equity investments	217,447	217,447	-	-
Debt Securities				
Mutual fund	8,768	8,768	-	-
Separate account - opportunistic credit/Private debt	7,615	-	7,615	-
Separate account debt funds	99,400	-	99,400	-
Total debt investments	115,783	8,768	107,015	-
Total investments by fair value	\$ 333,230	226,215	107,015	-

LIRRD Additional Pension Plan
Investments measured at NAV
(In thousands)

	2024			
	December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Comingled international equity funds	\$ 56,769	\$ -	Daily	None
Comingled emerging market equity funds	28,382	-	Daily, monthly	None
Total equity investments measured at the NAV	85,151	-		
Debt Securities				
Comingled debt funds	51,329	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	51,329	-		
Absolute return:				
Direct lending	12,939	8,905	Bi-annually	60 plus days
Distressed securities	1,135	-	Not eligible	N/A
Credit long	6,109	-	Quarterly	3-30 days
Event Driven		185	Quarterly	3-60 days
Hedge Funds of funds	50,312	-	Quarterly	70 days
Total absolute return measured at the NAV	70,495	9,090		
Venture capital	52	747	Not eligible	N/A
Private equity - private equity partnerships	47,516	28,656	Not eligible	N/A
Comingled real estate funds	93,744	7,202	Not eligible	N/A
Real assets:				
Energy	6,565	4,857	Not eligible	N/A
Infrastructure	1,206	6,313	Not eligible	N/A
Shipping	9	83	Not eligible	N/A
Total real assets measured at the NAV	7,780	11,253		
Short term investments measured at the NAV	20,811	-		
Total investments measured at the NAV	\$ 376,878	\$ 56,948		
Total investments	\$ 710,108			

LIRRD Additional Pension Plan
Investments measured by fair value level
(In thousands)

	2023			
	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 106,917	106,917	-	-
Separate account small-cap equity funds	40,703	40,703	-	-
Separate account small-Real Estate Investments Trusts	6,168	6,168	-	-
Separate account - International equity funds	22,137	22,137	-	-
Total equity investments	175,925	175,925	-	-
Debt Securities				
Mutual fund	23,499	23,499	-	-
Separate account - opportunistic credit/Private debt	7,605	-	7,605	-
Separate account debt funds	49,068	-	49,068	-
Total debt investments	80,172	23,499	56,673	-
Total investments by fair value	\$ 256,097	199,424	56,673	-

LIRRD Additional Pension Plan
Investments measured at NAV
(In thousands)

	2023			
	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Comingled large cap equity funds	\$ 34,783	\$ -	Daily	None
Comingled international equity funds	54,245	-	Daily	None
Comingled emerging market equity funds	28,714	-	Daily, monthly	None
Total equity investments measured at the NAV	117,742	-		
Debt Securities				
Comingled debt funds	84,481	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	84,481	-		
Absolute return:				
Direct lending	12,196	9,781	Bi-annually	60 plus days
Distressed securities	2,301	-	Not eligible	N/A
Credit long	5,993	-	Quarterly	3-30 days
Hedge Funds of funds	45,391	-	Quarterly	70 days
Event driven	29	201	Quarterly, Bi-annually	60-120 days
Risk parity	13,444	-	Monthly	3-30 days
Total absolute return measured at the NAV	79,354	9,982		
Venture capital	8	870	Not eligible	N/A
Private equity - private equity partnerships	44,930	24,006	Not eligible	N/A
Comingled real estate funds	96,725	-	Not eligible	N/A
Real assets:				
Energy	7,950	3,677	Not eligible	N/A
Infrastructure	1,119	6,687	Not eligible	N/A
Shipping	377	90	Not eligible	N/A
Total real assets measured at the NAV	9,446	10,454		
Short term investments measured at the NAV	23,122	-		
Total investments measured at the NAV	\$ 455,808	\$ 45,312		
Total investments	\$ 711,905			

Concentration of Credit Risk—Individual investments held by the Additional Plan that represent 5% or more of the Additional Plan’s net assets available for benefits at December 31, 2024 and 2023 is as follows:

(Amount in thousands)

	2024	2023
Investments at fair value as determined by quoted market prices:		
JPMCB Strategic Property Fund	\$ 71,720	\$ 72,981
Blackrock Hedge Index	41,279	39,363
Rhumblin Core Bond	-	47,672
Rhumblin Large Cap Equity	110,459	81,180
Independent Franchise Partners	38,978	-

Credit Risk - The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2024 and 2023:

(Amount in thousands)	2024	Percentage of	2023	Percentage of
Quality Rating—S&P	Fair Value	Fixed Income Portfolio	Fair Value	Fixed Income Portfolio
AAA	\$ 4,754	4.57 %	\$ 2,972	5.44 %
AA	17,801	17.13	8,405	15.38
A	3,860	3.71	2,576	4.70
BBB	12,653	12.18	8,977	16.43
BB	4,512	4.34	1,484	2.72
B	8,577	8.25	4,456	8.16
CCC	3,203	3.08	1,796	3.29
Not rated	<u>9,311</u>	<u>8.96</u>	<u>7,917</u>	<u>14.49</u>
Total credit risk debt securities	64,671	62.23	38,583	70.62
U.S. Government bonds*	<u>39,249</u>	<u>37.77</u>	<u>16,055</u>	<u>29.38</u>
Total fixed income securities	<u>\$ 103,920</u>	<u>100.00 %</u>	<u>\$ 54,638</u>	<u>100.00 %</u>
Other securities not rated — equity, international funds and foreign corporate bonds	<u>606,188</u>		<u>657,267</u>	
Total investments	<u>\$ 710,108</u>		<u>\$ 711,905</u>	

* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have a credit risk.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Additional Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the

securities are uninsured, are not registered in the name of the Additional Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Additional Plan's name.

Consistent with the Additional Plan's trust custodial administration agreement, the investments are held by the Additional Plan's custodian and registered in the Additional Plan's name.

Interest Rate Risk Exceptions - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice-versa. Duration is an indicator of bond price's sensitivity to 100-basis point change in interest rates. The lengths of investment maturities (in years), as of December 31, 2024 and 2023 is as follows:

Investment Fund (In thousands)	2024		2023	
	Fair Value	Duration	Fair Value	Duration
JP Morgan Chase	\$ 103,920	5.12	\$ 54,638	4.92
Total fixed income securities	103,920		54,638	
Portfolio modified duration		5.12		4.92
Investments with no duration reported	<u>606,188</u>		<u>657,267</u>	
Total investments	<u>\$ 710,108</u>		<u>\$ 711,905</u>	

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Each investment manager, through the purchase of units in a commingled investment trust fund or international equity mutual fund establishes investments in international equities. The Additional Plan also holds investments in American Depositary Receipts ("ADRs"), which are denominated in US dollars and accounted for at fair value.

In addition, the Plan has investments in foreign stocks denominated in foreign currencies. The Plan's foreign currency exposures as of December 31, 2024 and 2023 are as follows (amounts in U.S. dollars, in thousands):

Foreign Currency Holdings in US \$	December 31, 2024	December 31, 2023
Euro	692	-
Japanese (Yen)	1,341	-
Swiss Franc	1,943	-
United Kingdom (GBP)	<u>2,363</u>	<u>-</u>
Total	<u>\$ 6,339</u>	<u>-</u>

Additional Information - The Additional Plan is part of the MTA Master Trust of which the Additional Plan participates on a percentage basis. JP Morgan Chase is the trustee of the MTA Master Trust. The percentage of the Additional Plan ownership for the year ended December 31, 2024 and 2023 was 8.16% and 8.88%, respectively.

(In thousands)	December 31, 2024		December 31, 2023	
	Master Trust Total	Additional Plan	Master Trust Total	Additional Plan
Total Investments:				
Investments measured at readily determined fair value	\$ 4,083,505	\$ 333,230	\$ 2,884,644	\$ 256,097
Investments measured at the net asset value	<u>3,739,494</u>	<u>305,157</u>	<u>4,312,124</u>	<u>382,828</u>
Total investments measured at fair value	<u>\$ 7,822,999</u>	<u>\$ 638,387</u>	<u>\$ 7,196,768</u>	<u>\$ 638,925</u>

There is an additional investment which resides outside of the Master Trust which is presented within these financial statements.

4. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2024 and 2023 was as follows (in thousands):

	2024	2023
Total pension liability	\$ 1,143,000	\$ 1,200,887
Fiduciary net position	<u>709,626</u>	<u>711,781</u>
Net pension liability	<u>\$ 433,374</u>	<u>\$ 489,106</u>
Fiduciary net position as a percentage of the total pension liability	<u>62.08 %</u>	<u>59.27 %</u>

Actuarial Methods and Assumptions - The total pension liability as of December 31, 2024 and 2023 was determined by an actuarial valuation date of January 1, 2024 and 2023, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Discount Rate - The discount rate used to measure the total liability as of December 31, 2024 and 2023 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan in 2024 and 2023, calculated using the discount rate of 6.50%; as

well as what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
2024 (In thousands)			
Net pension liability	<u>\$ 518,085</u>	<u>\$ 433,374</u>	<u>\$ 359,091</u>
2023 (In thousands)			
Net pension liability	<u>\$ 579,748</u>	<u>\$ 489,106</u>	<u>\$ 409,805</u>

Additional information of the latest actuarial valuation follows:

Valuation date	January 1, 2024
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year. For 2023 - 2024, discounts reflect timing of prepaid contributions.
Actuarial cost method	Entry age normal.
Amortization method	Period specified in current valuation report (closed 9-year period beginning January 1, 2024) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.5%, net of investment expenses
Projected salary increases	3.0%
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Valuation date	January 1, 2023
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Entry age normal.
Amortization method	Period specified in current valuation report (closed 10-year period beginning January 1, 2023) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.5%, net of investment expenses
Projected salary increases	3.0%
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Calculation on Money-Weighted Rate of Return - The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

2024 - Schedule of Calculations of Money-Weighted Rate of Return
(Amounts in thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning value—January 1, 2024	\$ 711,781	12.00	1.00	\$ 771,636
Monthly net external cash flows:				
January	(11,222)	12.00	1.00	(12,166)
February	(1,360)	11.00	0.92	(1,465)
March	(1,360)	10.00	0.83	(1,455)
April	(1,360)	9.00	0.75	(1,445)
May	(1,360)	8.00	0.67	(1,436)
June	(1,360)	7.00	0.58	(1,425)
July	(1,360)	6.00	0.50	(1,416)
August	(8,591)	5.00	0.42	(8,887)
September	(8,591)	4.00	0.33	(8,823)
October	(8,591)	3.00	0.25	(8,766)
November	(8,591)	2.00	0.17	(8,710)
December	(5,960)	1.00	0.08	<u>(6,016)</u>
Ending Value—December 31, 2024				<u>\$ 709,626</u>
Money—Weighted Rate of Return	<u>8.41 %</u>			

2023 - Schedule of Calculations of Money-Weighted Rate of Return
(Amounts in thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning value—January 1, 2023	\$ 652,398	12.00	1.00	\$ 706,229
Monthly net external cash flows:				
January	(11,610)	12.00	1.00	(12,568)
February	128,790	11.00	0.92	138,535
March	(11,610)	10.00	0.83	(12,400)
April	(11,610)	9.00	0.75	(12,321)
May	(11,610)	8.00	0.67	(12,243)
June	(11,610)	7.00	0.58	(12,156)
July	(11,610)	6.00	0.50	(12,080)
August	(11,610)	5.00	0.42	(12,003)
September	(11,610)	4.00	0.33	(11,918)
October	(11,610)	3.00	0.25	(11,842)
November	(11,610)	2.00	0.17	(11,768)
December	(11,610)	1.00	0.08	<u>(11,684)</u>
Ending Value—December 31, 2023				<u>\$ 711,781</u>
Money—Weighted Rate of Return	<u>8.25 %</u>			

Calculation on Long-Term Expected Rate of Return - The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2024 and 2023.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2024

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	15.50%	2.36%
US Treasury Bonds	Bloomberg US Treasury	2.00%	1.85%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.93%
US High Yield Bonds	ICE BofA US High Yield	3.50%	4.04%
Private Credit	CDL Index	8.00%	6.48%
US Large Cap Equity	S&P 500	23.00%	5.33%
US Small Cap Equity	Russell 2000	4.50%	6.82%
Foreign Developed Equity	MSCI EAFE NR	10.50%	6.91%
Emerging Market Equity	MSCI EM NR	3.00%	9.29%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.00%	9.62%
Private Real Estate Property	NCREIF Property	5.00%	5.93%
Private Equity	Cambridge Private Equity	8.00%	10.37%
Infrastructure - Public	S&P Global Infrastructure	3.00%	5.92%
Commodities	Bloomberg Commodity	3.00%	3.38%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	8.00%	4.13%
Assumed Inflation - Mean			2.30%
Assumed Inflation - Standard Deviation			1.46%
Portfolio Nominal Mean Return			7.77%
Portfolio Standard Deviation			12.25%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.65%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Cap Equity	S&P 500	18.00%	5.38%
US Small Cap Equity	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
Assumed Inflation - Mean			2.31%
Assumed Inflation - Standard Deviation			1.44%
Portfolio Nominal Mean Return			7.92%
Portfolio Standard Deviation			12.47%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

5. CONTRIBUTIONS

Employer contributions are actuarially determined on an annual basis and are recognized when due. The Additional Plan is a governmental plan and accordingly, is not subject to the funding and other requirements of ERISA.

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2024 and 2023), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2024 and 2023).

The Company performs a public service of providing essential passenger transportation between New York City and Long Island. Substantial deficits result from providing these services and the Company expects that such deficits will continue in the foreseeable future. Funding for the Additional Plan by the Company is provided by MTA, which obtains the required funds from New York State, federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the Company on a discretionary basis. The continuance of the Company's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

6. ACTUARIAL METHODS AND ASSUMPTIONS

A. ACTUARIAL VALUATION METHOD

The Plan's actuarial cost method is the Entry Age Normal method. Under this method, a projected benefit is determined at each active participant's assumed retirement age assuming future compensation increases. The plan's normal cost is the sum of each active participant's annual cost for the current year of service determined such that, if it were calculated as a level percentage of compensation each year, it would accumulate at the valuation interest rate over his total prior and future years of service to the assumed retirement date into an amount sufficient to fund the projected benefit. The plan's accrued liability is the (a) present value of each active participant's benefits plus (b) the present value of each inactive participant's future benefits, less (c) the present value of each active participant's normal costs attributable to all future years of service.

B. ASSET VALUATION METHOD

The Asset Valuation method smooths gains and losses over a 5-year period. The formula for the asset valuation method is as follows:

$$\text{Actuarial Value of Assets} = MV_t - 0.8*UR_1 - 0.6*UR_2 - 0.4*UR_3 - 0.2*UR_4$$

Where:

MV_t = Market Value of assets as of the valuation date.

UR_n = Unexpected return during the nth year preceding the valuation date. The unexpected return for a year equals the total investment return minus the total expected return. The total expected return equals the market value of assets at the beginning of the year plus the weighted net cash flow during the year multiplied by the expected rate of return.

The resulting value cannot be less than 80% or greater than 120% of the market value of assets.

C. ACTUARIAL ASSUMPTIONS

The assumptions described below were primarily determined based on an experience analysis covering the period from January 1, 2006 to December 31, 2011, with certain economic assumptions modified subsequently based on an experience analysis covering the period from January 1, 2012 to December 31, 2017. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020.

Interest - 6.50% per annum, compounded annually, net of investment expenses.

Salary Scale – Valuation compensation is assumed to increase 3.00% per year.

Valuation Compensation - The valuation compensation is equal to the annualized base salary as of December 31, 2023 as provided by MTA, projected six months at the assumed rate of salary increase.

Overtime/Unused Vacation Pay - Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.

Railroad Retirement Wage Base - 3.25% per year.

Consumer Price Index - 2.25% per year.

Provision for Expenses - Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years reported administrative expenses and are assumed payable in the middle of the plan year.

Termination - Withdrawal rates vary by age. Illustrative rates are shown below:

Age	Rate	Age	Rate
20	2.12 %	45	0.96 %
25	1.64	50	0.80
30	1.44	55	0.60
35	1.36	60	0.00
40	1.16	65	0.00

Terminated vested participants are assumed to retire upon first eligibility or attained age, if later.

Retirement - Assumed retirement age varies by year of eligibility.

Eligibility Period	Rate of Retirement
First year	40 %
Years 2–4	33
Year 5	37
Years 6–7	35
Years 8–9	33
Years 10–15	55
Years 16 and above	100

Mortality - Preretirement and postretirement annuitant rates are projected on a generational basis using Scale MP-2021. As a generational table, it reflects mortality improvements both before and after the measurement date.

- **Preretirement:** Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.
- **Postretirement:** Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.

Marriage - 80% of employees are assumed to be married with wives 3 years younger than husbands.

Interest on Employee Contributions - Assumed to be 3.5% per year for future years.

Railroad Offset - The Railroad offset at retirement is based on the sum of Tier 1 and Tier 2 Railroad benefits net of Social Security benefits, and is estimated for active members, current retirees under age 65, and current beneficiaries of members under age 65. The offsets for Railroad Retirement benefits are assumed to occur at the member's age of 65. The estimated benefits are based on a member's compensation at retirement. For inactive participants, compensation is estimated based on the benefit provided and estimated service at retirement. For the Tier 1 offset, the Primary Insurance Amount assumes that an individual would continue to earn compensation at the level in effect at his date of termination until attaining eligibility for Railroad benefits and is further increased by 2% per year from the date of termination to age 65. In addition, the estimated Tier 1 offset for inactive members currently less than age 65 is reduced by 10% to reflect, on average, the adjustment for Social Security benefits.

Benefits Not Valued - Disability benefits since all active plan participants are eligible for retirement. COVID-19 Accidental Death Benefit is assumed to have an insignificant cost.

D. CHANGES IN ACTUARIAL ASSUMPTIONS – None.

7. PLAN TERMINATION

While the Company expects to continue the Additional Plan indefinitely, it may, subject to its collective bargaining agreements, amend, restrict, or terminate the Additional Plan at any time. In the event of termination, all participants will become fully vested to the extent of their then accrued benefits based on their compensation and service up to the date of termination. The net assets of the Additional Plan will be allocated to provide benefits in accordance with the disposition of the Additional Plan assets in a prescribed manner as defined in the Additional Plan document.

8. COMMINGLING OF PENSION ASSETS FOR INVESTMENT PURPOSES

On July 26, 2006, the MTA Board passed a resolution to transfer the responsibilities for the administration of the Additional Plan to the MTA Defined Benefit Pension Plan (“MTA DB”) with no changes in the pension and death benefits and appeal rights provided by the Additional Plan. The trust agreement under the Additional Plan was replaced by the MTA Master Trust Agreement, which allows for the commingling of pension assets for investment purposes under the management of the MTA DB’s Board of Managers of Pensions. The Additional Plan and Trust Agreements were amended in September 2006 and all Plan assets were commingled into the MTA Master Trust for investment purposes, effective October 2, 2006.

9. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is the custodian of plan assets and provides cash receipt and disbursement services to the Additional Plan. NEPC (formerly New England Pension Consultants) reviews the Additional Plan’s portfolio, the investment policies as stipulated by the Investment Committee and the performance of the Investment Managers. Actuarial services were provided to the Additional Plan by Milliman Inc.

10. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through August 7, 2025, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2024. As of August 7, 2025, there were no subsequent events that required recognition or disclosure.

REQUIRED SUPPLEMENTAL SCHEDULES

THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS

SCHEDULE I

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND
RELATED RATIOS

(In thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 71	\$ 81	\$ 146	\$ 260	\$ 453	\$ 621	\$ 1,057	\$ 1,874	\$ 2,752	\$ 3,441
Interest	73,782	77,391	81,371	83,489	86,918	93,413	97,611	101,477	104,093	106,987
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,054	3,362	(1,347)	3,729	10,428	13,455	213	1,890	15,801	6,735
Changes of assumptions	-	-	-	26,300	-	50,191	-	-	-	-
Benefit payments and withdrawals	(133,794)	(138,824)	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)
Net change in total pension liability	(57,887)	(57,990)	(63,594)	(34,852)	(54,247)	426	(60,684)	(54,476)	(35,947)	(39,908)
Total pension liability—beginning	1,200,887	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159
Total pension liability—ending (a)	1,143,000	1,200,887	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251
Plan fiduciary net position:										
Employer contributions	74,957	140,400	70,763	70,553	68,724	62,774	59,500	76,523	81,100	100,000
Non-Employer contributions	-	-	-	-	-	-	-	145,000	70,000	-
Member contributions	45	50	51	73	140	249	333	760	884	1,108
Net investment income	57,552	58,303	(51,214)	95,247	4,024	116,092	(31,098)	112,614	58,239	527
Benefit payments and withdrawals	(133,794)	(138,824)	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)
Administrative expenses	(915)	(546)	(761)	(610)	(612)	(718)	(1,180)	(1,070)	(611)	(1,218)
Net change in plan fiduciary net position	(2,155)	59,383	(124,925)	16,633	(79,771)	21,143	(132,010)	174,110	51,019	(56,654)
Plan fiduciary net position—beginning (*)	711,781	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852
Plan fiduciary net position—ending (b)	709,626	711,781	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198
Employer's net pension liability—ending (a)-(b)	\$ 433,374	\$ 489,106	\$ 606,479	\$ 545,148	\$ 596,633	\$ 571,110	\$ 591,827	\$ 520,501	\$ 749,087	\$ 836,053
Plan fiduciary net position as a percentage of the total pension liability	62.08 %	59.27 %	51.82 %	58.78 %	56.04 %	59.54 %	58.06 %	64.64 %	50.92 %	46.48 %
Covered-employee payroll	\$ 1,802	\$ 1,972	\$ 2,043	\$ 1,995	\$ 3,509	\$ 5,210	\$ 7,894	\$ 11,046	\$ 18,216	\$ 25,712
Employer's net pension liability as a percentage of covered-employee payroll	24,049.59 %	24,802.52 %	29,685.69 %	27,330.07 %	17,001.65 %	10,961.80 %	7,496.90 %	4,711.97 %	4,112.20 %	3,251.65 %

(*) 2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values

**THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS**

SCHEDULE II

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31
(In thousands)**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 82,382	\$ 100,000	\$ (17,618)	\$ 25,712	388.93 %
2016	\$ 83,183	\$ 151,100	\$ (67,917)	\$ 18,216	829.48 %
2017	\$ 76,523	\$ 221,523	\$ (145,000)	\$ 11,046	2,005.39 %
2018	\$ 59,196	\$ 59,500	\$ (304)	\$ 7,894	753.71 %
2019	\$ 62,774	\$ 62,774	\$ -	\$ 5,210	1,204.87 %
2020	\$ 68,723	\$ 68,724	\$ (1)	\$ 3,509	1,958.35 %
2021	\$ 70,553	\$ 70,553	\$ -	\$ 1,995	3,537.06 %
2022	\$ 70,764	\$ 70,764	\$ -	\$ 2,043	3,463.73 %
2023	\$ 72,666	\$ 140,400	\$ (67,734)	\$ 1,972	7,119.68 %
2024	\$ 73,752	\$ 74,957	\$ (1,205)	\$ 1,802	4,159.66 %

* Employer contributions include amounts from both employer and non-employer contributing entities.

** For 2023, the MTA made contributions equal to the 2023 Actuarially Determined Contribution plus an estimated amount of the 2024 Actuarially Determined Contribution.

*** For 2024, MTA made contributions towards the 2025 actuarially determined contribution.

**THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS**

SCHEDULE II (Continued)

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method
Amortization method	Period specified in current valuation report (closed 9-year period from January 1, 2024) with level dollar payments.	Period specified in current valuation report (closed 10-year period from January 1, 2023) with level dollar payments.	Period specified in current valuation report (closed 11-year period from January 1, 2022) with level dollar payments.	Period specified in current valuation report (closed 12-year period from January 1, 2021) with level dollar payments.	Period specified in current valuation report (closed 13-year period from January 1, 2020) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.5% for 2024, per annum, net of investment expenses	Net rate of 6.5% for 2023, per annum, net of investment expenses	Net rate of 6.5% for 2022, per annum, net of investment expenses	Net rate of 6.5% for 2021, per annum, net of investment expenses	Net rate of 6.5% for 2020, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Railroad retirement wage base	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.25% per year
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year	3.0% per year	3.0% per year	3.0% per year
Overtime	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.
Provision for expenses	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.

**THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS**

SCHEDULE II (concluded)

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method
Amortization method	Period specified in current valuation report (closed 14-year period from January 1, 2019) with level dollar payments.	Period specified in current valuation report (closed 15-year period from January 1, 2018) with level dollar payments.	Period specified in current valuation report (closed 16-year period from January 1, 2017) with level dollar payments.	Period specified in current valuation report (closed 17-year period from January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 18-year period from January 1, 2015) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.5% for 2019, per annum, net of investment expenses	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses
Inflation	2.25% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Railroad retirement wage base	3.25% per year	3.5% per year	3.5% per year	3.5% per year	3.5% per year
Mortality	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year	3.0% per year	3.0% per year	3.0% per year
Overtime	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.
Provision for expenses	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	\$650,000 is added to the normal cost to account for administrative expenses paid by plan assets throughout the year.

**THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS**

SCHEDULE III

**SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED DECEMBER 31**

The following table displays annual money-weighted rate of return, net of investment expense.

Year Ended December 31	Net Money-Weighted Rate of Return
2015	0.07 %
2016	8.11 %
2017	13.38 %
2018	(3.49)%
2019	15.23 %
2020	0.51 %
2021	13.37 %
2022	(7.00)%
2023	8.25 %
2024	8.41 %

* The Net Money-Weighted Rate of Return was revised from 0.39% to 0.51%, based on subsequent information received for the Plan's Private Market investments fourth quarter, in the first year of the adoption of GASB 84.