Metro-North Commuter Railroad Company Cash Balance Plan

(A Fiduciary Component Unit of
the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2025 and 2024,
Supplemental Schedules, and
Independent Auditor's Report

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of Pensions of the
Metro-North Commuter Railroad Company Cash Balance Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metro-North Commuter Railroad Company Cash Balance Plan (the "Plan") as of December 31, 2025 and 2024, 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 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, 2025 and 2024, 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 Employer's 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

July 29, 2026

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

This narrative discussion and analysis of the Metro-North Commuter Railroad Company Cash Balance Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2025 and 2024. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the past two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis are intended to be read in conjunction with the Plan's financial statements which begin on page 7.

Overview of Basic Financial Statements
The following discussion and analysis are intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** present the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the 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 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.

Financial Highlights

The Plan is a single employer, defined benefit pension plan. The Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined Metro-North Commuter Railroad Company ("MNCR") as management employees between January 1 and June 30, 1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the Plan was closed to new participants. The assets of the Management Plan have been merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees as of the asset transfer date of July 14, 1995.

Financial Analysis

Fiduciary Net Position
December 31, 2025, 2024, and 2023
(Dollars in thousands)

				Increase/(Decrease)	
	2025	**2024**	**2023**	**2025-2024**	**2024-2023**
Investments, at fair value	$ 228	$ 266	$ 265	$ (38)	$ 1
Accrued interest	-	-	1	-	(1)
Total assets	228	266	266	(38)	-
Benefits Payable	$ -	17	13	(17)	4
Expenses Payable	8	-	-	8	-
Total liabilities	8	17	13	(9)	4
Net position - restricted for pensions	$ 220	$ 249	$ 253	$ (29)	$ (4)

December 31, 2025 versus 2024

Investments at December 31, 2025 were $228 thousand, a decrease of $38 thousand from 2024. The decrease is the result of lower plan contributions net of benefit payments and expenses.

Net position restricted for pensions at December 31, 2025 was $220 thousand, a decrease of $29 thousand from 2024 as a result of the changes noted above.

December 31, 2024 versus 2023

Investments at December 31, 2024 were $266 thousand, an increase of $1 thousand from 2023. The increase is the result of investment activity and plan contributions net of benefit payments and expenses.

Total liabilities at December 31, 2024 were $17 thousand, an increase of $4 thousand from 2023. The increase is due to accrued plan benefits payable in 2024.

Net position restricted for pensions at December 31, 2024 was $249 thousand, a decrease of $4 thousand from 2023 as a result of the changes noted above.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2025, 2024 and 2023
(Dollars in thousands)

	2025	2024	2023	Increase/(Decrease) 2025-2024	Increase/(Decrease) 2024-2023
Additions:					
Net investment income/(loss)	$ 10	$ 8	$ 2	$ 2	$ 6
Employer contributions	17	22	13	(5)	9
Total additions / (subtractions)	27	30	15	(3)	15
Deductions:					
Benefits paid to participants	32	34	41	(2)	(7)
Administrative Expenses	23	-	-	23	-
Total deductions	56	34	41	22	(7)
Net decrease in net position	(29)	(4)	(26)	(25)	22
Net position-restricted for pensions:					
Beginning of year	249	253	279	(4)	(26)
End of year	$ 220	$ 249	$ 253	$ (29)	$ (4)

Changes in FIDUCIARY Net Position
The Plan is a closed Plan and does not have active members as of January 1, 2025. Investments are primarily in a Money Market Mutual fund as at December 2025. As of November 2023, the Plan held investments in bonds and asset backed securities to minimize exposure to market fluctuations. In December 2023, the Plan liquidated the portfolio's bond investments for a Money Market Mutual fund. The net position is held in trust for the payment of future benefits to members and beneficiaries.

December 31, 2025 versus 2024

Net investment income increased by $2 thousand in 2025 from net investment gains of $10 thousand in 2025 versus net investment gain of $8 thousand in 2024.

The Actuarially Determined Contributions ("ADC") of $17 thousand for 2025 and $22 thousand for 2024 were paid in 2025 and 2024, respectively.

Benefit payments decreased by $2 thousand in 2025 when compared with the increase of $7 in 2024, primarily due to retroactive payments to a beneficiary in 2024.

There were no securities disbursed in-kind in 2025.

December 31, 2024 versus 2023

Net investment income increased by $6 thousand in 2024 from net investment gains of $8 thousand in 2024 versus net investment gain of $2 thousand in 2023.

The Actuarially Determined Contributions ("ADC") of $22 thousand for 2024 and $13 thousand for 2023 were paid in 2024 and 2023, respectively.

Benefit payments decreased by $7 thousand in 2024 when compared with the increase of $8 in 2023, primarily due to retroactive payments to a beneficiary in 2023.

There were no securities disbursed in-kind in 2024.

Investments

The table below summarizes the Plan's investment allocations and investment returns.

Investment Summary
(Dollars in thousands)

Type of Investment	Fair Value	Allocation	Current Year Return
December 31, 2025			
Short-term investments	$ 228	100.0 %	4.2 %
Total	$ 228	100.0 %	4.2 %
December 31, 2024			
Short-term investments	$ 266	100.0 %	3.1 %
Total	$ 266	100.0 %	3.1 %
December 31, 2023			
Short-term investments	$ 265	100.0 %	5.0 %
Total	$ 265	100.0 %	5.0 %

Contact Information

This financial report is designed to provide a general overview of the Metro-North Commuter Railroad Company Cash Balance Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deputy Chief, Controller's Office, Metropolitan Transportation Authority, 2 Broadway, 15th Floor, New York, NY 10004.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS:		
Investments—at fair value—short-term investments	$ 227,801	$ 265,643
Total investments	227,801	265,643
Accrued interest	705	494
Total assets	228,506	266,137
LIABILITIES:		
Benefits payable	-	17,413
Expenses payable	8,371	-
Total liabilities	8,371	17,413
NET POSITION—Restricted for pensions	$ 220,135	$ 248,724

See notes to financial statements.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
ADDITIONS:		
Investment income—interest	$ 9,618	$ 7,576
Total investment income	9,618	7,576
Contributions—employer	17,322	22,354
Total additions	26,940	29,930
DEDUCTIONS:		
Administrative expenses	(23,071)	-
Benefits paid to participants	(32,458)	(34,191)
Total deductions	(55,529)	(34,191)
NET DECREASE IN NET POSITION	(28,589)	(4,261)
NET POSITION—Restricted for pensions:		
Beginning of year	248,724	252,985
End of year	$ 220,135	$ 248,724

See notes to financial statements.

1. PLAN DESCRIPTION

The following description of the Metro-North Commuter Railroad Company Cash Balance Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General—The Plan is a single employer, defined benefit pension plan administered by Metro-North Commuter Railroad ("MNCR"). The Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined MNCR as management employees between January 1 and June 30,1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the Plan was closed to new participants. The assets of the Management Plan have been merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees as of the asset transfer date of July 14, 1995. The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(a) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974.

Plan Administration—The MTA Board of Trustees shall appoint a Board of Managers of Pensions consisting of five individuals who may, but need not, be officers or employees of the company. The members of the Board of Managers shall hold office at discretion of the MTA Board, each to serve until his successor is appointed. The Board of Managers shall be the agent for the service of legal process with respect to the Plan. No bond or other security is required in any jurisdiction of the Board of Managers or any member thereof except as required by law.

The Board of Managers shall control and manage the operation and administration of the Plan. It shall have all the powers that within its judgment may be necessary or appropriate for that purpose, including, but not by way of limitation, power to adopt any rules consistent with the provisions of the Plan deemed necessary to effectuate the Plan, to conduct the affairs of the Board of Managers, to administer the Plan, to interpret the Plan, to determine the eligibility, status and rights of all persons under the Plan and, in general, to decide any dispute.

Benefits Provided

Pension Benefits—Participants of the Plan obtain a nonforfeitable right to their accrued benefit upon the earlier of (a) the completion of five years of service with the MTA Metro-North Railroad or (b) the attainment of age sixty-two. Vested participants are entitled to receive pension benefits commencing at age sixty-five. Vested participants may elect to receive early retirement benefits upon the attainment of age fifty-five through age sixty-four.

Participants may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or they may elect to receive their benefits as a life annuity payable monthly from retirement. Participants may also elect to receive their pension benefits in the form of a joint and survivor annuity.

Prior to a participant's annuity commencement date, each Participant's account balance shall be increased each month by a factor, which when compounded monthly for 12 months, would produce the benefit escalator for the applicable plan year.

The benefit escalator is defined as the Pension Benefit Guaranty Corporation immediate annuity rate in effect for December of the year preceding the year for which the determination is being made.

Death Benefits—Benefits are paid to vested participants' beneficiaries in the event of a participants' death. The amount of benefits payable is the participant's account balance at the date of his or her death.

Membership—Membership of the Plan consisted of the following as of January 1, 2025 and 2024, the dates of the latest actuarial valuation:

	2025	2024
Active plan members	-	-
Retirees and beneficiaries receiving benefits	20	20
Vested formerly active members not yet receiving benefits	5	5
Total	25	25

Contributions—Funding for the Plan is provided by MNCR which is a public benefit corporation that receives funding for its operations and capital needs from the Metropolitan Transportation Authority ("MTA") and the Connecticut Department of Transportation ("CDOT"). Certain funding by MTA is made to MNCR on a discretionary basis. The continuance of funding for the Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

MNCR's funding policy with respect to the Plan was to contribute the full amount of the pension benefit obligation ("PBO") of approximately $2.977 million to the trust fund in 1989. As participants retire, distributions from the Plan have been made by the Trustee. MNCR anticipated that no further contributions would be made to the Plan. However, due to changes in actuarial assumptions and market performance, additional unfunded pension liabilities were paid to the Plan in several subsequent years. Per the January 1, 2025 valuation, the unfunded accrued liability was $16,656 and the actuarially determined contribution was $17,322. Per the January 1, 2024 valuation, the unfunded accrued liability was $21,2494 and the actuarially determined contribution was $22,354 The ADC reflects a one-year amortization of the unfunded accrued liability in accordance with the funding policy adopted by the MTA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The Plan's financial statements are prepared on the accrual basis of accounting.

Use of Management Estimates—The preparation of the Plan's 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 amounts 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 the determination of the fair value of investments, the actuarial determined contribution and the total pension liability.

Investment Valuation and Income Recognition—Fair value for the publicly traded government bonds and notes, corporate bonds and mortgage/asset backed securities represents the quoted market prices of a national securities exchange. Gains and losses on investments that were sold during the year are included in net appreciation or depreciation in fair value of investments. Interest income on the government and corporate bonds is recorded when earned. The Plan's investments are held in trust by Principal Bank (the "Trustee"), in the name of the Plan.

Benefits—Benefits are recognized when paid.

Administrative Expenses—In 2025 the Plan had administrative expenses of $23 thousand. In 2024, MNCR paid all of the Plan's administrative expenses.

Federal Income Tax Status—The Internal Revenue Service ("IRS") has determined and informed the MNCR by a letter dated January 10, 1997, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter. The MNCR believes that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

New Accounting Standards Adopted—The Plan adopted the following GASB Statements in 2025:

GASB Statement No. 102, Certain Risk Disclosures ("GASB 102"), aims to enhance financial reporting by requiring disclosure of risks associated with concentrations (lack of diversity in resource inflows or outflows) and constraints (limitations imposed by external parties or internal governance). This statement addresses the need for transparency regarding risks that could substantially affect the level of services provided by governments.

The adoption of this Statement has no material impact on the financial net position of the Metro-North Cash Balance Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	Metro-North Commuter Railroad Company Cash Balance Plan Required Year of Adoption
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026
105	*Subsequent Events*	2027

3. INVESTMENTS

A professional investment management firm manages the Plan. The Plan utilizes various investment securities including U.S. government securities and corporate debt instruments. The investment guideline is included within the investment management agreement agreed to by the MTA Board of Trustees. The guideline grants the investment manager full discretion to buy, sell, invest and reinvest the Plan's assets in domestic fixed income investments. The investment objective is to achieve consistent, positive real returns and to maximize long-term total return within prudent levels of risk through a combination of income and capital appreciation. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

The investment management firm is required to maintain a diversified portfolio. All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all state and federal statutes governing the investment of retirement funds. Securities managers must be registered advisors under the Investment Advisors Act of 1940. The investment managers must comply with the risk management guidelines per the Investment Management Agreement.

Investment managers may not purchase inverse floating rate bonds, structured notes, commodities, securities on margin, sell short, lend securities, invest in private placements, commingled funds (except Short-Term Investment Funds), real estate investments, and oil, gas & mineral exploration investments without the written consent of the Plan. The Plan did not hold any fixed-income securities in 2024.

GASB 72 Disclosure—In fiscal year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. 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 has the following recurring fair value measurements as of December 31, 2025 and 2024:

Metro-North Commuter Railroad Company Cash Balance Plan
Investments Measured at NAV

	2025			
	December 31, 2025	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Short-term investments measured at the NAV	227,801	N/A	N/A	N/A
Total investments measured at the NAV	227,801	N/A	N/A	N/A

Metro-North Commuter Railroad Company Cash Balance Plan
Investments Measured at NAV

	2024			
	December 31, 2024	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Short-term investments measured at the NAV	265,643	N/A	N/A	N/A
Total investments measured at the NAV	265,643	N/A	N/A	N/A

Money-Weighted Rate of Return—For the years ended December 31, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Plan were 4.20% and 3.14%, respectively.

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 beginning 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.

Credit Risk—The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2025 and 2024 respectively, are as follows:

December 31, 2025 Quality Rating	Fair Value	Percentage of Portfolio
NR	$ 227,801	100.00 %
Total credit risk debt securities	227,801	100.00 %
Total investment portfolio	$ 227,801	100.00 %

December 31, 2024 Quality Rating	Fair Value	Percentage of Portfolio
NR	$ 265,643	100.00 %
Total credit risk debt securities	265,643	100.00 %
Total investment portfolio	$ 265,643	100.00 %

Custodial Credit Risk—The Plan does not have a general policy addressing custodial risk, but it is the practice of the Plan that all investments are registered or held by the Plan or its agent in the Plan's name. Deposits are to be registered or collateralized with securities held at fiscal agents in the Plan's name.

Interest Rate Risk—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.

December 31, 2025 Investment Type	Fair Value	Percentage of Portfolio	Duration (Years)
Short-term investments	$ 227,801	100.00 %	-
Total investment	$ 227,801	100.00 %	-
Portfolio average duration			-

December 31, 2024 Investment Type	Fair Value	Percentage of Portfolio	Duration (Years)
Short-term investments	$ 265,643	100.00 %	-
Total investment	$ 265,643	100.00 %	-
Portfolio average duration			-

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. The Plan assets are invested in domestic fixed-income securities denominated in U.S. dollars and accounted for at fair value. The Plan has no exposure to foreign currency fluctuation.

4. NET PENSION LIABILITY (ASSET)

The components of the net pension liability of the employer at December 31, 2025 and 2024, for the Plan were as follows:

	2025	2024
Total pension liability	$ 242,450	$ 251,849
Plan's fiduciary net position	220,135	248,724
Employer's net pension liability	$ 22,315	$ 3,125
Plan's fiduciary net position as a percentage of the total pension liability	90.80 %	98.76 %

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year end.

Discount Rate—The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

	2025	2024
Discount rate	4.00 %	4.00 %
Long-term expected rate of return net of investment expense	4.00 %	4.00 %
Municipal bond rate	N/A	N/A

Other Key Actuarial Methods and Assumptions for the years ended December 31, 2025 and 2024 were as follows:

The actuarial assumptions that determined the total pension liability as of December 31, 2025 and 2024 was based on an experience study for the period January 1, 2018–December 31, 2023.

	2025	2024
Valuation date	January 1, 2025	January 1, 2024
Measurement date	December 31, 2025	December 31, 2024
Actuarial cost method	Unit Credit	Unit Credit
Actuarial assumptions:		
Asset valuation method	Market Value of Plan Asset	Market Value of Plan Asset
Projected salary increases	N/A	N/A
COLAs	N/A	N/A
Inflation	2.25%	2.37%
Benefit escalator	2.25% per annum, compounded annually	2.25% per annum, compounded annually
Provision for expenses	None assumed from Plan assets	None assumed from Plan assets

Age and Benefit Profile of Participants in Pay Status as of January 1, 2025:

Retired Participants and Beneficiaries:

Attained Age	**Number**	**Annual Pension**
<50	-	$ -
50–54	-	-
55–59	-	-
60–64	-	-
65–69	2	708
70–74	4	3,122
75–79	4	3,678
80–84	5	8,170
85–89	2	5,729
>90	3	12,849
Total	20	$ 34,256

Average age=80.5
Average Annual Pension=$1,713

Mortality:

Pre-Commencement—Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females, projected on a generational basis using Scale MP-2021.

Post-Commencement—Pri-2012 Retiree mortality table with the blue-collar adjustments multiplied by 97% for males and 100% for females, projected on a generational basis using Scale MP-2021. As generational tables, they reflect mortality improvements both before and after the measurement date.

The mortality assumption is based on a 2022 experience study for all the MTA plans combined.

Form of Payment for Cash Balance Account—For terminated vested participants, lump sum on the valuation date. This is based on the majority of participants electing a lump sum upon retirement.

Benefits Not Valued—The Additional Benefit was not valued as the potential liability for this benefit is de minimus.

Provision for Expenses—None assumed payable from plan assets, in accordance with anticipated plan sponsor practice.

Changes in Actuarial Assumptions Since Prior Valuation—None.

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 per Milliman's investment consulting practice as of December 31, 2025 and 2024.

Asset Class	Index	Target Allocation	2025 Long-Term Expected Real Rate of Return *	2024 Long-Term Expected Real Rate of Return *
Core Fixed Income	Bloomberg Barclays Aggregate	100.00 %	2.20 %	2.47 %
Assumed Inflation—mean			2.28	2.37
Assumed Inflation—standard Deviation			1.47	1.46
Portfolio nominal mean return			4.58	4.84
Portfolio standard deviation			4.41	4.44
Long-term expected rate of return selected by MTA			4.00	4.00

* Reflects 10-year time horizon

Sensitivity Analysis—The following presents the net pension liability of the Metro-North Commuter Railroad Company Cash Balance Plan as of December 31, 2025 and 2024, respectively, calculated using the current discount rate, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	December 31, 2025			December 31, 2024		
	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%
Net Pension Liability	$ 35,323	$ 22,315	$ 10,709	$ 17,295	$ 3,125	$ (9,479)

5. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 29, 2026, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2025. As of July 29, 2026, there were no subsequent events that required recognition or disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

SCHEDULE I

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
($ in thousands)

	2025	2024	2023	2022	2021
Total pension liability:					
Interest	$ 9	$ 10	$ 12	$ 10	$ 11
Changes of economic/demographic (gains) or losses	14	14	(19)	(6)	(11)
Changes of assumptions	-	-	-	(16)	15
Benefit payments	(32)	(34)	(41)	(33)	(38)
Net change in total pension liability	(9)	(10)	(48)	(45)	(23)
Total pension liability—beginning	252	262	310	355	378
Total pension liability—ending (a)	$ 242	$ 252	$ 262	$ 310	$ 355
Fiduciary Net Position:					
Employer contributions	$ 17	$ 22	$ 13	$ 4	$ -
Net investment income/(expense)	10	8	2	(43)	(5)
Benefit payments	(32)	(34)	(41)	(33)	(38)
Administrative expenses	(23)	-	-	-	-
Net change in plan fiduciary net position	(29)	(4)	(26)	(72)	(43)
Fiduciary net position—beginning	249	253	279	351	394
Fiduciary net position—ending (b)	220	249	253	279	351
Net pension liability—ending (a)-(b)	$ 22	$ 3	$ 9	$ 31	$ 4
Fiduciary net position as a percentage of the total pension liability	90.80 %	98.76 %	96.48 %	90.09 %	98.91 %
Covered payroll	$ -	$ -	$ -	$ -	$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This Schedule is presented to illustrate the requirement to show information for 10 years.

(Continued)

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

SCHEDULE I

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
($ in thousands)

	2020	2019	2018	2017	2016
Total pension liability:					
Interest	$ 14	$ 18	$ 20	$ 21	$ 24
Changes of economic/demographic (gains) or losses	10	4	(11)	12	(15)
Changes of assumptions	11	-	-	-	-
Benefit payments	(105)	(53)	(58)	(71)	(77)
Net change in total pension liability	(70)	(31)	(49)	(38)	(68)
Total pension liability—beginning	448	479	528	566	634
Total pension liability—ending (a)	$ 378	$ 448	$ 479	$ 528	$ 566
Fiduciary net position:					
Employer contributions	$ 9	$ -	$ 5	$ -	$ 23
Net investment income	32	40	1	20	16
Benefit payments	(105)	(53)	(58)	(71)	(77)
Administrative expenses	3	(3)	-	-	-
Net change in plan fiduciary net position	(61)	(16)	(52)	(51)	(38)
Fiduciary net position—beginning	455	471	523	574	612
Fiduciary net position—ending (b)	394	455	471	523	574
Net pension liability—ending (a)-(b)	$ 16	$ (6)	$ 8	$ 5	$ (8)
Fiduciary net position as a percentage of the total pension liability	104.20 %	101.45 %	98.28 %	99.01 %	101.39 %
Covered payroll	$ -	$ 277	$ 275	$ 268	$ 649
Net pension liability as a percentage of covered payroll	N/A	(2.35)%	3.00 %	1.95 %	(1.22)%

This Schedule is presented to illustrate the requirement to show information for 10 years.

(Concluded)

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

SCHEDULE II

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2016	22,721	22,721	-	648,524	3.50 %
2017	-	-	-	268,488	0.00 %
2018	5,444	5,444	-	274,921	1.98 %
2019	8,582	8,582	-	276,569	3.10 %
2020	-	-	-	-	N/A
2021	-	-	-	-	N/A
2022	4,463	4,463	-	-	N/A
2023	12,589	12,589	-	-	N/A
2024	22,354	22,354	-	-	N/A
2025	17,322	17,322	-	-	N/A

This Schedule is presented to illustrate the requirement to show information for 10 years.

The actual employer contribution for 2019 is the April 15, 2020 contribution that was recognized by the Plan as a receivable contribution for the 2019 plan year.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Methods and Assumptions

The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021
Measurement Date	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Valuation Timing	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.
Actuarial Cost Method	Unit Credit	Unit Credit	Unit Credit	Unit Credit	Entry age normal
Amortization Method	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method	Actuarial value equals market value	Actuarial value equals market value	Actuarial value equals market value	Actuarial value equals market value	Actuarial value equals market value
Inflation	2.25%	2.37%	2.32%	2.40%	2.25%
Salary Increases	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return	4.00%, net of investment expenses	4.00%, net of investment expenses	4.00%, net of investment expenses	4.00%, net of investment expenses	3.00%, net of investment expenses
Mortality	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015–Dec. 31, 2020 reflecting mortality improvement on a generational basis using scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015–Dec. 31, 2020 reflecting mortality improvement on a generational basis using scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015–Dec. 31, 2020 reflecting mortality improvement on a generational basis using scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015–Dec. 31, 2020 reflecting mortality improvement on a generational basis using scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015–Dec. 31, 2020 reflecting mortality improvement on a generational basis using scale MP-2021

(Continued)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Methods and Assumptions

The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Date	January 1, 2020	January 1, 2019	January 1, 2019	January 1, 2018	January 1, 2017
Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Valuation Timing	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.
Inflation	2.25%	2.5%	2.25%	2.5%	2.3%
Salary Increases	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return	3.00%, net of investment expenses	3.50%, net of investment expenses	3.50%, net of investment expenses	4.00%, net of investment expenses	4.00%, net of investment expenses
Mortality	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA

(Concluded)

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

SCHEDULE III

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

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

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2016	2.75 %
2017	3.67
2018	0.06
2019	9.01
2020	7.79
2021	(1.21)
2022	(12.95)
2023	0.75
2024	3.14
2025	4.31

This Schedule is presented to illustrate the requirement to show information for 10 years.