



## Metropolitan Transportation Authority

State of New York

December 20, 2003

A message from the Executive Director

As part of the continuing effort to provide accurate, reliable and timely financial information, the attached reflects MTA's third quarter Consolidated Financial Statements.

The report covers a nine-month period ended September 30, 2003, and compares the results to the previously audited December 31, 2003 Statements. The report provides the following information:

- Management's Discussion and Analysis
- The Independent Accountants' Review Report, and
- Basic Financial Statements, which include the
  - Balance Sheet
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flow
  - Notes to the Financial Statements
  - Supplementary Information

The statements were reviewed by Deloitte & Touche, our independent auditors, in accordance with auditing standards established by the American Institute of Certified Public Accountants. The review consisted principally of applying analytical procedures and making inquiries of staff responsible for financial and accounting matters. While the review is substantially less in scope than an audit, it is nevertheless conducted in a manner consistent with generally accepted auditing standards required in the United States. Deloitte & Touche stated that through their review, no material modifications were included in the statement. Therefore, the statements are in conformity with Generally Accepted Accounting Principles (GAAP). Notably, these procedures are consistent with those followed by private companies in issuing their quarterly statements.

For comparison purposes, it should be noted that the interim nine-month financial statements for the period ended September 30, 2003, are compared to the twelve-month ended December 31, 2002 statements. The 2002 Statements were audited by Deloitte &

Touche and an “unqualified opinion” was issued on March 21, 2003. The MTA follows the “enterprise fund and accruals basis of accounting,” which is similar in presentation to private business entities. In addition, the MTA adopted GASB Statements No. 33 and 34 (as amended by GASB No. 37), “Basic Financial Statements and Management’s Discussion and Analysis” for State and Local Governments and GASB No. 38, “Certain Financial Statements Disclosures.”

For future interim statement presentations, the MTA will also include as part of the quarterly financial statements a budget cash based reconciliation of the Financial Plan to actual results, which will be designed to provide a “cross walk” to both the accrual and cash basis of reporting of the financial documents. This is anticipated to begin in 2004.

To provide easy access, all the interim statements are being posted on the MTA website ([www.mta.info](http://www.mta.info)) for public inspection and comment.

A handwritten signature in black ink, appearing to read "Katherine B. Lopez". The signature is fluid and cursive, with the first name being the most prominent.