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Press Release

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IMMEDIATE

MTA Begins Extensive New Financial Reporting Process

The Metropolitan Transportation Authority (MTA) today issued its Financial Plan and Preliminary 2004 Budget in accordance with recently revamped budgetary and financial reporting procedures. The new budget process, adopted by the MTA Board in May 2003, is designed to enhance the transparency of MTA finances and improve public access to information.

The Financial Plan and Preliminary 2004 Budget, issued four (4) months earlier than the MTA's previous budget reporting cycle, includes a mid-year reforecast of the current 2003 budget and the preliminary budget for next year. The budget contains new needs as well as revenue and expense savings initiatives and all supporting data and information. These materials are available on the MTA website (www.mta.info) for public review and comment.

MTA Chairman Peter S. Kalikow said, "I believe this new process is a critical step in our ongoing transparency effort. Our customers can see the value of our system investment everyday, now they will have a better understanding of our finances as well."

In presenting the budget material to the MTA Board, MTA Executive Director Katherine N. Lapp said, "The importance of these documents lies not only in their content, but also the fact that the MTA is presenting its budget forecasts for the next fiscal year earlier than its previous cycle, and in a much more detailed manner than ever before."

The Financial Plan and Preliminary 2004 Budget issued today assumes no additional fare or toll increases through 2004, avoids reductions in current levels of service system-wide, and maintains system safety and security.

The MTA's new budget process provides the MTA Board, elected officials, and the public with an extended period of time for analysis and comment. Each of the agency's budgets will be reviewed by their respective MTA Board Committees during the month of September and recommendations resulting from this process will then be incorporated into the Final Proposed 2004 Budget and a four year financial plan, which will be presented to the MTA Board in October. A Final 2004 Budget will ultimately be voted on in December.

MTA Vice Chairman for Finance Edward B. "Ted" Dunn said, "I commend the fine job the MTA Finance and Budget staff did preparing the Financial Plan and Preliminary 2004 Budget and look forward to working with them on the final budget over the coming months."

At today's meeting, the MTA Board also passed a resolution directing MTA staff to develop plans to implement an integrated agency wide financial reporting system. In recent weeks, the MTA Audit Committee as well as the Advisory Group formed to assist the Executive Director in revamping the agency's budget and financial reporting system, determined such a system will improve the ability of the MTA to report regularly against its Financial Plan throughout the year.

The MTA also announced that, in addition to the issuance of its annual audit statements from its outside auditors, it will be publishing quarterly financial statements reviewed by its outside auditors beginning in the fall of 2003. These statements are intended to improve public access and understanding of the MTA finances. No other State governmental entity currently issues such statements on a quarterly basis.

MTA Audit Committee Chair Andrew M. Saul said, "Issuing financial information on a more frequent basis will undoubtedly enhance the public's confidence in the MTA."