

**GREATER NEW ORLEANS  
EXPRESSWAY COMMISSION**  
Metairie, Louisiana

Annual Financial Report  
For the Year Ended October 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/10/11

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

Basic Financial Statements  
And Independent Auditor's Reports  
As of and for the Year Ended October 31, 2010  
With Supplemental Information Schedules

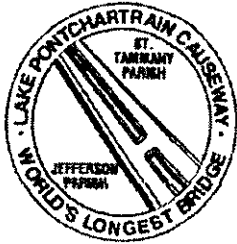
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**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
October 31, 2010

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PAT BRISLER  
*Chairman*  
LAWRENCE K. KALZ  
*Vice Chairman*  
LAWRENCE M. RASH  
*Secretary*  
JAMES L. RAWANACK  
*Treasurer*  
FRANK L. LIPPY  
*Assistant Secretary / Treasurer*  
CARLTON F. DURECHOU  
*General Manager*

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
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April 22, 2011

To Members of the Greater New Orleans Expressway Commission

The Annual Financial Report of the Greater New Orleans Expressway Commission (GNOEC) for the fiscal year ended October 31, 2010 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the GNOEC's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the GNOEC. All disclosures necessary to enable the reader to gain an understanding of the GNOEC's financial activities have been included.

The Annual Financial Report is presented in three sections: introductory, financial, and other supplemental information. The introductory section includes this transmittal letter. The financial section has been prepared in accordance with the Governmental Accounting Standard Board Statement No. 34. This section includes the following: Report of Independent Auditor; Management Discussion and Analysis (Required Supplementary Information); Basic Financial Statements and Notes to Financial Statements. The other supplemental information section includes schedules required by the Bond Indenture Agreements.

## **PROFILE**

The Greater New Orleans Expressway Commission was established in 1954 as the governing body with jurisdiction over the Expressway. The Commission is a special purpose government engaged in business type activities. By legislative enactment, after all bonds, principal and interest, are fully paid, the Expressway becomes the property of the State of Louisiana and thereafter will be operated and maintained by the Louisiana Department of Transportation and Development as a toll-free (non-business type) facility and as part of the state highway system.

The Commission provides for the policing of the Expressway, the operation and maintenance of the Expressway and the associated administrative services. By legislative mandate in 1986, the Commission provides for the policing of the Huey P. Long Bridge.

## **SAFETY**

A major priority of the Commission is the safety of the motoring public crossing the Expressway. The Expressway is experiencing an excellent safety record. The Commission has implemented a public information system that includes the internet, radio announcements, brochures, call boxes and variable message signs. These systems help to inform and educate the public about safety on the Expressway. A traffic monitoring program, consisting of security cameras and radar system, is fully operational. The security camera system consists of cameras at strategic locations throughout the twenty-four-mile Expressway, beneath the bridge spans, the toll plazas and the approach roads. The Expressway has its own police department and motorists assistance patrol, which operate the following safety programs: motorists assist vehicles; wreckers; rescue trucks, and the rolling convoy for fog abatement.

## **FINANCIAL INFORMATION, MANAGEMENT AND CONTROL**

A detailed understanding of the financial position and operating results of the GNOEC is provided in the report. Presented below is a brief description of financial information, management of financial resources and obligations, and control techniques applicable to financial resources, obligations, and information.

### **Basis of Accounting**

*Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is used, which means revenues are recognized when earned and expenses are recognized when incurred.*

### **Accounting Systems and Budgetary Control**

In developing and evaluating the GNOEC's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are reported as necessary (a) to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (b) to maintain accountability for assets.
- Access to assets is permitted only in accordance with management's authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any difference.

The definition of accounting control comprehends reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within this framework. We believe the GNOEC's accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The GNOEC has formally established budgetary accounting controls for its operating funds. Budgetary control is maintained by category within the departments for each account group.

### **Account Description**

As required by the Bond Indenture Agreement, the accounts of the Commission are organized on the basis of funds and accounts, each of which is considered a separate accounting activity for recording receipts and disbursements. Those accounts (General, Special Revenue, Debt Service, Capital Projects and Internal Service) are shown on Schedule 1 of this report. Those account activities are summarized into the sole enterprise fund, which is used to account for ongoing organizations and activities that are similar to those found in the private sector.

The costs of providing the services to the general public are recovered, in whole or in part, through user charges. The GNOEC's operations comprise the operation of the Expressway Bridge in which tolls are charged. Results of operations for the year ended October 31, 2010 can be found in the Management Discussion & Analysis.

The Commission's operations include electronic equipment at the toll plazas designed to classify vehicles, calculate the toll assessed and record those events. To facilitate the traffic flow, electronic toll devices read toll tags. Customers may acquire toll tags at the Commission operated toll tag stores on both north and south shores of the Expressway.

For the year ended October 31, 2010, a breakdown of the revenues is as follows:

Dedicated for Major Repairs & Capital Improvements	\$ 3,762,431
Undedicated to be Used for General Operations	<u>12,262,816</u>
	\$16,025,247

## Long-term Debt

The GNOEC had the following principle outstanding long-term debt at October 31, 2010:

### Revenue Bonds:

Refunding, Series 2009	\$ 7,900,000
Refunding, Series 2003	47,620,000
Improvements, Series 1999-A	<u>- 0-</u>
	\$55,520,000

On April 15, 2003, the Greater New Orleans Expressway Commission issued \$54,605,000 in Refunding and Improvement Revenue Bonds, Series 2003.

The Series 2003 bonds were issued for the purpose of providing funds to refund all of the Commission's outstanding Series 1992 bonds, finance a portion of construction costs and pay costs of issuance of the Series 2003 bonds, including the cost of the Series 2003 bond insurance policy and the reserve fund insurance policy.

On October 28, 2009, the Commission issued \$7,900,000 of Revenue Bonds, Series 2009. The proceeds of this issue are being used to refund all of the Commission's outstanding Series 1999-A Bonds and pay costs of issuance of the Series 2009 Bonds including the cost of the bond insurance policy.

## CASH MANAGEMENT POLICIES AND PROCEDURES

Cash receipts are deposited daily into the Commission's bank accounts. These funds are automatically transferred by the Trustee into the appropriate Trust Fund accounts and are invested in accordance with the provisions of the Bond Indenture. All bank and investment accounts are reconciled on a monthly basis.

## RISK MANAGEMENT

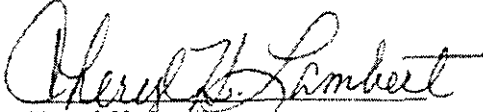
The Commission is exposed to various risks of loss related to general liability, automotive liability, and property insurance contracts. An Internal Service Account (a risk management account) is used to account for and finance its uninsured risks of loss. Under this program, the risk management account provides coverage for the general and automotive liability up to the \$500,000 deductible limits for each covered loss. The Commission purchased commercial insurance for claims in excess of coverage provided by the Internal Service Account. Settled claims have not exceeded this commercial coverage for the fiscal year. Additional information on the Commission's risk management activity can be found in the notes to the financial statements.

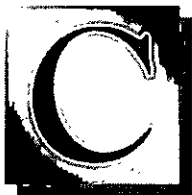
## **INDEPENDENT AUDIT**

The financial records, books of account, and transactions of the GNOEC for the fiscal year ended October 31, 2010 have been audited by J. Aaron Cooper, CPA, LLC and the opinion is included in the Finance Section of this report.

The financial statements are the responsibility of the GNOEC. The responsibility of the independent auditor is to express an opinion on the GNOEC's financial statements based on the audit. An audit is conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the audit be planned and performed in a manner to obtain a reasonable assurance as to whether the financial statements are free of material misstatement.

Respectfully submitted,

  
Cheryl H. Lambert  
Director of Finance



# J. Aaron Cooper , CPA, LLC

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

Greater New Orleans Expressway Commission  
State of Louisiana  
Metairie, Louisiana

I have audited the accompanying financial statements of Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of October 31, 2010, and for the year then ended as listed in the foregoing table of contents. These financial statements are the responsibility of the management of Greater New Orleans Expressway Commission. My responsibility is to express an opinion on these financial statements based on my audit.


I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans Expressway Commission as of October 31, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated April 22, 2011, on my consideration of the Greater New Orleans Expressway Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 10 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplemental Information Schedules and the Annual Fiscal Report required by the Louisiana Division of Administration as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Greater New Orleans Expressway Commission. Such information, except those schedules marked "Unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Handwritten signature of J. Aaron Cooper, CPA, LLC in black ink.

DeRidder, Louisiana  
April 22, 2011

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

The management's discussion and analysis of the Greater New Orleans Expressway Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended October 31, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on Pages 3 – 7 and the Commission's financial statements, which begin on Page 14.

**FINANCIAL HIGHLIGHTS**

The Commission's assets exceeded its liabilities at the close of fiscal year 2010 by \$87,067,920 compared to \$84,113,903 for fiscal year 2009, an increase of \$2,954,017 (or 3.5%).

The Commission's toll revenue decreased \$1,025,808 (or 6.0%) compared to the prior fiscal year.

The Highway Fund #2 (Vehicular License Tax), which is dedicated to debt service, increased by \$141,387 (or 2.72%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Greater New Orleans Expressway Commission's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. Although debt covenants require the Commission to account for certain activities in separate "funds", the Commission reports its financial condition and activities under one proprietary fund as it is engaged in a single enterprise, which is the movement of vehicles over bridges (infrastructure assets). Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; the Statement of Cash Flows; and Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning separate accounting activities required by bond indentures and/or bond resolutions. The basic financial statements are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private sector business.

**Basic Financial Statements**

The basic financial statements present information for the Greater New Orleans Expressway Commission as a whole in a format designed to make the statements easier for the reader to understand. The statements of this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (Page 14) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (Page 15) presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

The Cash Flow Statement (Pages 16 - 17) presents information showing how Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	Net Assets	
	10/31/2010	10/31/2009
Current and other assets	\$ 40,792,279	\$ 49,647,253
Capital assets	<u>111,856,108</u>	<u>109,846,628</u>
Total assets	<u>152,648,387</u>	<u>159,493,881</u>
Other liabilities	11,762,001	19,280,068
Long-term debt outstanding	<u>53,818,466</u>	<u>56,099,910</u>
Total liabilities	<u>65,580,467</u>	<u>75,379,978</u>
 Total net assets	 <u>\$ 87,067,920</u>	 <u>\$ 84,113,903</u>

The composite net asset amount of \$87,067,920 as of October 31, 2010 consists of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$55,756,198, \$28,480,169, and \$2,831,553 respectively. The composite net asset amount of \$84,113,903 as of October 31, 2009 consisted of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$43,975,613, \$28,640,556, and \$11,497,734, respectively. The Commission's equity interest (capital assets less related outstanding debt) in its capital assets is reported within the investment in capital assets, net of related debt amount.

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, grant requirements, and bond and other resolutions. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used.

As referred to previously, net assets of the Commission increased by \$2,954,017 or 3.5%, from October 31, 2009 to October 31, 2010. The major cause of this increase was the gains of involuntary conversion of capital assets. In addition, capital improvements are not charged against current revenues but are capitalized within the property, plant, and equipment account and depreciated over future periods.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
**Management's Discussion and Analysis**

**Changes in Net Assets**

	10/31/2010	10/31/2009
Operating revenues	\$ 16,032,533	\$ 17,064,140
Operating expenses	<u>19,626,614</u>	<u>20,004,451</u>
Operating income	(3,594,081)	(2,940,311)
Non-operating revenues(expenses)	<u>6,548,098</u>	<u>2,412,498</u>
Increase(Decrease) in net assets	<u>\$ 2,954,017</u>	<u>\$ (527,813)</u>

Major revenues for GNOEC consist of toll collections and vehicular license tax. These combined revenues represented nearly 99% of total GNOEC revenues. From fiscal year 2009 to 2010, the Commission's total revenues, including operating and non-operating revenues, decreased by \$1,404,913 or 6.20%. Conversely, from fiscal year 2009 to 2010, the total cost of all programs and services, excluding depreciation, decreased by \$1,559,275 or 8.49%.

**CAPITAL ASSETS AND LONG-TERM  
DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2010, the Commission had \$111,856,108 invested in a broad range of capital assets, including the expressway bridge, building, vehicles, furniture, fixtures and equipment.

**Capital Assets at Year-end  
(Net of Depreciation)**

	10/31/2010	10/31/2009
Building and improvements	\$ 2,483,624	\$ 2,191,457
Furniture, fixtures, and equipment	3,042,879	2,740,234
Infrastructure	<u>106,329,605</u>	<u>104,914,936</u>
Total	<u>\$ 111,856,108</u>	<u>\$ 109,846,627</u>

This year's major additions included:

Bridge improvements	\$ 5,094,707
Furniture, fixtures, and equipment	1,347,513
Building	<u>357,298</u>
Total	<u>\$ 6,799,519</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

**Long-Term Debt**

The Commission had \$56,099,910 in current and noncurrent bonds outstanding at year-end, compared to \$65,871,015 last year, a decrease of 14.83%.

	<u>2010</u>	<u>2009</u>
Outstanding Debt, at Year-end		
Revenue Bonds (net of premium/discount)	<u>\$ 56,099,910</u>	<u>\$ 65,871,015</u>

The Commission's bond indebtedness carries a Standard & Poor's A rating.

On April 15, 2003, the Commission issued Series 2003 bonds for the purpose of providing funds to refund all of the Commission's outstanding Series 1992 bonds, finance a portion of construction costs and pay costs of issuance of the Series 2003 bonds, including the cost of the Series 2003 bond issuance policy and the reserve fund insurance policy.

On October 28, 2009, the Commission issued \$7,900,000 of Revenue Bonds, Series 2009. The proceeds of this issue are being used to refund all of the Commission's outstanding Series 1999-A Bonds and pay costs of issuance of the Series 2009 Bonds including the cost of the bond insurance policy.

The Commission has estimated claims of \$1,197,373 outstanding at year-end compared with \$764,393 last year. Other obligations include accrued vacation pay and sick leave of \$1,248,414 and other post-employment benefits of \$2,242,763.

**BUDGET**

The annual budget is approved by the Commission at its August meeting. The budget is then approved by the Joint Legislative Committee on the Budget of the Louisiana Legislature.

**CONTACTING THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION'S  
FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, investors and creditors with a general overview of the Greater New Orleans Expressway Commission's finances.

If you have any questions about this report, contact the Director of Finance, Greater New Orleans Expressway Commission, P. O. Box 7656, Metairie, LA 70010.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Statement of Net Assets  
October 31, 2010**

**ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents	\$ 5,242,385
Receivables	247,939
Prepaid items	637,088
Inventory	320,435
Restricted assets:	
Cash and cash equivalents	16,076,482
Investments	10,962,037
Receivables	5,796,506
Total current assets	<u>39,282,872</u>

## NONCURRENT ASSETS:

Property, plant, and equipment (net)	111,856,108
Deferred bond issuance costs, net of amortization of \$459,846	<u>1,509,407</u>
Total noncurrent assets	<u>113,365,515</u>

## TOTAL ASSETS

152,648,387

**LIABILITIES**

## AMOUNTS DUE WITHIN ONE YEAR:

Payables	281,331
Deferred revenue	1,226,872
Other post-employment benefits	169,071
Liabilities payable from restricted assets:	
Capital projects payables	896,794
Bonds	2,281,444
Accrued interest	1,235,369
Total amounts due within one year	<u>6,090,881</u>

## AMOUNTS DUE IN MORE THAN ONE YEAR:

Tag deposits	1,140,658
Estimated liability for claims	1,197,373
Accrued compensated absences	1,248,414
Other post-employment benefits, net of current portion	2,073,692
Bonds payable, net of current portion	53,818,466
Other deposits	10,983
Total amounts due in more than one year	<u>59,489,586</u>
Total liabilities	<u>65,580,467</u>

## NET ASSETS:

Investment in capital assets, net of related debt	55,756,198
Restricted net assets	28,480,169
Unrestricted net assets	<u>2,831,553</u>
Total net assets	<u>\$ 87,067,920</u>

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**For the Year Ended October 31, 2010**

**OPERATING REVENUES**

Tolls	\$ 16,025,247
Other miscellaneous revenue	<u>7,286</u>
Total operating revenues	<u>16,032,533</u>

**OPERATING EXPENSES**

Personal services	6,972,949
Contractual services	39,537
Operating services	3,638,838
Supplies and maintenance	2,483,661
Professional services	184,087
Administrative	499,047
Depreciation	4,646,455
Claims expense	<u>1,162,040</u>
Total operating expenses	<u>19,626,614</u>

**OPERATING INCOME (LOSS)**(3,594,081)**NON-OPERATING REVENUES (EXPENSES)**

Vehicular license tax	5,344,122
Payments to parishes	(350,000)
Investment income:	
Interest income	25,872
Net decrease in fair value of investments	(22,723)
Interest expense	(2,477,045)
Amortization of bond premium/discount	96,105
Amortization of cost of issuance of bonds	(95,043)
Reimbursement of relocation costs	4,150,021
Loss on disposal of fixed assets	<u>(123,211)</u>
Total non-operating revenues	<u>6,548,098</u>

**CHANGE IN NET ASSETS**

2,954,017

**NET ASSETS AT BEGINNING OF YEAR**84,113,903**NET ASSETS AT END OF YEAR**\$ 87,067,920

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED OCTOBER 31, 2010**

<b>Cash flows from operating activities</b>	
Cash received from customers, including cash deposits	\$ 16,114,680
Cash received from other deposits	124,057
Cash paid to suppliers for goods and services	(6,982,770)
Cash paid to employees for services	(6,500,954)
Cash paid to outsiders for claims	(593,965)
Net cash provided by operating activities	<u>2,161,048</u>
<b>Cash flows from non-capital financing activities</b>	
Vehicular license tax	5,441,447
Subsidy to local governments	(350,000)
Net cash flows from non-capital financing activities	<u>5,091,447</u>
<b>Cash flows from capital and related financing activities</b>	
Purchase of capital assets	(7,955,887)
Principal payments made on bonds	(9,675,000)
Interest paid	(2,601,289)
Net cash used for capital and related financing activities	<u>(20,232,176)</u>
<b>Cash flows from investing activities</b>	
Net purchases of investment securities	4,799,061
Interest and dividends earned on investment securities	41,434
Net cash provided by investing activities	<u>4,840,495</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,139,186)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>29,458,053</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 21,318,867</u></b>

(Continued)

The accompanying notes are an integral part of this financial statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Statement of Cash Flows  
For the Year Ended October 31, 2010**

**Reconciliation of operating income (loss) to net cash provided (used)  
by operating activities:**

Cash flows from operating activities:	
Operating income (loss)	\$ (3,594,081)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,646,455
Accretion of Discount on Investment Securities	-
Changes in current assets and liabilities:	
Increase in prepaid items	(134,244)
(Increase) Decrease in operating receivables	(21,327)
Increase (Decrease) in operating payables	192,318
Increase in other post employment benefits	638,273
Increase (Decrease) in compensated absences	(88,759)
Increase (Decrease) in claims liabilities	432,980
Increase in unearned revenue and deposits	89,433
Net cash provided by operating activities	<u>\$ 2,161,048</u>

**Noncash investing, capital, and financing activities:**

Decrease in fair value of investments	<u>\$ 22,723</u>
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(Concluded)

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of and for the Year Ended October 31, 2010

**INTRODUCTION**

The Greater New Orleans Expressway Commission was established by articles of incorporation dated October 20, 1954, between the parishes of Jefferson and St. Tammany. Under the authority of Louisiana Revised Statute (R.S.) 33:1324, the parishes were granted the right and privilege to unite and incorporate a joint Commission for the purpose of constructing, operating, and maintaining a toll bridge or causeway and requisite approaches across Lake Pontchartrain connecting the two parishes known as the Greater New Orleans Expressway. Article 6 Section 22(g)(5) of the 1921 Louisiana Constitution confirmed the power of the parishes to jointly construct the expressway through the issuance of revenue bonds for that purpose and the authority to levy a reasonable toll that is sufficient in amount to provide adequate pay for all costs of operation and maintenance including debt service together with funds dedicated from vehicular license taxes. In addition to operating and maintaining the 23.87 mile long parallel expressway bridges, Act 762 of 1986 of the Regular Session of the Louisiana Legislature authorized the Commission to police the Huey P. Long Bridge. The act also requires that, after all bonds principal and interest are fully paid, the expressway bridge becomes the property of the State of Louisiana and thereafter be operated and maintained by the Louisiana Department of Transportation and Development as a toll-free project and as part of the state highway system.

The Commission is governed by five members, three of whom are appointed by the governor, including one member from Jefferson Parish and another member from St. Tammany Parish for a term of two years each. The third member appointed by the governor is for a one-year term alternately from Jefferson and St. Tammany Parishes. Of the remaining two members, one member is appointed from Jefferson Parish by the Jefferson Parish Council, and one member is appointed from St. Tammany Parish by the St. Tammany Parish Council for two-year terms.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards.

The Commission applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements include the implementation of GASB Statement Number 34, Basic Financial Statement and *Management's Discussion and Analysis—for State and Local Governments* and related standards. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses, and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information, and other changes.

## **B. REPORTING ENTITY**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing board are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) upon the full payment of revenue bonds principal and interest, the expressway bridge becomes property of the State of Louisiana; (4) the state sets bonded debt limits for construction and improvements; and (5) the Commission primarily serves state residents. The accompanying financial statements present information only as to the transactions of the activities of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

## **C. FUND ACCOUNTING**

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to the Commission is determined by its measurement focus. The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets. Net assets are segregated into invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

## **E. BUDGET PRACTICES**

The general manager submits proposed operating budgets to the Greater New Orleans Expressway Commission and to the general public for inspection. The budgets are prepared on a modified accrual basis of accounting. For the period under audit, the proposed budgets were advertised in the official journal on August 13, 2009. At the Commission meeting on August 24, 2009, the 2010 budget was formally adopted by the Commission. Annually, in July, the original budget is amended by management and is ratified by the Commission during October.

## **F. CASH AND INVESTMENTS**

Cash includes toll collector's bank and demand deposits. Under state law, the Greater New Orleans Expressway Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the Commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

The Commission may also invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. Investments are stated at fair value.

## **G. PREPAID ITEMS**

Payments to vendors for insurance include costs applicable to the next accounting period and are recorded as prepaid items.

## **H. INVENTORY**

The Commission maintains an inventory of spare bridge components for emergency use and is valued at the lower of cost or market.

## **I. PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment are recorded at cost if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Equipment includes all items valued above \$1,000 and infrastructure includes the cost to construct and improve the twin bridges and related roadway approaches.

Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

	<u>Years</u>
Automobiles	5
Data processing equipment	5
Furniture and fixtures	10
Buildings	40
Infrastructure	40

**J. RESTRICTED ASSETS**

Restricted assets represent unexpended revenue bond proceeds as well as certain other resources set aside for the purpose of improvements to capital assets and funding debt service payments in accordance with bond resolutions. In addition, restricted assets include resources set aside for risk management and dedicated grant proceeds.

**K. COMPENSATED ABSENCES**

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. Annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for all accumulated annual leave and up to 120 days of unused sick leave at the employee's hourly rate of pay at the time of termination. Upon retirement, any uncompensated annual leave at the employee's option plus unused sick leave in excess of 120 days is used to compute retirement benefits. Compensated absences are recognized as an expense and liability in the financial statements when incurred.

**L. LONG-TERM OBLIGATIONS**

Long-term obligations are reported at face value.

**M. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Greater New Orleans Expressway Commission provides certain continuing health care and life insurance benefits for its retired employees. The Commission recognizes the expense of providing these retiree benefits in accordance with GASB 45.

**N. DEFERRED COMPENSATION PLAN**

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan is administered by the Greater New Orleans Expressway Commission. The plan, available to all full-time employees of the Commission, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Lincoln Financial for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 20% of their salary with the Commission matching up to \$72 per month, but total contributions may not exceed \$16,500 annually. All contributions are immediately vested. The Commission contributed \$88,416 to the plan during the year ended October 31, 2010.

## O. NET ASSETS

Net assets comprise the various net earnings from operation, non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components:

Invested in capital assets, net of related debt – Consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted - Consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – Consists of all other net assets that are not included in the other categories previously mentioned.

## 2. CASH AND INVESTMENTS

At October 31, 2010, the Commission had cash (book balances) and cash equivalents totaling \$21,318,867. A summary of the Commission's cash and cash equivalents are as follows:

Toll Collectors' Bank	\$	800
Demand accounts:		
Noninterest-bearing		928,399
Interest-bearing		910,226
Money Market		<u>19,479,442</u>
Total	\$	<u>21,318,867</u>

At October 31, 2010, the Commission had investments totaling \$10,962,038. Investments of government securities reflected in Statement A are stated at fair value as required by GASB Statement 31. The Commission used quoted market values to determine the fair value of the investments. A summary of the Commission's investments consists of the following:

Federal agency securities	<u>\$10,962,038</u>
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Federal agency securities are securities, usually bonds, issued by a U.S. Government-sponsored agency. The offerings of these agencies are backed by the government, but not guaranteed by the government since the agencies are private entities. Such agencies have been set up in order to allow certain groups of people to access low cost financing, e.g. students and home buyers. The Commission invested in three federal agencies' securities in the 2010 fiscal year – Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage (FHLMC or "Freddie Mac"), and Federal National Mortgage Association (FNMA or "Fannie Mae). U.S. Treasury securities are debt obligations issued and guaranteed full faith and credit of the U.S. Government.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment - the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. GNOEC has no formal policy addressing interest rate risk.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

Investment Type	12mths or <	13 to 24mths	25 to 60mths	> 60mths	Total
Federal agency securities	<u>\$10,962,038</u>				<u>\$10,962,038</u>
Total	<u>\$10,962,038</u>				<u>\$10,962,038</u>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. The Commission's above described investments maintained an "A" credit rating during the 2010 fiscal year. GNOEC has no formal policy addressing credit risk.

**Concentration of Credit Risk**

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the state of Louisiana. Investments in any one issuer that represent 5% or more of the total Commission investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage	Federal agency security	\$6,452,878
Federal National Mortgage Association	Federal agency security	4,509,160

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The state of Louisiana and the Commission's investment policies do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: Under state law, the bank balances of these deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal security must at all times equal or exceed the amount on deposit with the fiscal agent bank.

At October 31, 2010, all Commission deposits (collected bank balances) of \$2,351,197 were fully insured or collateralized as follows:

Insured through FDIC	\$ 250,000
Collateralized with securities held by the pledging Institution's trust department or agent in the commission's name	<u>2,101,197</u>
Total secured bank balances	<u><u>\$ 2,351,197</u></u>

### 3. RECEIVABLES

At October 31, 2010, the Commission has receivable balances totaling \$5,766,096 as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Vehicular license tax	\$ -	\$ 1,561,802	\$ 1,561,802
Interest	113	2,805	2,918
Other	<u>247,826</u>	<u>4,231,900</u>	<u>4,479,726</u>
Total receivables	<u><u>\$ 247,939</u></u>	<u><u>\$ 5,796,506</u></u>	<u><u>\$ 6,044,445</u></u>

#### Reimbursement of Relocation Costs

The US Army Corps of Engineers (the Corps), the State of Louisiana, and GNOEC have entered into various agreements related to the Corps floodwall project on Lake Pontchartrain. As part of the project, certain GNOEC facilities were to be demolished and part of the Causeway approach and bridge at the south shore elevated to accommodate the floodwall construction. The departments and systems housed in the demolished facilities were required to be relocated. GNOEC will pay the costs of relocation of these departments and systems and the Corps has agreed to reimburse GNOEC for these costs.

GNOEC has recorded a receivable of \$4,150,021 due from the Corps related to the relocation of these departments and systems. Management feels that the receivables are proper reimburseables in accordance with the agreements, however, such reimbursement requests are subject to adjustment by the Corps. As such, the final reimbursed amount could differ significantly from the amount recorded.

#### 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance November 1, 2009	Additions	Deletions	Balance October 31, 2010
Business type activities:				
Capital assets, being depreciated:				
Building	\$ 2,605,294	\$ 357,298	\$ -	\$ 2,962,593
Furniture, fixtures, and equipment	8,049,568	1,347,513	239,255	9,157,826
Infrastructure	220,218,488	5,094,707	224,549	225,088,646
Total capital assets, being depreciated	<u>230,873,351</u>	<u>6,799,519</u>	<u>463,804</u>	<u>237,209,065</u>
Less accumulated depreciation for:				
Building	413,836	65,132	-	478,968
Furniture, fixtures, and equipment	5,309,334	1,041,627	236,014	6,114,947
Infrastructure	115,303,552	3,539,696	84,206	118,759,042
Total accumulated depreciation	<u>121,026,723</u>	<u>4,646,455</u>	<u>320,220</u>	<u>125,352,957</u>
Total capital assets, being depreciated, net	<u>\$ 109,846,628</u>	<u>\$ 2,153,064</u>	<u>\$ 143,584</u>	<u>\$ 111,856,108</u>

#### 5. RETIREMENT SYSTEM

Substantially all employees of the Commission are members of the Louisiana Parochial Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system for the benefit of parochial employees, which is administered and controlled by a separate board of trustees.

All Commission employees working at least 28 hours per week are eligible to participate in the System. Benefits vest with 7 years of service. At retirement age, employees hired prior to January 1, 2007 are entitled to annual benefits equal to 3% of their highest consecutive 36 months' average salary multiplied by their years of credited service. At retirement age, employees hired January 1, 2007 and later are entitled to annual benefits equal to 3% of their highest consecutive 60 months' average salary multiplied by their years of credited service. Vested employees hired prior to January 1, 2007 are entitled to a retirement benefit payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, (c) age 60 with 10 years of service, or (d) age 65 with 7 years of service. Vested employees hired January 1, 2007 and later are entitled to a retirement benefit payable monthly for life at (a) age 55 with 30 years of service, (b) age 62 with 10 years of service, or (c) age 67 with 7 years of service. In addition, effective August 15, 1995, any employee who on January 1, 1982, had earned 10 years of service credit shall be eligible for early retirement at a reduced benefit regardless of age. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361. Members are required by state statute to contribute 9.50% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The employer contribution rate was 15.75% of annual covered payroll in fiscal year ending October 31, 2010, 12.25% of annual covered payroll in fiscal year ending October 31, 2009, and 12.75% in the fiscal year ending October 31, 2008. The Commission's contributions to the System for the years ending October 31, 2010, 2009, and 2008 were \$740,724, \$580,232 and \$623,632, respectively, equal to the required contributions for each year.

## 6. RISK MANAGEMENT

The Commission is exposed to various risks of loss relating to general liability, automotive liability, and property insurance contracts and has a self-insured risk management program to account for and finance its uninsured risks of loss. Under this program, the Commission provides coverage for general and automotive liability up to the \$500,000 deductible limits for each covered loss. The Commission purchased commercial insurance for claims in excess of coverage provided by the risk management program. Settled claims have not exceeded this commercial coverage for the fiscal year.

The Commission is a defendant or co-defendant in several lawsuits in which the plaintiffs allege wrongful death, property damage, personal injury, amounts due under construction contracts and defamation. In the opinion of the Commission's legal counsel, the ultimate resolution of these matters should not materially affect the financial statements.

At October 31, 2010, the claims liability of \$1,197,373 is based on the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information before the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability in fiscal year 2010 were as follows:

Estimated liability for claims at beginning of year	\$ 764,393
Current year:	
Claims	342,380
Changes in estimates	432,980
Claims payment and expenses thereon	<u>(342,380)</u>
Estimated liability for claims at end of year	<u>\$1,197,373</u>

## 7. POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all Commission employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Commission. GNOEC's pays 70% of the retirees' total premiums. GNOEC and the retirees pay their respective share of the premiums on a "pay-as-you-go" basis. GNOEC contributed \$169,071 for 22 retirees.

GNOEC's Annual Required Contribution ("ARC") is an amount actuarially-determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability ("UAL") over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2010 is \$879,153 which consists of normal cost of \$474,264 and amortization of UAL of \$404,889.

The following table presents GNOEC's OPEB obligation for the year ended October 31, 2010:

Beginning OPEB obligation at November 1, 2009	\$ 1,604,490
Interest on prior year obligation	64,180
Annual Required Contribution	879,153
Less: adjustment to ARC	135,989
Less: current year premiums paid	169,071
Increase in net OPEB obligation	638,273
Ending net OPEB obligation at October 31, 2010	<u>\$ 2,242,763</u>

Utilizing the pay-as-you-go method, GNOEC contributed 20.94% of the annual OPEB cost during 2010.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 31, 2010 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.2 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after ten years. The RP2000 Mortality Table was used in the actuarial calculation. Withdrawal rates for employees ranged from 23% for less than one year of service to 1% after 17 years of service. Disability rates for employees ranged from .05% for employees aged 30 years to 1.71% for employees over the age of 60. Retirement rates ranged from 22% for age 55 to 100% for age 67+. The remaining amortization period at October 31, 2010 was 27 years.

## Funded Status

The funded status of the plan as of October 31, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 7,001,346
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 7,001,346
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 4,850,944
UAAL as a percentage of covered payroll	144.33%

## 8. COMPENSATED ABSENCES

As of October 31, 2010, employees of the Commission have accumulated and vested \$1,248,414 of employee annual and sick leave benefits, which was computed in accordance with GASB Codification Section C60.

## 9. LEASE AND RENTAL COMMITMENTS

On May 1, 2006, the Commission entered into a lease with Edgewater Ventures with the option to renew for an additional period of five years. On September 1, 2010, the Commission entered into a lease with 3812 Ridgelake Drive, L.L.C. for two years with the option to renew an additional period of two years. The rental payments for 2010 were \$123,032. Future minimum rental payments are as follows:

Fiscal year ending October 31:	
2011	\$ 139,162
2012	81,329
	<u>          </u>
	<u>\$ 220,491</u>

## 10. PAYABLES

The following is a summary of payables at October 31, 2010:

Accounts payable	\$1,044,951
Payroll deductions and employer's payable	<u>133,174</u>
Total	<u>\$1,178,125</u>

## 11. LONG-TERM DEBT

The following is a summary of the long-term obligation transactions for the year ended October 31, 2010:

	Debt Payable at November 1, 2009	Additions	Deductions and Retirement	Debt Payable at October 31, 2010	Due within one year
Revenue bonds:					
Improvements, Series 1999A	\$ 8,545,000	\$ -	\$ 8,545,000	\$ -	\$ -
Refunding, Series 2003	48,750,000	-	1,130,000	47,620,000	1,160,000
Refunding, Series 2009	7,900,000	-	-	7,900,000	1,040,000
Total revenue bonds payable	65,195,000	-	9,675,000	55,520,000	2,200,000
Bond Premium (Discount)	676,015	-	96,105	579,910	81,444
Total bond indebtedness	65,871,015	-	9,771,105	56,099,910	2,281,444
Compensated absences	1,337,173	-	88,759	1,248,414	-
Total	\$ 67,208,188	\$ -	\$ 9,859,864	\$ 57,348,324	\$ 2,281,444

The additions and reductions to compensated absences during the 2009-2010 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

### A. REVENUE BONDS, SERIES 1999A

On July 27, 1999, the Commission issued \$15,000,000 of Revenue Bonds, Series 1999A. The proceeds of this issue were used to finance the cost of certain improvements to the expressway bridge. The Revenue Bonds payable at the beginning of the year were \$8,545,000. The Revenue Bonds, Series 1999A, are secured by user fees, expressway bridge tolls, and other revenues. On November 1, 2009 the Commission paid the scheduled bond principal of \$900,000 and interest of \$221,175 followed by a full redemption payment of \$7,645,000 of principal and accrued interest of \$4,420 paying the 1999A Series Bonds in full.

### B. REFUNDING REVENUE BONDS, SERIES 2003

On April 15, 2003, the Commission issued \$54,605,000 in Refunding Revenue Bonds, Series 2003. The Series 2003 Bonds were issued to provide funds to (i) refund all of the Commission's outstanding Series 1992 Bonds, (ii) finance a portion of the costs of Projects, and (iii) pay costs of issuance of the Series 2003 Bonds, including acquisition of the Series 2003 Bond Insurance Policy and the Reserve Fund Insurance Policy.

Principal due November 1, 2009, that was accrued and paid to the paying agent after the aforementioned date, amounted to \$1,130,000 and reduced the outstanding bonds payable to \$47,620,000 at October 31, 2010. The Refunding Revenue Bonds, Series 2003, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$1,130,000 to \$3,210,000 beginning November 1, 2010 through November 1, 2033. The bonds carry interest rates from 2.00% to 5.00% and interest to maturity amounts to \$33,966,786 through November 1, 2033.

**B. REFUNDING REVENUE BONDS, SERIES 2009**

On October 28, 2009, the Commission issued \$7,900,000 of Refunding Revenue Bonds, Series 2009. The proceeds of this issue are being used to refund all of the Commission's outstanding Series 1999A Bonds and pay costs of issuance of the series 2009 Bonds including the cost of the bond insurance policy. The 1999A Bonds were redeemed in full on November 5, 2009 in the amount of \$7,645,000 principal and \$4,420 of accrued interest. The Refunding Revenue Bonds, Series 2009, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$115,061 to \$1,252,812 beginning November 1, 2010 through November 1, 2017. The bonds carry interest rates from 2.75% to 3.25% and interest to maturity amounts to \$840,338 through November 1, 2017.

The annual requirements to amortize all bonds outstanding at October 31, 2010, including total interest to maturity of \$34,807,124 are as follows:

Fiscal Year	Refunding Series 2009		Refunding Series 2010		Total
	Principal	Interest	Principal	Interest	
2011	\$ 1,160,000	\$ 2,244,389	\$ 1,040,000	\$ 212,050	\$ 4,656,439
2012	1,200,000	2,207,269	1,065,000	183,106	4,655,375
2013	1,240,000	2,166,769	1,095,000	153,406	4,655,175
2014	1,285,000	2,123,369	1,130,000	122,813	4,661,182
2015-2019	7,285,000	9,748,864	3,570,000	168,963	20,772,827
2020-2024	9,220,000	7,811,626			17,031,626
2025-2029	11,630,000	5,403,250			17,033,250
2030-2034	14,600,000	2,261,250			16,861,250
Total	<u>\$ 47,620,000</u>	<u>\$ 33,966,786</u>	<u>\$ 7,900,000</u>	<u>\$ 840,338</u>	<u>\$ 90,327,124</u>

**12. NET ASSETS**

Net assets represent the difference between assets and liabilities. The composition of net assets was as follows:

Invested in capital assets, net of related debt:	
Net property, plant and equipment (net of depreciation)	\$ 111,856,108
Less: Bonds payable	(56,099,910)
	<u>55,756,198</u>
Net assets restricted for debt service:	
Assets held in trust	13,216,856
Restricted receivables	1,561,802
Less: Accrued interest on bonds	(1,235,369)
	<u>13,543,288</u>
Net assets restricted for capital projects and major repairs:	
Assets held in trust	10,704,981
Restricted receivable in Extraordinary Maintenance	4,231,900
	<u>14,936,881</u>
Unrestricted net assets	<u>2,831,553</u>
Total net assets	<u>\$ 87,067,920</u>

### **13. SUBSEQUENT EVENTS**

The Commission's management has evaluated its October 31, 2010 financial statements for subsequent events through April 22, 2011, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

### **SUPPLEMENTAL INFORMATION SCHEDULES**

The following schedules present additional information relating to the financial statements. In addition, cash receipts and disbursements schedules by trust and other accounts are required by the General Bond Resolution dated September 26, 1986, and by the Series 1992, 1999A, 2003, 2009 bond resolutions dated December 4, 1992, June 16, 1999, April 15, 2003, and October 28, 2009, respectively.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended October 31, 2010**

**GENERAL FUND ACCOUNTS**

**Revenue Account**

All revenues collected by the Commission are deposited to this account. Transfers are then made as required by the bond resolution.

**Collateral Undisbursed Debt Service Account**

Funds are transferred to this account whenever the amount on deposit in the Debt Service Account is not at least equal to the accrued aggregate debt service through the end of the next succeeding month. When funds are deposited to the debt service account bringing the balance equal to accrual aggregate debt service through the end of the next succeeding month, then the funds in the Collateral Undisbursed Debt Service Account are returned to the accounts from which they were transferred.

**Operation and Maintenance Account**

Monies transferred to the Operation and Maintenance Account are used to finance operations (general and administrative).

**Extraordinary Maintenance and Repair Reserve Account**

The monies in the Extraordinary Maintenance and Repair Reserve Account may be used for major resurfacing, replacement, or reconstruction and extraordinary repairs, renewals, or replacement of the expressway.

**Excess Revenue Account**

This account maintains any surplus remaining at the end of a fiscal year pending distribution pursuant to Act 762 of the 1986 Louisiana Legislature.

**Huey P. Long Bridge Account**

As provided by Act 762 of the 1986 Louisiana Legislature, the Commission shall use as much of its surplus as may be necessary for its officers to police the Huey P. Long Bridge.

**Asset Forfeiture Account**

This account maintains assets seized by the expressway police.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES (Continued)**

**SPECIAL REVENUE ACCOUNTS**

**Vehicular License Tax**

All monies received from the State of Louisiana Highway Fund Number 2 are deposited to the Vehicular License Tax Account. The monies received are dedicated and transferred to the Debt Service Account.

**DEBT SERVICE ACCOUNTS**

**Debt Service Account**

Monies are deposited to this account from the Vehicular License Tax Special Revenue Account to pay yearly debt service. Future sinking fund installments will also be deposited to this account.

**Debt Service Reserve Account**

This account maintains a balance equal to the Debt Service Reserve Account requirement (maximum annual debt service requirements for the current or any future year). Monies from this account can be used to supplement any shortfall in the Debt Service Account.

**CAPITAL PROJECTS ACCOUNTS**

**Construction - Series 2003**

The Construction Series 2003 Account is used for major maintenance and capital improvements to the expressway bridge from the proceeds of the 2003 capital improvement bond issue.

**INTERNAL SERVICE ACCOUNT**

Resources are accumulated in this account to finance risk management deductible losses arising from claims and litigation.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 2010**

	GENERAL ACCOUNTS			
	REVENUE	COLLATERAL UNDISBURSED DEBT SERVICE	OPERATIONS AND MAINTENANCE	EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE
<b>BALANCES AT NOVEMBER 1, 2009</b>	\$ 499,596	\$ 1,523	\$ 448,951	\$ 2,612,978
<b>RECEIPTS</b>				
Tolls	16,114,680			
Vehicular license tax				
Intergovernmental grants:				
Federal				
State				
Use of money and property:				
Leases				
Investment income	192	-	1,172	14,871
Bond Proceeds				
Katrina Insurance Proceeds				
Other	2,634		113,452	
Investment sales and maturities		-		4,336,310
Transfers in	20,032	-	11,461,853	3,539,097
Total receipts	<u>16,137,538</u>	<u>-</u>	<u>11,576,477</u>	<u>7,890,278</u>
Total disbursements				
<b>DISBURSEMENTS</b>				
Personal services			5,549,682	
Contractual services			39,407	
Operating services			3,705,799	
Supplies and maintenance			764,789	1,396,279
Professional services			238,307	
Administrative	222,927		270,695	
Capital outlay			519,039	7,305,993
Debt services:				
Principal retirement				
Interest				
Cost of Issuance				
Intergovernmental expenditures - parishes				
Insurance settlements				
Investment purchases				
Transfers out	15,903,805	1,523	418,924	165,465
Total disbursements	<u>16,126,732</u>	<u>1,523</u>	<u>11,506,642</u>	<u>8,867,737</u>
<b>BALANCES AT OCTOBER 31, 2010</b>	\$ 510,402	\$ -	\$ 518,786	\$ 1,635,519

(Continued)

Schedule 1

GENERAL ACCOUNTS			SPECIAL REVENUE ACCOUNT	DEBT SERVICE ACCOUNTS		
EXCESS REVENUE	HUEY P. LONG BRIDGE	ASSETS FORFEITURE	VEHICULAR LICENSE TAX	DEBT SERVICE	DEBT SERVICE RESERVE	SERIES 2009A REFUNDING REVENUE BONDS
\$ 4,846,867	\$ 2,018,672	\$ 47,915	\$ 7,614,283	\$ 3,389,613	\$ 79,038	\$ 7,848,320
			5,441,447			
27	175		29	2,574	897	
		4,652			122,935	
4,761,135	1,481,163			4,678,625		
4,761,162	1,481,338	4,652	5,441,476	4,681,199	123,832	-
	951,272					
	130					
	47,590					
	90,553					
	6,335					
	83,036					
				2,030,000		7,645,000
				2,596,869		4,420
350,000						
5,155,069	162	42,785	4,479,725	2,574	897	198,900
5,505,069	1,179,078	42,785	4,479,725	4,629,443	897	7,848,320
4,102,960	\$ 2,320,932	\$ 9,782	\$ 8,576,034	\$ 3,441,369	\$ 201,973	\$ -

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 2010**

	<b>CAPITAL PROJECT ACCOUNTS</b>		
	<b>CONSTRUCTION SERIES 2003</b>	<b>INTERNAL SERVICE</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALANCES AT NOVEMBER 1, 2009</b>	49,177	1,120	29,458,053
<b>RECEIPTS</b>			
Tolls			16,114,680
Vehicular license tax			5,441,447
Intergovernmental grants:			
Federal			-
State			-
Use of money and property:			
Leases			-
Investment income	18,693	2,804	41,434
Bond Proceeds			-
Katrina Insurance Proceeds			-
Other	3,319		124,057
Net Investment sales and maturities	7,882	371,638	4,838,765
Transfers in	9,000	418,924	26,369,829
Total receipts	<u>38,894</u>	<u>793,366</u>	<u>52,930,212</u>
<b>DISBURSEMENTS</b>			
Personal service			6,500,954
Contractual services			39,537
Operating services			3,753,389
Supplies and maintenance			2,251,621
Professional services			238,307
Administrative		199,959	699,916
Capital outlay	47,819		7,955,887
Debt services:			
Principal retirement			9,675,000
Interest			2,601,289
Cost of Issuance			-
Intergovernmental expenditures - parishes			350,000
Insurance settlements		593,965	593,965
Net Investment purchases	39,704		39,704
Transfers out			26,369,829
Total disbursements	<u>87,523</u>	<u>793,924</u>	<u>61,069,398</u>
<b>BALANCES AT OCTOBER 31, 2010</b>	<u>\$ 548</u>	<u>\$ 562</u>	<u>\$ 21,318,867</u>

(Concluded)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended October 31, 2010**

**COMPENSATION PAID COMMISSIONERS**

The schedule of compensation paid Commission members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Members of the Commission are entitled to compensation of \$570 per month as authorized by an amendment to the Articles of Incorporation dated August 7, 1986, and are included in the general administrative expenditures of the General Fund.

Schedule 2

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Compensation Paid Commissioners  
For the Year Ended October 31, 2010**

Patricia P. Brister	6,836
Peter F. Egan	4,842
Lawrence K. Katz	6,836
Frank L. Levy	6,836
Lawrence M. Rase	6,836
James E. Ravannack	1,994
<b>Total</b>	<b><u>\$ 34,180</u></b>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Investments  
As of October 31, 2010**

	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>PAR VALUE</u>
<b>GENERAL:</b>			
Extraordinary Maintenance and Repair Reserve Account:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due November 2, 2010*	1,119,887	1,119,887	1,120,000
Money Market - Dreyfus - Government Cash Management			
Money Market Fund*	515,632	515,632	515,632
Excess Revenue Account - Money Market			
Money Market - Dreyfus - Government Cash Management*	3,402,960	3,402,960	3,402,960
Huey P. Long Bridge Account - Money Market			
Money Market - Dreyfus - Government Cash Management*	2,220,478	2,220,478	2,220,478
<b>DEBT SERVICE:</b>			
Debt Service Fund Account:			
Money Market - Dreyfus - Government Cash Management			
Money Market Fund*	3,441,369	3,441,369	3,441,369
Debt Service Reserve Account:			
Federal National Mortgage Association Discount Note:			
Due November 1, 2010	997,480	997,480	1,000,000
Money Market - Dreyfus - Government Cash Management			
Money Market Fund*	201,972	201,972	201,972
<b>CAPITAL PROJECTS:</b>			
2003 Account:			
Revenue Bonds:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due May 3, 2011	1,000,444	1,000,444	1,003,000
Due February 1, 2011	1,293,384	1,293,384	1,294,000
Due January 11, 2011	1,449,564	1,449,564	1,453,000
Due February 28, 2011	998,956	998,956	1,000,000
Due June 21, 2011	1,303,140	1,303,140	1,306,000
Federal National Mortgage Association Discount Note:			
Due December 1, 2010	2,521,911	2,521,911	2,528,000
Due August 5, 2011	501,516	501,516	503,000
Money Market - Dreyfus - Government Cash Management			
Money Market Fund*	548	548	548
<b>SPECIAL REVENUE:</b>			
Vehicular License Tax Fund:			
Money Market - Dreyfus - Government Cash Management			
Money Market Fund*	8,576,033	8,576,033	8,576,033

(Continued)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Investments  
As of October 31, 2010**

	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>PAR VALUE</u>
<b>INTERNAL SERVICE FUND:</b>			
Self Insurance Account:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due December 7, 2010	124,760	124,760	125,000
Due February 28, 2011	174,817	174,817	175,000
Due March 8, 2011	107,814	107,814	108,000
Federal National Mortgage Association Discount Note:			
Due December 20, 2010	166,722	166,722	167,000
Due November 1, 2010	153,706	153,706	154,000
Due April 26, 2011	167,826	167,826	168,000
Money Market - Dreyfus - Government Cash Management Money Market Fund*	562	562	562
<b>Total</b>	<u>\$ 30,441,481</u>	<u>\$ 30,441,481</u>	<u>\$ 30,463,555</u>
Less: Cash equivalents	<u>19,479,443</u>	<u>19,479,443</u>	<u>19,479,443</u>
	<u>\$ 10,962,038</u>	<u>\$ 10,962,038</u>	<u>\$ 10,984,112</u>

\* Cash Equivalents

(Concluded)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended October 31, 2010**

**STATISTICAL INFORMATION**

The General Bond Resolution dated September 25, 1986, requires the following additional schedules:

Schedule of Investments

Schedule of Revenue from Tolls

Schedule of Traffic – Number of Crossings (Unaudited)

Schedule of Insurance (Unaudited)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Revenue From Tolls  
For the Year Ended October 31, 2010**

	<u>NORTH SHORE</u>
2009:	
November	\$ 1,314,947
December	1,351,474
2010:	
January	1,275,506
February	1,214,189
March	1,434,304
April	1,381,685
May	1,356,762
June	1,339,276
July	1,337,186
August	1,335,926
September	1,297,772
October	<u>1,386,220</u>
Total	<u>\$ 16,025,247</u>

**NOTE:**

On May 5, 1999, the commission began collecting tolls on the North Shore only.

On June 12, 2006, the commission eliminated the 60-day expiration requirement on discounted commuter toll tags.

**UNAUDITED**

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of North Shore Traffic - Number of Crossings  
For the Year Ended October 31, 2010**

	AXLES UNDER 7'5" HEIGHT				AXLES OVER 7'5" HEIGHT			
	2	3	4	5 OR MORE	2	3	4	5 OR MORE
2009:								
November	197,479	1,082	350	6	3,352	496	702	957
December	206,214	694	177	4	3,357	425	541	834
2010:								
January	181,437	763	232	3	3,376	441	545	972
February	179,583	579	166	2	3,158	401	556	753
March	202,612	840	427	2	3,828	551	714	1,036
April	202,484	954	481	6	3,716	578	667	940
May	206,250	1,114	486	7	3,561	582	688	840
June	200,013	982	410	8	3,620	533	594	779
July	207,875	1,001	424	5	3,756	510	588	632
August	194,673	918	307	13	3,606	570	564	720
September	192,200	1,078	460	7	3,676	614	644	688
October	209,090	1,100	526	6	3,617	541	740	693
Total	<u>2,379,910</u>	<u>11,105</u>	<u>4,446</u>	<u>69</u>	<u>42,623</u>	<u>6,242</u>	<u>7,543</u>	<u>9,844</u>

Schedule 5

NON-REVENUE VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION NON-REVENUE (BRIDGE VEHICLES)	AUTOMATIC VEHICLE IDENTIFICATION RECREATIONAL VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION FULL TOLL VEHICLES	TOTAL VEHICLES
12,370	3,869	225	293,135	514,023
12,844	4,111	275	305,748	535,224
13,409	4,145	222	300,785	506,330
15,455	3,681	201	280,105	484,640
14,206	4,089	272	338,054	566,631
13,421	3,778	240	316,888	544,153
13,132	4,032	267	303,867	534,826
13,245	4,221	236	307,281	531,922
13,004	4,194	216	297,059	529,264
13,501	4,116	240	314,593	533,821
14,445	3,942	230	306,434	524,418
13,513	4,288	213	315,465	549,792
<u>162,545</u>	<u>48,466</u>	<u>2,837</u>	<u>3,679,414</u>	<u>6,355,044</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Insurance  
For the Year Ended October 31, 2010**

COVERAGE	UNDERWRITER	NUMBER	POLICY PERIOD	LIMITS
<b>BRIDGE PROPERTY DAMAGE</b>	Illinois Union	IMCI08632844003	1/24/10-1/24/11	\$ 90,000,000
Including:				
Bridge structure				
Spare parts and crossovers				
Variable message signs				
Hazard incident lights, if part of Bridge				
Call boxes and control consoles				
Building and contents, sublimits part of \$90,000 Total Limit				
<b>BRIDGE USE AND OCCUPANCY</b>				\$ 19,800,000
15 Day Deductible				
Named Windstorm & Flood				\$ 1,000,000
Bridge Property				\$ 500,000
Bascule Electrical and Mechanical System				
<b>CONTRACTORS EQUIPMENT</b>	Lloyds of London	IPSI10023	1/24/10-11	
Leased or Rented Mobile Equipment				\$ 500,000
Catastrophe				\$ 2,500,000
Unscheduled Mobile Equipment				\$ 2,150,000
Special Perils, Flood & Earthquake - Deductible				\$ 25,000
<b>ELECTRONIC DATA PROCESSING</b>	Lloyds of London	IPSI10024	1/24/10-11	
Equipment - Schedule on File with Company				\$ 4,375,860
Deductible - 15 Days for Loss of Income				\$ 25,000
<b>EMPLOYEE DISHONESTY BOND</b>	Travelers	103383074	11/01/10-11/01/11	\$ 300,000
with \$5,000 deductible				Blanket Limit \$200,000
with \$2,500 deductible				Forgery and Alterations \$50,000
with \$500 deductible				Money In/Out

(Continued)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Insurance  
For the Year Ended October 31, 2010**

COVERAGE	UNDERWRITER	NUMBER	POLICY PERIOD	LIMITS
Comprehensive General Liability retention applicable to each loss is \$500,000	American Alternative Ins. Co.	N1A2RL00000803	1/24/10-11	\$ 9,500,000 Per Occurrence and Aggregate \$500,000 SIR
Law enforcement liability retention applicable to each loss is \$500,000	American Alternative Ins. Co.	N1A2RL00000803	1/24/10-11	\$ 9,500,000 Per Occurrence and Aggregate \$500,000 SIR
Excess automobile liability retention applicable to each loss is \$500,000	American Alternative Ins. Co.	N1A2RL00000803	1/24/10-11	\$ 9,500,000 Each Accident
Garagekeepers			Sub-limit	\$ 500,000 Excess of \$500,000
Public officials liability retention applicable to each loss is \$500,000	American Alternative Ins. Co.	N1A2RL00000803	1/24/10-11	\$ 9,500,000 Excess of \$5,000,000
Sublimits - not in addition to part of total limit				Per Occurrence and Aggregate \$500,000 SIR
Wrongful Acts				\$ 9,500,000 Excess of \$500,000
Sexual Harrassment				\$ 2,000,000 Excess of \$500,000
Employment Practices				\$ 5,000,000 Excess of \$500,000
<b>STAND ALONE EXCESS LIABILITY</b>	St. Paul Surplus Lines	QY01225549	1/24/10-11	\$ 10,000,000 Excess of \$10M Primary
	RSUI Indemnity	NHA051784	1/24/10-11	\$ 10,000,000 Excess of \$20,000,000
<b>WORKER'S COMPENSATION</b> Employers' liability	LWCC	83403-D	11/01/09-11/01/10	Statutory \$ 1,000,000 Each Accident Disease Limit Disease Each Person
<b>MARITIME EMPLOYERS LIABILITY</b>	Underwriters at Lloyds	403349	1/24/10-1/01/11	\$ 5,000,000 Any 1 Person Any 1 Accident
<b>EXCESS MARITIME EMPLOYERS LIABILITY</b>	Northern Assurance Co	TRC403350	1/24/10-1/24/11	\$ 6,000,000 Excess of Primary \$5M Any Person Any 1 Accident

(Continued)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA**

**Schedule of Insurance  
For the Year Ended October 31, 2010**

<u>COVERAGE</u>	<u>UNDERWRITER</u>	<u>NUMBER</u>	<u>POLICY PERIOD</u>	<u>LIMITS</u>
<b>BOILER AND MACHINERY</b> \$10,000 deductible per claim	Hartford Steam Boiler	FBP22410540	06/14/09-06/14/10	\$ 25,000,000
<b>POLICE OFFICERS FAITHFUL PERFORMANCE BOND</b>	C.N.A. Surety	609006850	5/12/2000 Until Cancelled	\$ 10,000 Per Officer
<b>POLLUTION LEGAL LIABILITY</b> \$100,000 deductible applicable to each incident	American International Spec.	PLS1579363	12/18/05-12/18/10	\$ 5,000,000 Each incident and Aggregate
<b>CONTRACTORS POLLUTION LIABILITY</b> \$100,000 deductible applicable to each claim	American International Spec.	CPL1579373	12/18/05-12/18/10	\$ 5,000,000 Each Claim and Aggregate

(Concluded)

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal control required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



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

Greater New Orleans Expressway Commission  
State of Louisiana  
Metairie, Louisiana

I have audited the financial statements of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of and for the years ended October 31, 2010, and have issued my report thereon dated April 22, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Greater New Orleans Expressway Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the Board of Directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*J. Aaron Cozart, CPA, LLC*

DeRidder, Louisiana  
April 22, 2011

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED OCTOBER 31, 2010**

**Summary of Auditors' Results**

As required by the Office of Louisiana Legislative Auditor, the following is a summary of the results of my audit:

- Type of report issued on financial statements – unqualified.
- There were no material weaknesses in internal controls over financial reporting.
- There were no findings to be reported under *Government Auditing Standards*.
- The results of my audit procedures disclosed no material noncompliance.

**Current Year Findings**

No findings were noted in the current year.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED OCTOBER 31, 2010**

There were no findings in the prior year.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Annual Financial Statements  
October 31, 2010

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- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
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- B Instructions for the Simplified Statement of Activities
- C Information for Note C – Deposits with Financial Institutions & Investments
- D Information for Note I – Other Postemployment Benefits
- E Information for Note Q – Revenues or Receivables – Pledged or Sold (GASB 48)
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- H Information for Schedule 16 – Cooperative Endeavors

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 2011

**Greater New Orleans Expressway Commission**  
**P.O. Box 7656**  
**Metairie, Louisiana 70010**

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397  
  
Legislative\_Auditor\_-\_Fileroom.LLA@lla.state.la.us

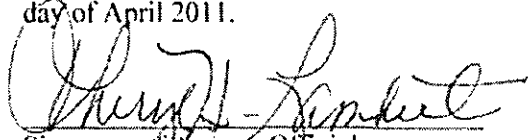
Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Cheryl H. Lambert, Director of Finance of the Greater New Orleans Expressway Commission, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater New Orleans Expressway Commission at October 31, 2010, and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 27<sup>th</sup>

day of April 2011.

  
\_\_\_\_\_  
Signature of Agency Official

  
\_\_\_\_\_  
NOTARY PUBLIC

Prepared by: J. Aaron Cooper, CPA

**Burgess E. McCranie Jr.**  
Bar Roll # 9172

Title: Auditor

Telephone No.: 337-794-2470

Date: April 22, 2011

Email Address: aaron@acoopercpa.com

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

The management's discussion and analysis of the Greater New Orleans Expressway Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended October 31, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on Pages 3 – 7 and the Commission's financial statements, which begin on Page 14.

**FINANCIAL HIGHLIGHTS**

The Commission's assets exceeded its liabilities at the close of fiscal year 2010 by \$87,067,920 compared to \$84,113,903 for fiscal year 2009, an increase of \$2,954,017 (or 3.5%).

The Commission's toll revenue decreased \$1,025,808 (or 6.0%) compared to the prior fiscal year.

The Highway Fund #2 (Vehicular License Tax), which is dedicated to debt service, increased by \$141,387 (or 2.72%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Greater New Orleans Expressway Commission's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. Although debt covenants require the Commission to account for certain activities in separate "funds", the Commission reports its financial condition and activities under one proprietary fund as it is engaged in a single enterprise, which is the movement of vehicles over bridges (infrastructure assets). Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; the Statement of Cash Flows; and Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning separate accounting activities required by bond indentures and/or bond resolutions. The basic financial statements are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private sector business.

**Basic Financial Statements**

The basic financial statements present information for the Greater New Orleans Expressway Commission as a whole in a format designed to make the statements easier for the reader to understand. The statements of this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (Page 14) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (Page 15) presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

The Cash Flow Statement (Pages 16 - 17) presents information showing how Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	Net Assets	
	10/31/2010	10/31/2009
Current and other assets	\$ 40,792,279	\$ 49,647,253
Capital assets	111,856,108	109,846,628
Total assets	<u>152,648,387</u>	<u>159,493,881</u>
Other liabilities	11,762,001	19,280,068
Long-term debt outstanding	53,818,466	56,099,910
Total liabilities	<u>65,580,467</u>	<u>75,379,978</u>
 Total net assets	 <u>\$ 87,067,920</u>	 <u>\$ 84,113,903</u>

The composite net asset amount of \$87,067,920 as of October 31, 2010 consists of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$55,756,198, \$28,480,169, and \$2,831,553 respectively. The composite net asset amount of \$84,113,903 as of October 31, 2009 consisted of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$43,975,613, \$28,640,556, and \$11,497,734, respectively. The Commission's equity interest (capital assets less related outstanding debt) in its capital assets is reported within the investment in capital assets, net of related debt amount.

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, grant requirements, and bond and other resolutions. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used.

As referred to previously, net assets of the Commission increased by \$2,954,017 or 3.5%, from October 31, 2009 to October 31, 2010. The major cause of this increase was the gains of involuntary conversion of capital assets. In addition, capital improvements are not charged against current revenues but are capitalized within the property, plant, and equipment account and depreciated over future periods.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

**Changes in Net Assets**

	10/31/2010	10/31/2009
Operating revenues	\$ 16,032,533	\$ 17,064,140
Operating expenses	<u>19,626,614</u>	<u>20,004,451</u>
Operating income	(3,594,081)	(2,940,311)
Non-operating revenues(expenses)	<u>6,548,098</u>	<u>2,412,498</u>
Increase(Decrease) in net assets	<u>\$ 2,954,017</u>	<u>\$ (527,813)</u>

Major revenues for GNOEC consist of toll collections and vehicular license tax. These combined revenues represented nearly 99% of total GNOEC revenues. From fiscal year 2009 to 2010, the Commission's total revenues, including operating and non-operating revenues, decreased by \$1,404,913 or 6.20%. Conversely, from fiscal year 2009 to 2010, the total cost of all programs and services, excluding depreciation, decreased by \$1,559,275 or 8.49%.

**CAPITAL ASSETS AND LONG-TERM  
DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2010, the Commission had \$111,856,108 invested in a broad range of capital assets, including the expressway bridge, building, vehicles, furniture, fixtures and equipment.

**Capital Assets at Year-end  
(Net of Depreciation)**

	10/31/2010	10/31/2009
Building and improvements	\$ 2,483,624	\$ 2,191,457
Furniture, fixtures, and equipment	3,042,879	2,740,234
Infrastructure	<u>106,329,605</u>	<u>104,914,936</u>
Total	<u>\$ 111,856,108</u>	<u>\$ 109,846,627</u>

This year's major additions included:

Bridge improvements	\$ 5,094,707
Furniture, fixtures, and equipment	1,347,513
Building	<u>357,298</u>
Total	<u>\$ 6,799,519</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
Management's Discussion and Analysis**

**Long-Term Debt**

The Commission had \$56,099,910 in current and noncurrent bonds outstanding at year-end, compared to \$65,871,015 last year, a decrease of 14.83%.

	<u>2010</u>	<u>2009</u>
Outstanding Debt, at Year-end		
Revenue Bonds (net of premium/discount)	<u>\$ 56,099,910</u>	<u>\$ 65,871,015</u>

The Commission's bond indebtedness carries a Standard & Poor's A rating.

On April 15, 2003, the Commission issued Series 2003 bonds for the purpose of providing funds to refund all of the Commission's outstanding Series 1992 bonds, finance a portion of construction costs and pay costs of issuance of the Series 2003 bonds, including the cost of the Series 2003 bond issuance policy and the reserve fund insurance policy.

On October 28, 2009, the Commission issued \$7,900,000 of Revenue Bonds, Series 2009. The proceeds of this issue are being used to refund all of the Commission's outstanding Series 1999-A Bonds and pay costs of issuance of the Series 2009 Bonds including the cost of the bond insurance policy.

The Commission has estimated claims of \$1,197,373 outstanding at year-end compared with \$764,393 last year. Other obligations include accrued vacation pay and sick leave of \$1,248,414 and other post-employment benefits of \$2,242,763.

**BUDGET**

The annual budget is approved by the Commission at its August meeting. The budget is then approved by the Joint Legislative Committee on the Budget of the Louisiana Legislature.

**CONTACTING THE GREATER NEW ORLEANS EXPRESSWAY COMMISSION'S  
FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, investors and creditors with a general overview of the Greater New Orleans Expressway Commission's finances.

If you have any questions about this report, contact the Director of Finance, Greater New Orleans Expressway Commission, P. O. Box 7656, Metairie, LA 70010.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
BALANCE SHEET  
AS OF OCTOBER 31, 2010**

**Statement A**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 5,242,385
Restricted Cash and Cash Equivalents	16,076,482
Restricted Investments	10,962,037
<b>Derivative instrument</b>	
<b>Deferred outflow of resources</b>	
Receivables (net of allowance for doubtful accounts)(Note U)	247,939
Due from other funds (Note Y)	
Due from federal government	
Inventories	320,435
Prepayments	637,088
Restricted receivable	5,796,506
Other current assets	
Total current assets	39,282,872

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	
Buildings and improvements	2,483,624
Machinery and equipment	3,042,879
Infrastructure	106,329,605
<b>Intangible assets</b>	
Construction/Development-in-progress	
Other noncurrent assets	1,509,407
Total noncurrent assets	113,365,515
Total assets	\$ 152,648,387

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 281,331
<b>Derivative instrument</b>	
<b>Deferred inflow of resources</b>	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	1,226,872
Amounts held in custody for others	
Other current liabilities	1,235,369
Current portion of long-term liabilities: (Note K)	
Contracts payable	896,794
Other post-employment benefits	169,071
Capital lease obligations	
Claims and litigation payable	
Notes payable	
<b>Pollution remediation obligation</b>	
Bonds payable (include unamortized costs)	2,281,444
Other long-term liabilities	
Total current liabilities	6,090,881

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable	
Compensated absences payable	1,248,414
Capital lease obligations	
Claims and litigation payable	1,197,373
Notes payable	
<b>Pollution remediation obligation</b>	
Bonds payable (include unamortized costs)	53,818,466
OPEB payable	2,073,692
Other long-term liabilities	1,151,641
Total noncurrent liabilities	59,489,586
Total liabilities	65,580,467

**NET ASSETS**

Invested in capital assets, net of related debt	55,756,198
Restricted for:	
Capital projects	14,936,881
Debt service	13,543,288
Unemployment compensation	
Other specific purposes	
Unrestricted	2,831,553
Total net assets	87,067,920

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA**  
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED OCTOBER 31, 2010**

**Statement B**

<b>OPERATING REVENUE</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	16,025,247
Licenses, permits, and fees	_____
Other	7,286
Total operating revenues	16,032,533
<b>OPERATING EXPENSES</b>	
Cost of sales and services	13,134,985
Administrative	1,845,174
Depreciation	4,646,455
Amortization	_____
Total operating expenses	19,626,614
Operating income(loss)	(3,594,081)
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues(expenses)	(350,000)
Taxes	5,344,122
Use of money and property	3,149
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	(123,211)
Federal grants	_____
Interest expense	(2,475,983)
Other revenue	4,150,021
Other expense	_____
Total non-operating revenues(expenses)	6,548,098
Income(loss) before contributions, extraordinary items, & transfers	2,954,017
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	2,954,017
Total net assets – beginning	84,113,903
Total net assets – ending	\$ 87,067,920

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA  
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED OCTOBER 31, 2010

Statement C

See Appendix B for instructions

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Operating Charges for Services	
Entity	\$ 22,452,597	\$ 16,032,533	\$ (6,420,064)
General revenues:			
Taxes			5,344,122
State appropriations			
Grants and contributions not restricted to specific programs			
Interest			3,149
Miscellaneous			4,150,021
Special items - Loss			(123,211)
Extraordinary item - Loss on impairment of capital assets			
Transfers			
Total general revenues, special items, and transfers			9,374,081
Change in net assets			2,954,017
Net assets - beginning as restated			
Net assets - ending			\$ 2,954,017

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED OCTOBER 31, 2010**

**Statement D  
(continued)**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 16,114,680	
Cash payments to suppliers for goods and services	(6,982,770)	
Cash payments to employees for services	(6,500,954)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders	(593,965)	
Other operating revenues(expenses)	124,057	
Net cash provided(used) by operating activities		<u>2,161,048</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	5,091,447	
Net cash provided(used) by non-capital financing activities		<u>5,091,447</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds	(9,675,000)	
Interest paid on bond maturities	(2,601,289)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(7,955,887)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(20,232,176)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities	4,799,061	
Interest and dividends earned on investment securities	41,434	
Net cash provided(used) by investing activities		<u>4,840,495</u>
Net increase(decrease) in cash and cash equivalents		<u>(8,139,186)</u>
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at end of year	\$	<u><u>(8,139,186)</u></u>

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED OCTOBER 31, 2010**

**Statement D  
(concluded)**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)	\$ <u>(3,594,081)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	<u>4,646,455</u>
Provision for uncollectible accounts	<u>                    </u>
Other	<u>                    </u>
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	<u>(21,327)</u>
(Increase)decrease in due from other funds	<u>                    </u>
(Increase)decrease in prepayments	<u>(134,244)</u>
(Increase)decrease in inventories	<u>                    </u>
(Increase)decrease in other assets	<u>                    </u>
Increase(decrease) in accounts payable and accruals	<u>192,318</u>
Increase(decrease) in compensated absences payable	<u>(88,759)</u>
Increase(decrease) in due to other funds	<u>                    </u>
Increase(decrease) in deferred revenues	<u>89,433</u>
Increase(decrease) in OFEB payable	<u>638,273</u>
Increase(decrease) in other liabilities	<u>432,980</u>
Net cash provided(used) by operating activities	\$ <u>2,161,048</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$ <u>                    </u>
Contributions of fixed assets	<u>                    </u>
Purchases of equipment on account	<u>                    </u>
Asset trade-ins	<u>                    </u>
Other (specify)	<u>                    </u>
Decrease in fair value of investments	<u>22,723</u>
	<u>                    </u>
	<u>                    </u>
<b>Total noncash investing, capital, and financing activities:</b>	\$ <u>22,723</u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
Notes to the Financial Statement  
As of and for the year ended October 31, 2010**

**INTRODUCTION**

The Greater New Orleans Expressway Commission (the "Commission") was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 33:1324. The following is a brief description of the operations of the Commission and includes the parish/parishes in which the (BTA) is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Greater New Orleans Expressway Commission present information only as to the transactions of the programs of the Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.



**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
Notes to the Financial Statement  
As of and for the year ended October 31, 2010**

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3**, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at October 31, 2010, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 1,838,625	\$	\$	\$ 1,838,625
Deposits in bank accounts per bank	\$ 2,351,197	\$	\$	\$ 2,351,197
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name	2,101,197			2,101,197

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

**STATE OF LOUISIANA  
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
 Notes to the Financial Statement  
 As of and for the year ended October 31, 2010**

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

	Banking Institution	Program	Amount
1.	Chase Bank	Toll bridge operation	\$ 2,351,197
2.			
3.			
4.			
Total			\$ 2,351,197

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	<u>                    </u>
Petty cash	\$	<u>800</u>

**2. INVESTMENTS**

The Commission ~~does~~ does not maintain investment accounts as authorized by R.S. 33:2955.

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
Notes to the Financial Statement  
As of and for the year ended October 31, 2010**

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount Per Balance Sheet	Fair Value
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	10,962,038	10,962,038
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____	\$ _____	\$ 10,962,038	\$ 10,962,038

\* Unregistered - not registered in the name of the government or entity  
 \*\* These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)  
 \*\*\* LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

**3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES**

**A. Credit Risk of Debt Investments**

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

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Rating Agency	Rating	Fair Value
Standard & Poors	A	\$ 10,962,038
	Total	\$ 10,962,038

**B. Interest Rate Risk of Debt Investments**

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations	10,962,038	10,962,038			
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	\$ 10,962,038	\$ 10,962,038	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix C for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment	Fair Value	Terms
	\$	
Total	\$ -	

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**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Federal Home Loan Mortgage	\$ 6,452,878	58.87%
Federal National Mortgage Association	4,509,160	41.13%
Total	\$ 10,962,038	

**D. Foreign Currency Risk - N/A**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$ -	\$ -

**4. DERIVATIVES (GASB 53) - N/A**

**A. Summary of Derivative Instruments**

Complete the following table, "Summary of Derivative Instruments" for all derivative instruments held by the entity at October 31, 2010. If no derivative instruments were held by the entity at June 30, please state "None".

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**Summary of Derivative Instruments**

Type	Notional	Changes in Fair Value		Fair Value at June 30	
		Classification	Amount	Classification	Amount *
<u>Investment Derivative Instruments:</u>			\$		\$
<u>Fair Value Hedges:</u>			\$		\$
<u>Cash Flow Hedges:</u>			\$		\$

**\*If fair value is based on other than quoted market prices, the methods and significant assumptions used to estimate those fair market values should be disclosed.**

**B. Investment Derivative Instruments**

**Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. Separately list each investment derivative instrument included in the table above and discuss the exposure to risk from these investments for the following risks:**

**1. Credit Risk of Investment Derivative Instruments**

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**2. Interest Rate Risk of Investment Derivative Instruments**

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

**Disclose the reference rate for each investment derivative instrument along with any embedded options**

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**3. Foreign Currency Risk of Investment Derivative Instruments**

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$ _____	\$ _____
	_____	_____
	_____	_____
Total	\$ _____	\$ _____

**4. Reclassification from Hedging Derivative Instrument to Investment Derivative Instrument**

<u>Item Reclassified</u>	<u>Notional Amount</u>	<u>Ineffective @ 6/30/10 (Y/N)</u>	<u>Fair Value @ 6/30/10</u>	<u>Ineffective @ 6/30/09 (Y/N)</u>	<u>Fair Value @ 6/30/09</u>	<u>Change in Fair Value @ 6/30/10</u>
						-
						-
						-
						-

**C. Hedging Derivative Instruments**

Complete the following table- Terms and Objectives of Hedging Derivative Instruments - for all hedging derivative instruments held by the entity at October 31, 2010\_.

<u>Terms and Objectives of Hedging Derivative Instruments</u>						
<u>Type</u>	<u>Notional</u>	<u>Objective</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms *</u>	<u>Counterparty Credit Rating</u>

\*Terms include reference rates, embedded options, and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.

Interest rates and the various swap indices change over time. Use the schedule below to summarize payments on the swap and interest payments to bondholders for applicable hedging derivative instruments.

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Hedging Derivative Instrument	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		

List each hedging derivative separately, and discuss the exposure to risk from these hedges for the following risks:

**1. Credit Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. Interest Rate Risk of Hedging Derivative Instruments**

Hedging Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

**3. Basis Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**4. Termination Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**5. Rollover Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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6. Market-Access Risk of Hedging Derivative Instruments


7. Foreign Currency Risk of Hedging Derivative Instruments

Foreign Currency	Fair Value in U.S. Dollars	
	Bonds	Stocks
	\$	\$
Total	\$	\$

If any hedged items are a debt obligation, then its net cash flows are required to be disclosed in accordance with GASB Statement No. 38, paragraphs 10 – 11. This information, if applicable, should be provided below, and will be included in Note 8 of the CAFR.

Using the following chart, provide the principal and interest requirements to maturity for those hedged items that are a debt obligation. If your fiscal year ends other than June 30, change the date within the table. If the number of years for your debt to terminate exceeds the years listed, add those years to the table (in 5 year increments).

Debt and Lease Obligations for Hedged Debt (per GASB 38, paragraph 10)

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2011	\$	\$	\$	\$
2012				-
2013				-
2014				-
2015				-
2016-2020				-
2021-2025				-
2026-2030				-
2031-2035				-
2036-2040				-
Total				

*Note: The hedging derivative column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.*

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List any terms by which the interest rates change for variable-rate debt.

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Using the following chart, provide the future minimum lease payments for those hedged items that are obligations under capital and noncancelable operating leases (per GASB 38, paragraph 11). If your fiscal year ends other than June 30, change the date within the table. If the number of years for your lease extends beyond the years listed, add those years to the table (in 5 year increments).

Fiscal Year Ending June 30	Minimum Future Lease Payment
2011	\$
2012	
2013	
2014	
2015	
2016-2020	
2021-2025	
2026-2030	
2031-2035	
2036-2040	
Total	-

If effectiveness is determined by another quantitative method not identified in GASB Statement No. 53, provide the identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

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**D. Contingent Features**

Disclose any contingent features that are included in derivative instruments held at the end of the reporting period. The required disclosures include (1) the existence and nature of contingent features and the circumstances in which the features could be triggered, (2) the aggregate fair value of derivative instruments that contain those features, (3) the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities, and (4) the amount, if any, that has been posted as collateral by the government as of the end of the reporting period.

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**E. Hybrid Instruments**

**If your entity has any hybrid instruments, disclosure of the companion instrument should be consistent with disclosures required of similar transactions. List any hybrid instruments below and provide information regarding any hybrid instruments and a reference to where the required disclosures can be found. If the required disclosures are not presented elsewhere, provide those disclosures below. If your entity does not have any hybrid instruments, state "None".**

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**F. Synthetic Guaranteed Investment Contracts (SGICs)**

**If your entity has a fully benefit-responsive SGIC, then a description of the nature of the SGIC and the SGIC's fair value (including separate disclosure of the fair value of the wrap contract and the fair value of the corresponding underlying investments) should be disclosed as of the end of the reporting period. Provide those required disclosures below. If your entity does not have any, state "None".**

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**5. POLICIES**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

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**6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS**

a. Investments in pools managed by other governments or mutual funds

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b. Securities underlying reverse repurchase agreements \_\_\_\_\_

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c. Unrealized investment losses \_\_\_\_\_

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d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold

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2. Description of the terms of the agreement

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e. Losses during the year due to default by counterparties to deposit or investment transactions

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f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet

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Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements

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h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year

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Reverse Repurchase Agreements as of Year-End

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest

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j. Commitments on \_\_\_\_\_ (fiscal close) to repurchase securities under yield maintenance agreements

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k. Market value on \_\_\_\_\_ (fiscal close) of the securities to be repurchased

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l. Description of the terms of the agreements to repurchase

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- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

**Fair Value Disclosures (GASB 31)**

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**Land and Other Real Estate Held as Investments by Endowments (GASB 52)**

- v. \_\_\_\_\_ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

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**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Balance 6/30/2009	submitted to OSRAP (+/-)	Restatements (+/-)	Balance 6/30/2009	Additions	Transfers*	Retirements	Balance 6/30/2010
<b>Capital assets not being depreciated</b>								
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-	-
Software Development in Progress	-	-	-	-	-	-	-	-
Construction in progress (CIP)	-	-	-	-	-	-	-	-
Total capital assets not being depreciated	-	-	-	-	-	-	-	-
<b>Other capital assets</b>								
Machinery and equipment	8,049,568	-	-	8,049,568	1,347,514	-	(239,255)	9,157,827
Less accumulated depreciation	(5,309,334)	-	-	(5,309,334)	(1,041,627)	-	236,014	(6,114,947)
Total Machinery and equipment	2,740,234	-	-	2,740,234	305,887	-	(3,241)	3,042,880
Buildings and improvements	2,605,294	-	-	2,605,294	357,298	-	-	2,962,592
Less accumulated depreciation	(413,836)	-	-	(413,836)	(65,132)	-	-	(478,968)
Total buildings and improvements	2,191,458	-	-	2,191,458	292,166	-	-	2,483,624
Depreciable land improvements	-	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-	-
Infrastructure	220,218,488	-	-	220,218,488	5,094,707	-	(224,549)	225,088,646
Less accumulated depreciation	(115,303,552)	-	-	(115,303,552)	(3,539,696)	-	84,206	(118,759,042)
Total infrastructure	104,914,936	-	-	104,914,936	1,555,011	-	(140,343)	106,329,604
Software (internally generated and purchased)	-	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-	-
Less accumulated amortization - software	-	-	-	-	-	-	-	-
Less accumulated amortization - other intangibles	-	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-	-
Total other capital assets	109,846,628	-	-	109,846,628	2,153,064	-	(143,584)	111,856,108
Capital assets not being depreciated	-	-	-	-	-	-	-	-
Other capital assets, at cost	230,873,350	-	-	230,873,350	6,799,519	-	(463,804)	237,209,065
Total cost of capital assets	230,873,350	-	-	230,873,350	6,799,519	-	(463,804)	237,209,065
Less accumulated depreciation and amortization	(121,026,722)	-	-	(121,026,722)	(4,646,455)	-	320,220	(125,352,957)
Capital assets, net	\$ 109,846,628	\$ -	\$ -	\$ 109,846,628	\$ 2,153,064	\$ -	\$ (143,584)	\$ 111,856,108

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets.

\*\* Enter a negative number with the exception of accumulated depreciation in the retirement and prior period adjustment column.

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**If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible asset reported.** \_\_\_\_\_  
\_\_\_\_\_

**E. INVENTORIES**

The BTA's inventories are valued using the specific identification method (method of valuation – FIFO, LIFO, weighted average, moving average, specific identification, etc). These are perpetual inventories and are expensed when used.

**F. RESTRICTED ASSETS**

Restricted assets in the Commission at October 31, 2010, reflected at \$32,835,025 in the current assets section on Statement A, consist of \$16,076,482 in cash with fiscal agent, \$5,796,506 in receivables, and \$10,962,037 investment in US agency securities. State the purpose of the restrictions: Reserves established by bond resolution and state law.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Commission has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. Annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for all accumulated annual leave and up to 120 days of unused sick leave at the employee's hourly rate of pay at the time of termination. Upon retirement, any uncompensated annual leave at the employee's option plus unused sick leave in excess of 120 days is used to compute retirement benefits. Compensated absences are recognized as an expense and liability in the financial statements when incurred.

**2. COMPENSATORY LEAVE - N/A**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at \_\_\_\_\_ (fiscal year end) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section

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C60.105 is estimated to be \$\_\_\_\_\_. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all employees of the Commission are members of the Louisiana Parochial Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system for the benefit of parochial employees, which is administered and controlled by a separate board of trustees.

All Commission employees working at least 28 hours per week are eligible to participate in the System. Benefits vest with 7 years of service. At retirement age, employees hired prior to January 1, 2007 are entitled to annual benefits equal to 3% of their highest consecutive 36 months' average salary multiplied by their years of credited service. At retirement age, employees hired January 1, 2007 and later are entitled to annual benefits equal to 3% of their highest consecutive 60 months' average salary multiplied by their years of credited service. Vested employees hired prior to January 1, 2007 are entitled to a retirement benefit payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, (c) age 60 with 10 years of service, or (d) age 65 with 7 years of service. Vested employees hired January 1, 2007 and later are entitled to a retirement benefit payable monthly for life at (a) age 55 with 30 years of service, (b) age 62 with 10 years of service, or (c) age 67 with 7 years of service. In addition, effective August 15, 1995, any employee who on January 1, 1982, had earned 10 years of service credit shall be eligible for early retirement at a reduced benefit regardless of age. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361. Members are required by state statute to contribute 9.50% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The employer contribution rate was 15.75% of annual covered payroll in fiscal year ending October 31, 2010, 12.25% of annual covered payroll in fiscal year ending October 31, 2009, and 12.75% in the fiscal year ending October 31, 2008. The Commission's contributions to the System for the years ending October 31, 2010, 2009, and 2008 were \$740,724, \$580,232 and \$623,632, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Substantially all Commission employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee

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and the Commission. GNOEC's pays 70% of the retirees' total premiums. GNOEC and the retirees pay their respective share of the premiums on a "pay-as-you-go" basis. GNOEC contributed \$169,071 for 22 retirees.

GNOEC's Annual Required Contribution ("ARC") is an amount actuarially-determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability ("UAL") over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2010 is \$879,153 which consists of normal cost of \$474,264 and amortization of UAL of \$404,889.

The following table presents GNOEC's OPEB obligation for the year ended October 31, 2010:

Beginning OPEB obligation at November 1, 2009	\$ 1,604,490
Interest on prior year obligation	64,180
Annual Required Contribution	879,153
Less: adjustment to ARC	135,989
Less: current year premiums paid	169,071
Increase in net OPEB obligation	638,273
Ending net OPEB obligation at October 31, 2010	<u>\$ 2,242,763</u>

Utilizing the pay-as-you-go method, GNOEC contributed 20.94% of the annual OPEB cost during 2010.

**Actuarial Methods and Assumptions.** Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in

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actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 31, 2010 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.2 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after ten years. The RP2000 Mortality Table was used in the actuarial calculation. Withdrawal rates for employees ranged from 23% for less than one year of service to 1% after 17 years of service. Disability rates for employees ranged from .05% for employees aged 30 years to 1.71% for employees over the age of 60. Retirement rates ranged from 22% for age 55 to 100% for age 67+. The remaining amortization period at October 31, 2010 was 27 years.

**J. LEASES**

**NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year ended October 31, 2010 amounted to \$123,032. (Note: If lease payments extend past FY 2025, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016-2020	FY 2021-2025
Office Space	\$ 139,162	\$ 81,329	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment							
Land							
Other							
Total	\$ 139,162	\$ 81,329	\$ -	\$ -	\$ -	\$ -	\$ -

**2. CAPITAL LEASES**

Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain

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purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**Schedule A should be used to report all capital leases including new leases in effect as of 6/30/10. In Schedule B, report only those new leases entered into during fiscal year 2009-2010.**

**SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2030, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	<u>Total</u>
2011	\$ _____
2012	_____
2013	_____
2014	_____
2015	_____
2016-2020	_____
2021-2025	_____
2026-2030	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	<u>\$ _____ -</u>

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**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2030, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2011	\$ _____
2012	_____
2013	_____
2014	_____
2015	_____
2016-2020	_____
2021-2025	_____
2026-2030	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**SCHEDULE C – LEAF CAPITAL LEASES**

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<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
d. Other	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2030, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2011	\$ _____
2012	_____
2013	_____
2014	_____
2015	_____
2016-2020	_____
2021-2025	_____
2026-2030	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**3. LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

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<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a Office space		\$ _____	\$ _____	\$ _____
<b>b Buildings</b>		_____	_____	_____
c Equipment		_____	_____	_____
d Land		_____	_____	_____
<b>e. Other</b>		_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____	-	
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____	-	
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____	-	

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2010 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for buildings, \$ \_\_\_\_\_ for equipment, \$ \_\_\_\_\_ for land, and \$ \_\_\_\_\_ for other.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2030, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending _____:	
2011	\$ _____
2012	_____
2013	_____
2014	_____
2015	_____
2016-2020	_____
2021-2025	_____
2026-2030	_____
Total	\$ _____

**4. LESSOR – OPERATING LEASE**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating

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lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_\_\_:

	Cost	Accumulated depreciation	Carrying amount
a. Office space	\$ _____	\$ _____	\$ _____
b. Building	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2030, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2011	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2012					-
2013					-
2014					-
2015					-
2016-2020					-
2021-2025					-
2026-2030					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_.  
Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for buildings, \$ \_\_\_\_\_ for equipment, \$ \_\_\_\_\_ for land, and \$ \_\_\_\_\_ for other.

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**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended October 31, 2010:

	Year ended June 30, 2010			Balance June 30, 2010	Amounts due within one year
	Balance June 30, 2009	Additions	Reductions		
<b>Notes and bonds payable:</b>					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	65,871,015	-	9,771,105	56,099,910	2,281,444
Total notes and bonds	<u>65,871,015</u>	<u>-</u>	<u>9,771,105</u>	<u>56,099,910</u>	<u>2,281,444</u>
<b>Other liabilities:</b>					
Contracts payable	-	-	-	-	-
Compensated absences payable	1,337,173	-	88,759	1,248,414	-
Capital lease obligations	-	-	-	-	-
Claims and litigation	-	-	-	-	-
<b>Pollution remediation obligation</b>					
OPEB payable	1,604,490	943,333	305,060	2,242,763	169,071
Other long-term liabilities	-	-	-	-	-
Total other liabilities	<u>2,941,663</u>	<u>943,333</u>	<u>393,819</u>	<u>3,491,177</u>	<u>169,071</u>
Total long-term liabilities	<u>\$ 68,812,678</u>	<u>\$ 943,333</u>	<u>\$ 10,164,924</u>	<u>\$ 59,591,087</u>	<u>\$ 2,450,515</u>

**L. CONTINGENT LIABILITIES**

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

The \_\_\_\_\_ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

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Date of Action	Description of Litigation and Probable outcome (Probable, reasonably possible or remote)	Estimated Liability Amt for Claims & Litigation (Opinion of legal counsel)	Insurance Coverage
		\$	\$
Totals		\$	\$

**\*Note:** Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

- (a) Purchase of commercial insurance,
- (b) Participation in a public entity risk pool (e.g., Office of Risk Management claims)
- (c) Risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)
- (d) Other (explain) \_\_\_\_\_

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. \_\_\_\_\_

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. \_\_\_\_\_

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. \_\_\_\_\_

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Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. \_\_\_\_\_

**Disallowed Cost:**

Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1	_____	_____	\$ _____	_____	\$ _____
2	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____

\* Reasonably possible, probable, or remote

\*\* Indicate only if amount can be reasonably estimated by legal counsel

**M. RELATED PARTY TRANSACTIONS - N/A**

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. \_\_\_\_\_

**N. ACCOUNTING CHANGES - N/A**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate or entity). The effect of the change is being shown in \_\_\_\_\_.

**O. IN-KIND CONTRIBUTIONS - N/A**

List all in-kind contributions that are not included in the accompanying financial statements.

In-Kind Contributions	Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor
_____	\$ _____
_____	_____
_____	_____
Total	\$ _____

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**P. DEFEASED ISSUES - N/A**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ (BTA), issued \$ \_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ \_\_\_\_\_, plus an additional \$ \_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ \_\_\_\_\_ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ \_\_\_\_\_.

**Q. REVENUES – PLEDGED OR SOLD (GASB 48) - N/A**

**1. PLEDGED REVENUES**

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission or the Louisiana Public Facilities Authority has authorized in your agency’s name or in your agency’s behalf.** Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

a. Identify the specific pledged revenue:

- Pledged revenue is \_\_\_\_\_
- Debt secured by the pledged revenue (amount) \_\_\_\_\_
- Approximate amount of pledge \_\_\_\_\_ (equal to the remaining principal and interest requirements)

b. Term of the commitment: \_\_\_\_\_ [number of years (beginning and ending dates by month and year) that the revenue will not be available for other purposes]

c. General purpose for the debt secured by the pledge: \_\_\_\_\_

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d. Relationship of the pledged amount to the specific revenue: \_\_\_\_\_  
(the proportion of the specific revenue that has been pledged)

e. Comparison of the pledged revenues (current year information):

- Principal requirements: \_\_\_\_\_

- Interest requirements: \_\_\_\_\_

- Pledged revenues recognized during the period \_\_\_\_\_ (gross pledged revenue minus specified operating expenses)

**NOTE:** For any new Revenue Bonds, you must send a copy of the following pages:

- Cover page
- Introductory statement
- **Amortization schedule – terms and conditions**
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

**2. FUTURE REVENUES REPORTED AS A SALE**

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendix E)

Provide the following information in the year of the sale ONLY:

a. Identify the specific revenue sold:

- the revenue sold is \_\_\_\_\_
- the approximate amount \_\_\_\_\_
- significant assumptions used in determining the approximate amount \_\_\_\_\_

b. Period of the sale: \_\_\_\_\_

c. Relationship of the sold amount to the total for that specific revenue: \_\_\_\_\_

d. Comparison of the sale:

- proceeds of the sale \_\_\_\_\_
- present value of the future revenues sold \_\_\_\_\_
- significant assumptions in determining the present value \_\_\_\_\_

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**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) - N/A**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2009-2010:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - N/A**

At October 31, 2010, the \_\_\_\_\_ the Commission was not in compliance with the provisions of \_\_\_\_\_ Bond Reserve Covenant that requires \_\_\_\_\_. The \_\_\_\_\_ the Commission did \_\_\_\_\_ to correct this deficiency.

**T. SHORT-TERM DEBT - N/A**

The \_\_\_\_\_ the Commission issues short-term notes for the following purpose(s)  
 \_\_\_\_\_

Short-term debt activity for the year ended October 31, 2010, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____

The \_\_\_\_\_ the Commission uses the following revolving line of credit for to finance \_\_\_\_\_ (list purpose for the S-T debt).

Short-term debt activity for the year ended October 31, 2010, was as follows:

	Balance	Draws	Redeemed	Balance
Line of credit	\$ _____	\$ _____	\$ _____	\$ _____

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**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at October 31, 2010, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Enterprise fund	\$	\$	\$ 1,561,802	\$ 4,482,643	\$ 6,044,445
Gross receivables	\$ -	\$ -	\$ 1,561,802	\$ 4,482,643	\$ 6,044,445
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ 1,561,802	\$ 4,482,643	\$ 6,044,445
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at October 31, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Enterprise fund	\$ 1,044,951	\$ 133,174	\$	\$	\$ 1,178,125
Total payables	\$ 1,044,951	\$ 133,174	\$ -	\$ -	\$ 1,178,125

**W. SUBSEQUENT EVENTS - N/A**

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

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**X. SEGMENT INFORMATION - N/A**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an

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enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 \_\_\_\_\_  
 Segment No. 2 \_\_\_\_\_

**A. Condensed balance sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

**Condensed Balance sheet:**

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

**B. Condensed statement of revenues, expenses, and changes in net assets:**

- (1) Operating revenues (by major source).

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- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) -- with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	-	-
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	-	-
Beginning net assets	_____	_____
Ending net assets	-	-

**Condensed statement of cash flows:**

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

**Condensed Statement of Cash Flows:**

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances <sup>34</sup>	-	-

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**Y. DUE TO/DUE FROM AND TRANSFERS - N/A**

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:

(Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>_____</u>

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ <u>_____</u>

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ <u>_____</u>

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ <u>_____</u>

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the Commission at October 31, 2010, reflected at \$4,413,607 in the liabilities section on Statement A, consist of \$896,794 in accounts payable, \$2,281,444 in bonds payable, and \$1,235,369 in accrued interest.

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**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS - N/A**

The following adjustments were made to restate beginning net assets for October 31, 2010.

Ending net assets 6/30/09 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/09 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/09) + or (-)	Beg net assets @ 7/1/09 as restated
\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Include all audit adjustments accepted by the agency or entity.  
 Each adjustment must be explained in detail on a separate sheet.

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) - N/A**

Of the total net assets reported on Statement A at October 31, 2010, \$ \_\_\_\_\_ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to Appendix F for more details on the determination of the amount to be reported as required by GASB Statement 46.

List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total	_____	\$ _____

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES - N/A**

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether

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impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix G for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 09-10: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in Appendix G, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Strts</u>	<u>Financial Statement Classification</u>	<u>Appendix G Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane, fire)</u>
Buildings	\$ _____	\$ _____	\$ _____	_____	_____	_____
Movable Property	_____	_____	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____	_____	_____

Insurance recoveries received in FY 09-10 related to impairment losses occurring in previous years, and insurance recoveries received in FY 09-10 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings	\$ _____	_____	_____
Movable Property	_____	_____	_____
Infrastructure	_____	_____	_____

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal

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year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

**DD. EMPLOYEE TERMINATION BENEFITS - N/A**

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. **Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan.** Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

Refer to GASB No. 47, Summary, Recognition Requirements – "Involuntary" termination is recognized when there is a plan of termination approved by the government. "For financial reporting purposes, a plan of involuntary termination is defined as a plan that (a) identifies, at a minimum, the number of employees to be terminated, the job classifications or functions that will be affected and their locations, and when the terminations are expected to occur and (b) establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated."

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Healthcare coverage when none would otherwise be provided (COBRA)
3. Payments due to early release from employment contracts
4. **All others based on professional judgment.**

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. **Year the state becomes obligated**

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3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

**If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.**

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For FY \_\_\_\_\_, the cost of providing those benefits for \_\_\_\_\_ (number of) voluntary terminations totaled \$ \_\_\_\_\_. For FY \_\_\_\_\_, the cost of providing those benefits for \_\_\_\_\_ (number of) involuntary terminations totaled \$ \_\_\_\_\_.

[The termination benefits (voluntary and involuntary) paid in **FY 2010** should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, \_\_\_\_\_ is \$ \_\_\_\_\_. This liability consists of \_\_\_\_\_ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, \_\_\_\_\_ is \$ \_\_\_\_\_. This liability consists of \_\_\_\_\_ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

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A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

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**EE. POLLUTION REMEDIATION OBLIGATIONS - N/A**

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

Disclosures:

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

See **OSRAP memo 09-24**, <http://www.doa.la.gov/osrap/sagasb49.htm> for more information on measuring pollution remediation liabilities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

At fiscal year end, \_\_\_ the Commission was a responsible party or potential responsible party in the remediation of \_\_\_\_\_ (friable asbestos, polluted ground water, removal of leaking underground fuel storage tanks, removal of lead-based paint, diesel spill cleanup, removal and replacement of contaminated soil, oversight and enforcement-related activities, post-remediation monitoring, etc.) on \_\_\_\_\_ agency's/entity's property. A possible explanation for this is \_\_\_\_\_. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ \_\_\_\_\_. The \_\_\_\_\_ (agency) paid \$ \_\_\_\_\_ in remediation costs for fiscal year 2010 and is reporting a balance of \$ \_\_\_\_\_ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

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The following worksheet is provided to assist in completing required note disclosure and in determining the agency's pollution remediation activities, current year expenses, adjustments to pollution remediation obligations, and the amount of the year end liability.



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**\_\_\_\_\_ the Commission**

**Notes to the Financial Statement**

**As of and for the year ended October 31, 2010 \_\_\_\_\_**

**FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) - N/A**

Provide your entity's ARRA revenue received in FY 2010 on a full accrual basis:

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Provide your entity's ARRA expenses in FY 2010 on a full accrual basis:

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**STATE OF LOUISIANA**  
 \_\_\_\_\_ (BTA)  
**SCHEDULE OF NOTES PAYABLE**  
 \_\_\_\_\_, 20\_\_\_\_  
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>		<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>		<u>\$ _____</u>

\*Send copies of new amortization schedules

**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
SCHEDULE OF BONDS PAYABLE  
OCTOBER 31, 2010**

Issue	Date of Issue	Original Issue	Principal Outstanding 10/31/09	Redeemed (Issued)	Principal Outstanding 10/31/10	Interest Rates	Interest Outstanding 10/31/10
<b>Series:</b>							
1999a	7/27/99	\$15,000,000	\$8,545,000	\$8,545,000	\$-0-	4.25-5.25%	\$-0-
2003	4/15/03	54,605,000	48,750,000	1,130,000	47,620,000	2.00-5.00%	1,122,194
2009	10/28/09	7,900,000	7,900,000	-0-	7,900,000	2.75-3.25%	113,175
<b>Unamortized Discounts and Premiums Series:</b>							
2003	4/15/03	1,233,345	571,254	54,403	516,851		
2009	10/28/09	104,761	104,761	41,702	63,059		
Total		<u>\$78,843,106</u>	<u>\$ 67,208,188</u>	<u>\$9,771,105</u>	<u>\$56,099,910</u>		<u>\$ 1,235,369</u>

**\*Note: Principal outstanding (bond series/minus unamortized costs) at 6/30/10 should agree to bonds payable on the Statement of Net Assets.  
Send copies of new amortization schedules for bonds and unamortized costs.**

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended October 31, 2010**

Ending:	Payment	Interest	Principal	Balance
2011	\$ _____	\$ _____	\$ _____	\$ --
2012	_____	_____	_____	--
2013	_____	_____	_____	--
2014	_____	_____	_____	--
2015	_____	_____	_____	--
2016-2020	_____	_____	_____	--
2021-2025	_____	_____	_____	--
2026-2030	_____	_____	_____	--
2031-2035	_____	_____	_____	--
<b>Total</b>	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>



**STATE OF LOUISIANA  
GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended October 31, 2010**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,281,444	\$ 2,456,439
2012	2,334,807	2,390,375
2013	2,396,680	2,320,175
2014	2,471,491	2,246,182
2015	2,542,161	2,168,182
2016	2,607,724	2,087,901
2017	2,704,564	1,977,956
2018	1,544,273	1,881,925
2019	1,617,583	1,801,863
2020	1,691,839	1,721,613
2021	1,779,772	1,637,363
2022	1,852,441	1,564,350
2023	1,934,725	1,486,150
2024	2,019,725	1,402,150
2025	2,119,725	1,301,900
2026	2,224,725	1,196,650
2027	2,334,725	1,086,150
2028	2,441,002	970,150
2029	2,568,101	848,400
2030	2,648,101	730,000
2031	2,783,101	598,000
2032	2,923,101	459,250
2033	3,068,100	313,500
2034	3,210,000	160,500
2035		
<b>Total</b>	<b>\$ 56,099,910</b>	<b>\$ 34,807,124</b>

**\*Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/10 should agree to bonds payable on the Statement of Net Assets.**

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS  
JUNE 30, 2010

	Financial Statement	Adjustments	ISIS Appropriation Report-08/16/10	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	\$	\$	-	\$	-
Federal Funds			-		-
Sales of Commodities and Services			-		-
Other			-		-
Total appropriated revenues			-		-
Expenses:					
Cost of goods sold	\$	\$	-	\$	-
Personal services			-		-
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Other charges			-		-
Capital outlay			-		-
Interagency transfers			-		-
Debt service			-		-
Other:					
Bad debts			-		-
Depreciation			-		-
Compensated absences			-		-
Interest expense			-		-
Other (identify)			-		-
Total appropriated expenses			-		-
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	-	\$	-

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA

(BTA)

**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS  
June 30, 2010**

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
<b>OPEB payable</b>	_____
Other	_____
Change in Net Assets	\$ _____ -

**Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.**

STATE OF LOUISIANA

(BTA)

**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2010</u>	<u>2009</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 16,032,533	\$ 17,064,140	\$(1,031,607)	\$ (6.05%)
Expenses	19,626,614	20,004,451	(377,837)	(1.89%)
2) Capital assets	111,856,108	109,846,628	2,009,480	1.83%
Long-term debt	59,489,586	60,761,586	(1,272,000)	(2.09%)
Net Assets	87,067,920	84,113,903	2,954,017	3.51%
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			



SCHEDULE 16