Greater New Orleans
Expressway Commission

Financial Statements

October 31, 2016

Greater New Orleans Expressway Commission
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Reports Required by *Government Auditing Standards*

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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April 30, 2017

To Members of the Greater New Orleans Expressway Commission

The Annual Financial Report of the Greater New Orleans Expressway Commission for the fiscal year ended October 31, 2016 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 Commission'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 Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission'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's 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 plaza, 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 Commission 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 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 Commission'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 Commission's accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The Commission 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 Commission's operations comprise the operation of the Expressway Bridge in which tolls are charged. Results of operations for the year ended October 31, 2016 can be found in the Management's Discussion & Analysis.

The Commission's operations include electronic equipment at the toll plaza 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, 2016, a breakdown of the revenues is as follows:

Dedicated for Major Repairs & Capital Improvements	$ 5,425,400
Undedicated to be Used for General Operations	11,185,581
	$16,543,981

Long-term Debt

The Commission had the following principal outstanding long-term debt at October 31, 2016:

Revenue Bonds:

Refunding, Series 2013	$ 22,340,000
Refunding, Series 2014	17,540,000
Refunding, Series 2009	1,225,000
	$41,105,000

On October 28, 2009, the Commission issued $7,900,000 of Revenue Bonds, Series 2009. The proceeds of this issue were 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.

On September 30, 2013, the Commission issued $25,545,000 of Revenue Bonds, Series 2013. The proceeds of this issue were used to refund a portion of the Commission's outstanding Series 2003 Bonds and pay costs of issuance of the Series 2013 Bonds including the cost of the bond insurance policy.

On June 19, 2014, the Commission issued $17,540,000 of Revenue Bonds, Series 2014. The proceeds of this issue were used to refund the final portion of the Commission's outstanding Series 2003 Bonds and pay cost of issuance of the Series 2014 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 Commission for the fiscal year ended October 31, 2016 have been audited by Pinell & Martinez, LLC, and the opinion is included in the Finance Section of this report.

The financial statements are the responsibility of the Commission. The responsibility of the independent auditor is to express an opinion on the Commission'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,

Melissa M. Phillpott
Chief Financial Officer

Pinell & Martinez LLC
Certified Public Accountants

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Independent Auditor's Report

To the Board of Commissioners
Greater New Orleans Expressway Commission
Metairie, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of and for the year ended October 31, 2016, and the related notes to the financial statements, which collectively comprise the Greater New Orleans Expressway Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Greater New Orleans Expressway Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greater New Orleans Expressway Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Greater New Orleans Expressway Commission, as of October 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis at pages 8 through 13, the schedule of funding progress for OPEB plan at page 36, the schedule of employer's proportionate share of net pension liability at page 37; and schedule of employer's pension contributions at page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Greater New Orleans Expressway Commission. The accompanying schedule of expenditures of federal awards at page 39; schedule of compensation paid to board of commissioners at page 41; schedule of compensation, benefits, and other payments to general manager at page 42; schedule of receipts and disbursements at page 43; schedule of investments at page 44; schedule of revenue from tolls at page 45; schedule of northshore traffic – number of crossings at page 46; and schedule of insurance at page 47 are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards; schedule of compensation paid to board of commissioners; schedule of compensation, benefits, and other payments to general manager; schedule of receipts and disbursements; schedule of investments; and schedule of revenue from tolls is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of northshore traffic – number of crossings and schedule of insurance have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2017, on our consideration of the Greater New Orleans Expressway Commission's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater New Orleans Expressway Commission's internal control over financial reporting and compliance.

Pinell & Martinez, llc

Covington, Louisiana
April 29, 2017

Management's Discussion and Analysis

Introduction

Management's Discussion and Analysis of the Greater New Orleans Expressway Commission's (the "Commission") financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended October 31, 2016. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter on pages 1 – 4 and the Commission's financial statements, which begin on page 14.

Financial Highlights

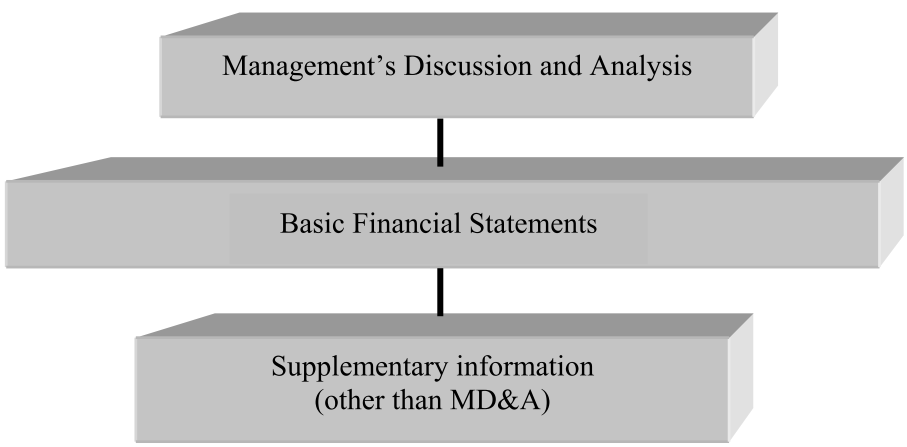
The Commission's assets exceeded its liabilities at October 31, 2016 by $106,731,026, which represents a 4.57% increase from last fiscal year.

The Commission's toll revenue increased by $88,959 (0.54%) compared to the prior fiscal year.

The vehicular license tax, which is dedicated to debt service, increased by $479,844 (7.88%) compared to the prior fiscal year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for government entities engaged in business-type activities established by Governmental Accounting Standards Commission.



These financial statements consist of two sections - Management's Discussion and Analysis (this section), and the basic financial statements (including the notes to the financial statements). This report also contains supplementary information in addition to the basic financial statements.

The Commission's activities are reported in a single proprietary fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Commission's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred.

Basic Financial Statements

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

Statement of Net Position
This statement presents the current and noncurrent assets, deferred outflows of resources, current and noncurrent portions of liabilities, and deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

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

Statement of Cash Flows
This statement presents information showing how the 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

The condensed statements of net position consist of the following at October 31:

	2016	2015	Variance	% Variance
Assets				
Current assets	$ 10,861,411	$ 11,876,597	$ (1,015,186)	-8.55%
Current assets, restricted	29,056,493	29,388,218	(331,725)	-1.13%
Capital assets, net	124,855,107	120,838,484	4,016,623	3.32%
	164,773,011	162,103,299	2,669,712	1.65%
Deferred outflows of resources	3,018,275	1,072,621	1,945,654	100.00%
	$ 167,791,286	$ 163,175,920	$ 4,615,366	2.83%
Liabilities				
Current liabilities	$ 1,407,681	$ 2,052,149	$ (644,468)	-31.40%
Current liabilities payable from restricted assets	4,719,097	6,196,135	(1,477,038)	-23.84%
Noncurrent liabilities	51,915,207	51,784,607	130,600	0.25%
	58,041,985	60,032,891	(1,990,906)	-3.32%
Deferred inflows of resources	343,612	107,907	235,705	218.43%
Net position				
Net investment in capital assets	82,647,202	75,868,805	6,778,397	8.93%
Restricted	23,068,896	21,986,761	1,082,135	4.92%
Unrestricted	3,689,591	5,179,556	(1,489,965)	-28.77%
	109,405,689	103,035,122	6,370,567	6.18%
	$ 167,791,286	$ 163,175,920	$ 4,615,366	2.83%

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Current assets (unrestricted and restricted) decreased by $1,346,911, approximately 3.26% from October 31, 2015 to October 31, 2016, due primarily from a decrease in cash and cash equivalents. Noncurrent liabilities consist of accrued compensated absences, other postemployment benefits obligation, and pension obligation.

In the fiscal year ending October 31, 2015, the Commission adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. This requires the Commission to recognize its share of net pension liability in the financial statements.

The condensed Statements of Revenues, Expenses, and Changes in Net Position consist of the following for the years ended October 31:

	2016	2015	Variance	% Variance
Operating revenues				
Tolls	$ 16,543,981	$ 16,455,022	$ 88,959	0.54%
Other operating revenues	93,885	71,362	22,523	31.56%
	16,637,866	16,526,384	111,482	0.67%
Operating expenses				
Personal services	6,803,279	6,493,186	310,093	4.78%
Depreciation	5,483,105	5,032,267	450,838	8.96%
Other operating expenses	7,686,152	6,977,885	708,267	10.15%
	19,972,536	18,503,338	1,469,198	7.94%
Operating loss	(3,334,670)	(1,976,954)	(1,357,716)	68.68%
Non-operating revenues	11,543,307	11,358,959	184,348	1.62%
Non-operating expenses	(1,838,070)	(1,538,341)	(299,729)	19.48%
	9,705,237	9,820,618	(115,381)	-1.17%
Change in net position	6,370,567	7,843,664	(1,473,097)	-18.78%
Net position, beginning of year	103,035,122	94,606,288	8,428,834	8.91%
Prior period adjustment	-	585,170	(585,170)	-100.00%
Net position, end of year	$ 109,405,689	$ 103,035,122	$ 6,370,567	6.18%

The Commission's operating revenues increased by $111,482, approximately 0.67%, while operating expenses increased by $1,507,008, approximately 8.14%. Net position increased by $6,370,567 from October 31, 2015 to October 31, 2016.

Capital Assets

Capital assets consist of the following at October 31:

	2016	2015	Variance	% Variance
Building	$ 4,610,647	$ 3,914,573	$ 696,074	17.78%
Furniture, fixtures, equipment	11,944,699	11,484,939	459,760	4.00%
Infrastructure	260,008,698	251,787,559	8,221,139	3.27%
	276,564,044	267,187,071	9,376,973	3.51%
Accumulated depreciation	(151,708,937)	(146,348,587)	(5,360,350)	-3.66%
	$ 124,855,107	$ 120,838,484	$ 4,016,623	3.32%

Capital assets increased (including additions and deductions) by $9,376,973, approximately 3.51%, over the prior fiscal year due primarily to additions. Additions and deletions for the year ended October 31, 2016 included:

	Additions	Deletions
Building	$ 696,074	$ -
Furniture, fixtures, and equipment	582,515	(122,755)
Infrastructure	8,221,139	-
	$ 9,499,728	$ (122,755)

Revenue Bonds

The Commission had $42,207,905 of revenue bonds outstanding at October 31, 2016, compared to $44,969,679 at October 31, 2015, a decrease of 6.14%.

	2016	2015	Variance	% Variance
Revenue bonds, net of premium / discount	$ 42,207,905	$ 44,969,679	$ (2,761,774)	-6.14%

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

Other obligations include accrued vacation pay and sick leave, other post-employment benefits obligation, and net pension liability.

Legal Claims

The Commission has estimated claims of $757,919 outstanding at October 31, 2016 compared with $530,898 at October 31, 2015.

Budget

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

Economic Factors and Next Year's Budgets and Rates

The Commission and management considered the following factors and indicators when setting next year's budget, rates, and fees:

- Toll Revenue Forecast, which is provided by the Traffic Engineers in accordance with the Trust Indenture.
- Prior year's expenses.

- State Highway Fund No. 2 Forecasts by the Revenue Estimating Conference and the Legislative Fiscal Office. The Commission's share of Highway Fund No. 2 is designated for Debt Service first, and then bridge maintenance and rehabilitation.

The Commission expects that next year's results will improve based on the following:

- The overall economy in the area looks stable.
- Reduction in expenses and an increase in revenue due to a toll increase for safety projects.

Contacting the Commission's Management

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Greater New Orleans Expressway Commission, P.O. Box 7656, Metairie, LA 70010.

Financial Statements

Greater New Orleans Expressway Commission
Statement of Net Position
October 31, 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets	
Cash and cash equivalents	$ 8,463,926
Accounts receivable	10,294
Interest receivable	4,317
Prepaid expenses	623,821
Inventory	856,842
Investments	902,211
	10,861,411
Restricted	
Cash and cash equivalents	17,793,666
Vehicle license tax receivable	2,043,653
Grants receivable	350,648
Investments	8,868,526
	29,056,493
	39,917,904
Noncurrent Assets	
Capital assets, net	124,855,107
	164,773,011
Deferred Outflows of Resources	
Deferred outflows related to pension plan	3,018,275
	3,018,275
	$ 167,791,286

See accompanying notes to financial statements.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current Liabilities		
Accounts payable	$	266,460
Accrued payroll expenses		40,026
Retainage payable		62,394
Unearned toll revenue		1,038,801
		1,407,681
Current liabilities payable from restricted assets		
Capital projects payable		1,064,391
Revenue bonds payable, current		2,819,784
Accrued interest		834,922
		4,719,097
		6,126,778
Noncurrent Liabilities		
Tag deposits		1,355,213
Estimated liability for claims		757,919
Other deposits		10,983
Revenue bonds payable, net of current portion		39,388,121
Accrued compensated absences		1,059,171
Other post-employment benefits, net of current portion		7,182,523
Net pension liability		2,161,277
		51,915,207
		58,041,985
Deferred Inflows of Resources		
Deferred inflows related to pension plan		343,612
Net Position		
Net investment in capital assets		82,647,202
Restricted		23,068,896
Unrestricted		3,689,591
		109,405,689
	$	167,791,286

See accompanying notes to financial statements.

Greater New Orleans Expressway Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended October 31, 2016

Operating Revenues	
Tolls	$ 16,543,981
Miscellaneous revenues	93,885
	16,637,866
Operating Expenses	
Personal services	6,803,279
Contractual services	31,526
Operating services	4,066,855
Supplies and maintenance	2,765,880
Professional services	326,186
Administrative	495,705
Depreciation	5,483,105
	19,972,536
Operating Loss	(3,334,670)
Non-Operating Revenues(Expenses)	
Vehicular license tax	6,572,589
Federal grants	4,924,061
Investment income(loss)	
Interest income	29,911
Change in fair value	16,746
Payments to parishes	(350,000)
Amortization of bond premium/discount	181,774
Interest expense	(1,669,844)
	9,705,237
Change in Net Position	6,370,567
Beginning Net Position	103,035,122
Ending Net Position	$ 109,405,689

Greater New Orleans Expressway Commission
Statement of Cash Flows
For the Year Ended October 31, 2016

Cash Flows From Operating Activities	
Receipts	
Received from customers, including cash deposits	$ 16,662,717
Disbursements	
Payments to employees for services	(5,950,331)
Payments to suppliers for goods and services	(9,275,418)
	(15,225,749)
Net cash provided by operating activities	1,436,968
Cash Flows From Non-Capital Financing Activities	
Federal grants	6,906,986
Vehicular license tax	6,511,625
Subsidy to local governments	(350,000)
Net cash flows provided by non-capital financing activities	13,068,611
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	(9,499,728)
Principal payments made on bonds	(2,761,774)
Amortization of bonds	181,774
Interest paid	(1,708,544)
Net cash used in capital and related financing activities	(13,788,272)
Cash Flows From Investing Activities	
Net purchases/sales of investment securities	861,522
Interest and dividends earned on investment securities	46,657
Net cash provided by investing activities	908,179
Net decrease in cash and cash equivalents	1,625,486
Cash and cash equivalents, beginning of year	24,632,106
Cash and cash equivalents, end of year	$ 26,257,592

See accompanying notes to financial statements.

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (3,334,670)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	5,483,105
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Decrease (increase) in:	
Accounts receivable	23,093
Prepaid expenses	165,821
Deferred outflows related to pensions	(1,945,654)
Increase (decrease) in:	
Accounts payable	(393,938)
Accrued payroll expenses	12,658
Retainage payable	(91,822)
Unearned toll revenue	(2,292)
Capital projects payable	(1,496,348)
Tag deposits	4,050
Estimated liability for claims	227,021
Accrued compensated absences	(181,585)
Other post-employment benefits obligation	812,856
Net pension liability	1,918,968
Deferred inflows related to pensions	235,705
Net cash provided by operating activities	$ 1,436,968

Reconciliation of cash and cash equivalents	
Current assets	
Cash and cash equivalents	$ 8,463,926
Cash and cash equivalents, restricted	17,793,666
	$ 26,257,592

Noncash investing, capital, and financing activities:	
Amortization of bond premium/discount	$ 181,774

See accompanying notes to financial statements.

1. History and Summary of Significant Accounting Policies

History and Nature of Operations
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.

Financial Reporting Entity
Governmental Accounting Standards Commission (GASB) issued Statement No. 61 (GASB 61), *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*, to determine if a component unit is included in the financial reporting entity of its primary government. The Commission is considered a component unit of the State of Louisiana because: the state exercises oversight responsibility in that the governor appoints the Commission members and public service is rendered within the state's boundaries, and the Commission provides specific financial benefits to and may impose specific financial burdens on the State of Louisiana. The accompanying basic financial statements present information only as to the transactions of the Commission.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration – Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position

The Commission follows GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's resources that are applicable to a future reporting period. A deferred inflow represents the acquisition of resources that are applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets

- Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation

- Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets"

Restricted net position represents 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.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted as needed.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budget Practices
The general manager submits proposed operating budgets to the 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. The 2015 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.

Cash and Cash Equivalents
For the purpose of the statement of net position and statement of cash flows, cash and cash equivalents include all demand accounts and money market funds of the Commission with an original maturity of 90 days or less.

Investments
Investments are carried at fair value. Purchases and sales of securities are recorded on trade dates, and realized gains and losses are determined on the basis of average cost of securities sold. Investment return includes interest, dividends, administrative fees, and realized and unrealized gains and losses, and is included in the statement of activities as increases or decreases in unrestricted net assets.

Fair Value Measurements
The Commission's financial instruments include cash deposits, money market accounts, and U.S. Government Obligations. The carrying amounts reported in the statement of financial position are stated at cost which approximates fair value because of the short maturities of those instruments.

Accounts and Grants Receivable
Receivables consist of all revenues earned at year-end but have not been collected at year end. Management monitors the receivable balances and assesses the collectability at year end based upon the historical collections, knowledge of the individual or entity, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has deemed all accounts collectible at year-end and no allowance has been recorded.

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

Capital Assets

Capital assets with a cost of $1,000 or more are reported at cost in the statement of net position. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Description	Years
Automobiles	5
Data processing equipment	5
Furniture and fixtures	10
Buildings	40
Infrastructure	40

Inventory

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

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 limited. Upon termination, employees or their heirs are compensated for 30 days accumulated annual leave and up to 45 days of unused sick leave at the employee's hourly rate of pay at the time of termination. Any unused grandfather leave accumulated before October 31, 2016 is compensated. Upon retirement, an uncompensated annual leave at the employee's option plus unused sick leave in excess is used to compute retirement benefits for employees who earned full-time status before 2007. Compensated absences are recognized as an expense and liability in the financial statements when incurred. As of October 31, 2016, employees of the Commission have accumulated and vested $1,059,171 of employee annual and sick leave benefits.

Post-Employment Health Care and Life Insurance Benefits

The 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 Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. See Note 9.

Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code 457. The Plan is administered by the 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 the IRS maximum calendar limit with the Commission matching up to $72 per month. All contributions are immediately vested. The Commission contributed $75,156 to the plan during the year ended October 31, 2016.

2. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include demand deposits. Under state law the Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Commission. Further, the Commission may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state chartered credit unions.

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 held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The Commission’s cash deposits at October 31, 2016 consisted of the following:

	Cash
Deposits per statement of net position (reconciled bank balance)	$ 1,767,594
Deposits in bank accounts per bank	$ 1,644,501
Category 3 bank balances:	
Uninsured and uncollateralized	-
Uninsured and collateralized with securities held by the pledging institution's trust department or agent, in the Commission's name	-
Uninsured and collateralized with securities held by the pledging institution or its agent but not in the Commission's name	1,394,501
Total category 3 bank balances	$ 1,394,501

Custodial Deposit Risk
In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned to the Commission. As of October 31, 2016, $1,394,501 of the Commission’s bank balance was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Commission’s name.

Money Market Accounts
The Commission had $24,489,998 within money market accounts at October 31, 2016. The accounts have a maturity of less than 90 days and are reported as cash equivalents. The balance is reported at cost which approximates market. The money market accounts consists of securities issued or guaranteed as to principal and interest by the U.S. government or its agencies or instrumentalities. At October 31, 2016, the Commission's money market accounts are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by the counterparty's trust department, but not in the Commission's name.

3. Investments

U.S. Government and Agency Securities
Investments in U.S. government obligations and U.S. agency obligations are valued at the quoted market prices in the active market on which the individual securities are traded. At October 31, 2016, investments consist of the following:

U.S. treasury notes	$ 1,778,294
Federal agency securities	7,992,443
	$ 9,770,737

Interest Rate and Credit 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 is. The Commission limits its interest rate risk by limiting its investing to securities with terms of one year or less.

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. Credit quality ratings are not required for U.S. government securities. Federal agency securities are securities, usually bonds, issued by a U.S. Government-sponsored agency. 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.

At October 31, 2016, the Commission's investments in U.S. government agency securities are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by the counterparty's trust department, but not in the Commission's name. Credit risk is managed by limiting investments to those allowed under state law, which includes instruments issued by state or Federal governments.

Information about the credit risk and 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	Less Than 1 Year	1 to 2 Years	2 to 5 Years	More Than 5 Years	Total
U.S. Treasury Note	$ 1,778,294	$ -	$ -	$ -	$ 1,778,294
Federal Agency Securities					
Federal Home Loan Banks	3,008,039	-	-	-	3,008,039
Federal National Mortgage Association	1,536,692	-	-	-	1,536,692
Federal Home Loan Mortgage Corporation	3,447,712	-	-	-	3,447,712
	$ 9,770,737	$ -	$ -	$ -	$ 9,770,737

4. Fair Value Measurements

The fair value measurement accounting literature provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level I inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Commission has the ability access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the assets.

The Commission uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth, by level, the Commission's assets at fair value as of October 31, 2016:

	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market accounts	$ 24,489,998	$ -	$ -	$ 24,489,998
Investments				
Federal agency securities	9,770,737	-	-	9,770,737
	$ 34,260,735	$ -	$ -	$ 34,260,735

5. Capital Assets

A summary of changes in capital assets is as follows:

	Balance at 10/31/15	Additions	Deletions	Balance at 10/31/16
Capital assets, being depreciated				
Building	$ 3,914,573	$ 696,074	$ -	$ 4,610,647
Furniture, fixtures, and equipment	11,484,939	582,515	(122,755)	11,944,699
Infrastructure	251,787,559	8,221,139	-	260,008,698
	267,187,071	9,499,728	(122,755)	276,564,044
Accumulated depreciation	(146,348,587)	(5,483,105)	122,755	(151,708,937)
	$ 120,838,484	$ 4,016,623	$ -	$ 124,855,107

Depreciation expense for the year ended October 31, 2016 was $5,483,105.

6. Revenue Bonds

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 were 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 1999-A 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 $1,095,000 to $1,252,812 beginning November 1, 2012 through November 1, 2017. The bonds carry interest rates between 2.75% - 3.25% and interest to maturity at October 31, 2016 totals $19,906 through November 1, 2017.

Refunding Revenue Bonds, Series 2013

On September 30, 2013, the Commission issued $25,545,000 of Refunding Revenue Bonds, Series 2013. The proceeds of this issue were used to refund a portion of the Commission's outstanding Series 2003 Bonds and pay costs of issuance of the Series 2013 Bonds including the cost of the Bond Insurance Policy. The portion of the 2003 Bonds were redeemed in on November 1, 2013 in the amount of $25,545,000 principal and $644,193.75 of accrued interest. The Refunding Revenue Bonds, Series 2013, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of $450,000 to $2,340,000 beginning November 1, 2013 through November 1, 2028. The bonds carry interest rates between 3% - 5% and interest to maturity at October 31, 2016 totals $6,591,065 through November 1, 2028.

Refunding Revenue Bonds, Series 2014

On June 19, 2014, the Commission issued $17,540,000 of Refunding Revenue Bonds, Series 2014. The proceeds of this issue were used to refund the final portion of the Commission's outstanding Series 2003 Bonds and pay cost of issuance of the Series 2014 Bonds including the cost of the Bond Insurance Policy. The portion of the 2003 Bonds were redeemed in on June 19, 2013. The Refunding Revenue Bonds, Series 2014, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of $60,000 to $3,040,000 beginning November 1, 2018 through November 1, 2034. The bonds carry interest rates from 2.625% to 4% and interest to maturity at October 31, 2016 totals $9,047,114 through November 1, 2034.

The annual requirements to amortize all bonds outstanding at October 31, 2016, including total interest to maturity of $15,658,085, are as follows:

For the Year Ended October 31:	Refunding Series 2009 Principal	Refunding Series 2009 Interest	Refunding Series 2013 Principal	Refunding Series 2013 Interest	Refunding Series 2014 Principal	Refunding Series 2014 Interest
2017	$ 1,225,000	$ 19,906	$ 1,445,000	$ 977,763	$ -	$ 623,369
2018	-	-	1,500,000	918,863	60,000	622,469
2019	-	-	1,560,000	857,663	65,000	620,594
2020	-	-	1,630,000	785,713	70,000	618,569
2021	-	-	1,630,000	785,713	70,000	618,569
Thereafter	-	-	14,575,000	2,265,350	17,275,000	5,943,544
	$ 1,225,000	$ 19,906	$ 22,340,000	$ 6,591,065	$ 17,540,000	$ 9,047,114

7. Noncurrent Liabilities

The following is a summary of the long-term obligation transactions for the year ended October 31, 2016:

	Balance at 10/31/15	Additions	Payments and Reductions	Balance at 10/31/16	Due Within One Year
Revenue Bonds					
Refunding, Series 2009	$ 2,415,000	$ -	$ (1,190,000)	$ 1,225,000	$ 1,225,000
Refunding, Series 2013	23,730,000	-	(1,390,000)	22,340,000	1,445,000
Refunding, Series 2014	17,540,000	-	-	17,540,000	-
	43,685,000	-	(2,580,000)	41,105,000	2,670,000
Bond Premium	1,284,679	-	(181,774)	1,102,905	149,784
	44,969,679	-	(2,761,774)	42,207,905	2,819,784
Other post-employment benefits obligation	6,369,667	1,039,862	(227,006)	7,182,523	-
Net pension liability	242,309	1,918,968	-	2,161,277	-
Accrued compensated absences	1,240,756	461,927	(643,512)	1,059,171	-
	$ 52,822,411	$ 3,420,757	$ (3,632,292)	$ 52,610,876	$ 2,819,784

8. Net Position

Net position represent the difference between assets and liabilities. The composition of net position at October 31, 2016 was as follows:

Net investment in capital assets	
Capital assets	$ 276,564,044
Less: accumulated depreciation	(151,708,937)
Less: bonds payable	(42,207,905)
	82,647,202
Restricted for debt service	
Assets held in trust	15,833,395
Restricted receivables	(2,043,653)
Less: accrued interest on bonds	(834,922)
	12,954,820
Restricted for capital projects and major repairs	
Assets held in trust	10,827,819
Restricted receivable in extraordinary maintenance	350,648
Less: capital contracts payable	(1,064,391)
	10,114,076
	23,068,896
Unrestricted	3,689,591
	$ 109,405,689

9. Post-Employment Health Care and Life Insurance Benefits

Substantially all Commission employees become eligible for post-employment health care and life insurance benefits ("OPEB") 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. The Commission pays 70% of the retirees' total premium hired before October 31, 2012 and 60% of the retirees' total premium hired after November 1, 2012. The Commission and the retirees pay their respective share of the premiums on a "pay-as-you-go" basis. For the year ended October 31, 2016, the Commission contributed $227,006 for 22 retirees.

The Commission's Annual Required Contribution ("ARC") is an amount actuarially determined in accordance with GASB Statement No. 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 2016 is $1,139,266.

The following table presents the Commission's OPEB obligation for the year ended October 31, 2016:

Annual required contribution (ARC)	$ 1,139,266
Interest on net OPEB obligation	254,787
Adjustment to ARC	(354,191)
	1,039,862
Less contributions made	(227,006)
Increase in net OPEB obligation	812,856
Net OPEB Obligation, beginning of year	6,369,667
Net OPEB Obligation, end of year	$ 7,182,523

Utilizing the pay-as-you-go method, the Commission contributed 21.83% of the annual OPEB cost for the year ended October 31, 2016.

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 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 multi-year 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, 2016 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.2% initially, reduced by decrements to an ultimate rate of 5.5% 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 to1% 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+. Unfunded Actuarial Accrued Liability (UAAL) is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB 45 of 30 years (open amortization) as a level dollar amortization.

Funded Status
The funded status of the plan as of October 31, 2016 and prior years was as follows:

Actuarial accrued liability (AAL)	$ 10,196,168
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 10,196,168
Funded ratio (actuarial value of plan assets - AAL)	-
Covered payroll (annual payroll of active employees covered by the plan)	$ 4,943,566
UAAL as a percentage of covered payroll	206%

10. Defined Benefit Pension Plan

The Commission contributes to the Parochial Employees' Retirement System ("PERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Louisiana (State). PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is comprised of two distinct plans - Plan A and Plan B - with separate assets and benefit provisions. Employees of the Commission are members of Plan A. Benefit provisions are established by state law and may be amended only by the State Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to PERS at P.O. Box 14619, Baton Rouge, Louisiana, 70898, or by calling 225.928.1361.

Significant Accounting Policies
The System's employer schedules were prepared using the accrual basis of accounting.
Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2015.

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Benefits Provided

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Retirement benefits for employees are calculated as 3% of the plan member's final average compensation multiplied by their years of service. Death benefits are equal to 100% of benefits if member is eligible for normal retirement or 60% of final compensation if not eligible for normal retirement. Disability retirement benefits are calculated to be equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by their years of services, not to be less than 15, or 3% multiplied by years of service assuming continued service to age 60.

For plan members hired prior to January 1, 2007, a member may obtain retirement benefits if any of the following are reached: (a) any age with 30 or more years of creditable service, (b) age 55 with 25 years of creditable service, (c) age 60 with minimum of 10 years of creditable service, (d) age 65 with a minimum of 7 years of creditable service.

For plan members hired after January 1, 2007, a member may obtain retirement benefits if any of the following are reached: (a) age 55 with 30 or more years of service, (b) age 62 with 10 years of service, (c) age 67 with 7 years of service.

The terms of the Plan provide for annual cost of living allowance for the retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Plan may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Plan may provide a cost of living increase up to 2.5% for retirees 62 and older. Lastly, Act 270 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

State statute has the authority to establish and amend the contribution requirements of the Commission and active employees. According to state statute, the Plan also receives 1/4 of 1% of ad valorem taxes collected within the respective Parishes, except for Orleans and East Baton Rouge Parishes. The Plan also receives revenue sharing funds each year as appropriated by the State Legislature. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Employees are required to contribute 9% of their annual pay. The Commission's contractually required contribution rate for the year ended October 31, 2016 was 13% of annual payroll for the period from January 1, 2016 through October 31, 2016, and 14.5% for the period from November 1, 2015 through December 31, 2015. The employer contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission's contributions to PERS for the years ended October 31, 2016, 2015 and 2014 were approximately $663,948, $714,009, and $795,334, respectively, which equaled the required contributions for each year. The State also made on-behalf contributions to the Plan, of which $59,743 was recognized by the Commission for the year ended October 31, 2016; these on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At October 31, 2016, the Commission reported a liability of $2,161,277 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The Commission's proportion of the net pension liability was based on a projection of the Commission's projected contribution effort to the pension plan for the next fiscal year as compared to the total of all participating employers' contribution effort to the Plan for the next fiscal year, actuarially determined.

At December 31, 2015, the Commission's proportion was 0.82106%, which was a decrease of 0.06519% from its proportion measured as of December 31, 2014.

Per the valuation report dated December 31, 2015, the Commission's proportionate share of pension expense was $937,366. At October 31, 2016, the Commission reported deferred outflows or resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 343,485
Net difference between projected and actual actual earnings on pension plan investments	1,977,628	-
Changes in assumptions	481,567	-
Changes in proportion	8,445	127
Employer contributions subsequent to the measurement date	550,635	-
	$ 3,018,275	$ 343,612

At October 31, 2016, the Commission reported $550,635 as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended October 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources at October 31, 2016, related to pensions will be recognized in pension expense as follows:

Period Ended:	Amount
12/31/16	$ 561,228
12/31/17	561,228
12/31/18	594,557
12/31/19	407,015
	$ 2,124,028

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the December 31, 2015 valuation date are as follows:

Valuation date:	December 31, 2015
Actuarial Cost Method:	Entry age normal cost
Estimated remaining service life ("ERSL"):	4 years
Investment rate of return	7.00% per annum
Inflation rate	2.50% per annum
Salary increases, including inflation and merit increases:	5.25%, including inflation
Cost of living adjustments:	Only those previously granted
Mortality rate	
Non-disabled members:	Mortality rates based on the RP-2000 Combined Healthy Mortality Table
Disabled members:	Mortality rates based on the RP-2000 Disabled Retiree Mortality Table

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-term Target Asset Allocation	Expected Portfolio Real Rate of Return
Fixed income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Other	3%	0.19%
	100%	5.55%

Discount Rate
The discount rate used to measure the total pension liability was 7.00% for the valuation date of December 31, 2015. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of the net pension liability	$ 5,414,783	$ 2,161,277	$ (588,329)

Pension Plan Fiduciary Net Position
Detailed information about the Plan's fiduciary net position is available in the separately issued PERS' financial report.

Payable to Pension Plan
At October 31, 2016, the Commission reported a payable of $75,527 for the outstanding amount of employer contributions to the pension plan required for the year ended October 31, 2016. This amount is included in accrued expenses at October 31, 2016.

11. 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.

12. Legal Proceedings and Claims

The Commission is a defendant or co-defendant in several lawsuits in which the plaintiffs allege property damage and personal injury. 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, 2016, the claims liability of $757,919 is based on the requirements of GASB Statement No. 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 loss can be reasonably estimated. Changes in the claims liability in fiscal for the year ended October 31, 2016 were as follows:

Estimated liability for claims at beginning of year	$ 530,898
Current year	
Claims	115,710
Changes in estimates	227,021
Claims payment and expenses thereon	(115,710)
	$ 757,919

13. Operating Leases

On May 1, 2006, the Commission entered into a five-year lease with Edgewater Ventures with the option to renew for an additional period of five years. On September 1, 2014, the Commission entered into a lease with Edgewater Ventures for additional offices. The additional office space was added to the current lease. The GNOEC also entered into a lease with the New Orleans Public Belt Railroad for the Huey P. Long Police. The rental payments for 2016 were $128,206. Future minimum rental payments are as follows:

For the Year Ended October 31	Amount
2017	$ 125,760
2018	$ 120,000
2019	$ 120,000
2020	20,000
	$ 385,760

14. Subsequent Events

The Commission's management has evaluated subsequent events through April 29, 2017, which is the date the financial statements were available to be issued.

Required Supplementary Information

Greater New Orleans Expressway Commission
Schedule of Funding Progress for OPEB Plan
For the Year Ended October 31, 2016

Date of the Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b - a) / c]
November 1, 2013	$ -	$ 8,847,031	$ 8,847,031	-	$ 4,943,566	179%
November 1, 2014	-	9,508,373	9,508,373	-	4,943,566	192%
November 1, 2015	-	10,196,168	10,196,168	-	4,943,566	206%

See independent auditor's report.

Greater New Orleans Expressway Commission
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended October 31, 2016

	12/31/2015	12/31/2014
Commission's proportion of the net pension liability	0.82106%	0.88625%
Commission's proportionate share of the net pension liability	$ 2,161,277	$ 242,309
Commission's covered-employee payroll	$ 4,710,520	$ 4,958,141
Commission's proportionate share of the net pension liability as a percentage of its covered employee payroll	46%	5%
Plan fiduciary net position as a percentage of the total pension liability	92.23%	99.15%

**The information above is presented as of the pension plan measurement date of December 31, 2015.*

***Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Greater New Orleans Expressway Commission
Schedule of Employer's Pension Contributions
For the Year Ended October 31, 2016

	10/31/2016	10/31/2015
Contractually required contribution	$ 663,948	$ 714,009
Contributions in relation to the contractually required contribution	663,948	714,009
Contribution deficiency (excess)	$ -	$ -
Commission's covered employee payroll	$ 5,018,504	$ 4,830,773
Contributions as a percentage of covered employee payroll	13.23%	14.78%

***Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Other Supplementary Information

Greater New Orleans Expressway Commission
Schedule of Expenditures of Federal Awards
For the Year Ended October 31, 2016

Program	Federal CFDA Number		Pass Through Grantor's Number		Federal Expenditures
United States Department of Transportation Federal Highway Association					
Pass through State of Louisiana Department of Transportation and Development					
Highway Planning and Construction	20.205	*			
South Channel Fender Repairs			H.009325	$	214,792
Nine Mile Turnaround Spans			H.005972		4,709,269
				$	4,924,061

** audited as a major program*

See independent auditor's report.

Greater New Orleans Expressway Commission
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended October 31, 2016

General
The accompanying schedule of expenditures of federal awards presents the activities of federal award programs expended by the Greater New Orleans Expressway Commission (the "Commission"). The Commission's reporting entity is defined in Note 1 of the notes to financial statements. Federal awards received are passed through the State of Louisiana Department of Transportation.

Summary of Significant Accounting Policies
The schedule of expenditures of federal awards is presented on the accrual basis of accounting for proprietary funds, which is described in Note 1 of the notes to financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), wherein certain types of expenditures are not allowable or are limited to reimbursement.

The Commission did not elect to use the 10 percent de minimis indirect rate.

Basis of Presentation
The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Commission under programs of the federal government for the year ended October 31, 2016. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to present the financial position or changes in net position.

Matching Revenues
Federal expenditures were determined by deducting matching revenues from total expenditures.

See independent auditor's report.

Greater New Orleans Expressway Commission
Schedule of Compensation Paid to Board of Commissioners
For the Year Ended October 31, 2016

Commissioner	Amount
Joseph A. Jaeger, Jr.	$ 3,418
Patrick W. Fitzmorris	-
Anthony V. Ligi, Jr.	2,366
Michael R. Lorino, Jr.	1,578
P. Lindsey Williams	-
Shelby P. LaSalle, Jr.	-
Stephen G. Romig	6,836
	$ 14,198

The schedule of per diem payments to Commission Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Commission shall be reimbursed when actually in attendance at a Commission meeting or when required to travel for the official authorized business of the Commission, and such reimbursement shall not exceed $75.00 per day.

Greater New Orleans Expressway Commission
Schedule of Compensation, Benefits, and Other Payments to General Manager
For the Year Ended October 31, 2016

Commission Head: Carlton Dufrechou
Position: General Manager

Purpose	Amount
Salary	$ 128,144
Benefits - insurance	19,914
Benefits - retirement	18,256
Reimbursements	65
Travel	82
	$ 166,461

See independent auditor's report.

Greater New Orleans Expressway Commission
Schedule of Receipts and Disbursements
For the Year Ended October 31, 2016

	Revenue Account	Operations and Maintenance	Extraordinary Maintenance and Repair Reserve	Excess Revenue	Huey P. Long Bridge	Assets Forfeiture	Vehicular License Tax	Debt Service	Debt Service Reserve	Insurance Reserve	Total
Balances at November 01, 2015	$ 476,595	$ 991,836	$ 1,775,125	$ 7,367,959	$ 418,593	$ 26,647	$ 9,026,754	$ 3,454,626	$ 1,091,901	$ 2,070	$ 24,632,106
Receipts											
Tolls	16,545,739	-	-	-	-	-	-	-	-	-	16,545,739
Vehicular license tax	-	-	-	-	-	-	6,511,625	-	-	-	6,511,625
Use of money and property											
Investment income	394	1,815	46,277	740	477	-	1,164	1,975	1,587	728	55,157
Federal Revenue	-	-	6,906,986	-	-	-	-	-	-	-	6,906,986
Other	20,744	133,321	-	-	(865)	100	-	-	-	-	153,300
Investment sales and maturities	-	-	34,773,918	-	-	-	-	-	-	3,214,021	37,987,939
Transfers in	704,954	9,418,968	5,119,104	7,767,371	2,296,075	-	-	3,978,190	32,306	104,151	29,421,119
	17,271,831	9,554,104	46,846,285	7,768,111	2,295,687	100	6,512,789	3,980,165	33,893	3,318,900	97,581,865
Disbursements											
Personal services	-	5,540,930	-	-	1,234,046	-	-	-	-	-	6,774,976
Contractual services	-	31,526	-	-	-	-	-	-	-	-	31,526
Operating services	-	3,211,254	-	-	64,285	-	-	-	-	-	3,275,539
Supplies and maintenance	-	482,213	3,458,656	-	48,570	-	-	-	-	-	3,989,439
Professional services	-	242,205	-	-	-	-	-	-	-	83,981	326,186
Administrative	238,038	243,170	-	-	13,026	-	-	-	-	-	494,234
Capital outlay	-	501,885	8,917,213	-	80,631	-	-	-	-	-	9,499,729
Debt services											
Principal retirement	-	-	-	-	-	-	-	2,580,000	-	-	2,580,000
Interest	-	-	-	-	-	-	-	1,708,543	-	-	1,708,543
Intergovernmental - parishes	-	-	-	700,000	-	-	-	-	-	-	700,000
Insurance settlements	-	-	-	-	-	-	-	-	-	20,170	20,170
Investment purchases	-	-	33,919,861	-	-	-	-	-	-	3,215,057	37,134,918
Transfers out	17,218,645	104,151	-	7,415,179	704,954	-	3,978,190	-	-	-	29,421,119
	17,456,683	10,357,334	46,295,730	8,115,179	2,145,512	-	3,978,190	4,288,543	-	3,319,208	95,956,379
Balances at October 31, 2016	$ 291,743	$ 188,606	$ 2,325,680	$ 7,020,891	$ 568,768	$ 26,747	$ 11,561,353	$ 3,146,248	$ 1,125,794	$ 1,762	$ 26,257,592

See independent auditor's report

Greater New Orleans Expressway Commission
Schedule of Investments
For the Year Ended October 31, 2016

	Fair Value	Carrying Value	Par Value
Extraordinary Maintenance and Repair Reserve			
Federal Home Loan Bank			
Due December 9, 2016	$ 297,153	$ 295,401	$ 295,000
Due December 28, 2016	1,000,500	1,000,476	1,000,000
Due March 10, 2017	501,096	500,745	500,000
Due May 23, 2017	599,978	600,040	600,000
Due June 9, 2017	611,936	611,370	610,000
Federal Home Loan Mortgage Corporation			
Due December 5, 2016	600,486	600,207	600,000
Due February 22, 2017	701,373	700,983	700,000
Due March 8, 2017	501,780	501,002	500,000
Due May 12, 2017	452,187	451,591	450,000
Due June 29, 2017	500,752	500,330	499,000
Due December 15, 2017	403,236	403,204	402,000
United States Treasury Note/Bond			
Due May 31, 2017	316,148	316,062	316,000
Due July 31, 2017	400,530	400,624	401,000
Due August 31, 2017	450,018	449,789	450,000
Federal National Mortgage Association			
Due February 13, 2017	293,741	289,659	286,000
Due April 20, 2017	595,543	595,629	595,000
Due April 25, 2017	651,911	651,404	650,000
Money Market - Dreyfus - Governmental Cash Management *	1,959,303	1,959,303	1,959,303
	10,837,671	10,827,819	10,813,303
Excess Revenue			
Money Market - Dreyfus - Government Cash Management *	6,320,891	6,320,891	6,320,891
Huey P. Long Bridge			
Money Market - Dreyfus - Government Cash Management *	374,647	374,647	374,647
Vehicular License Tax			
Money Market - Dreyfus - Government Cash Management *	11,561,353	11,561,353	11,561,353
Debt service			
Money Market - Dreyfus - Government Cash Management *	3,146,248	3,146,248	3,146,248
Debt Service Reserve			
Money Market - Dreyfus - Governmental Cash Management *	1,125,794	1,125,794	1,125,794
Insurance Reserve			
Federal Home Loan Mortgage Corporation:			
Due December 9, 2016	292,078	290,395	290,000
United States Treasury Note/Bond			
Due March 31, 2017	203,515	203,484	203,000
Due June 30, 2017	408,446	408,335	408,000
Money Market - Dreyfus - Government Cash Management *	1,762	1,762	1,762
Total investments and money market accounts	34,272,405	34,260,728	34,244,998
Less: money market accounts (cash equivalents)	24,489,998	24,489,998	24,489,998
	$ 9,782,407	$ 9,770,730	$ 9,755,000

*Reported as cash equivalents

Greater New Orleans Expressway Commission
Schedule of Revenue from Tolls
For the Year Ended October 31, 2016

Month		Amount
2015		
November	$	1,326,027
December		1,423,352
2016		
January		1,318,075
February		1,301,307
March		1,431,841
April		1,396,156
May		1,387,398
June		1,382,730
July		1,369,844
August		1,327,199
September		1,409,324
October		1,470,728
	$	16,543,981

Notes

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.

Greater New Orleans Expressway Commission

(Unaudited)

Schedule of Northshore Traffic – Number of Crossings

For the Year Ended October 31, 2016

	Axles Under 7'5" Height				Axles Over 7'5" Height					Automatic Vehicle Identification Non-Revenue	Automatic Vehicle Identification	Automatic Vehicle Identification	
	2	3	4	5 or more	2	3	4	5 or more	Non Revenue Vehicles	(Bridge Vehicles)	Recreational Vehicles	Full Toll Vehicles	Total Vehicles
2015													
November	203,652	1,035	684	13	2,564	495	578	659	14,757	4,257	136	304,480	533,310
December	220,877	819	623	10	2,728	452	495	720	16,327	4,749	185	325,542	573,527
2016													
January	194,814	894	574	9	2,640	403	479	575	15,717	4,684	147	316,896	537,832
February	193,749	828	683	10	2,537	453	550	610	15,067	4,650	159	304,711	524,007
March	211,834	1,000	830	7	3,207	546	670	636	16,527	4,817	187	339,634	579,895
April	208,036	1,129	777	6	3,122	515	632	679	15,940	4,649	170	328,145	563,800
May	211,596	1,254	806	9	3,226	552	703	693	15,118	4,643	135	324,288	563,023
June	208,042	1,190	847	10	3,261	605	683	694	15,668	3,972	136	321,765	556,873
July	210,697	1,283	854	4	3,268	558	620	599	15,136	3,763	124	301,373	538,279
August	185,434	989	796	7	3,126	535	553	632	34,448	3,985	105	328,718	559,328
September	182,102	1,053	740	6	2,869	488	541	508	15,390	3,760	104	323,094	530,655
October	211,154	1,165	812	3	3,146	508	730	673	16,878	3,897	95	329,848	568,909
	2,441,987	12,639	9,026	94	35,694	6,110	7,234	7,678	206,973	51,826	1,683	3,848,494	6,629,438

Schedule of Insurance
For the Year Ended October 31, 2016

Coverage	Underwriter	Policy Period	Limits
Bridge Property Damage	Ace American	1/24/16 - 1/24/17	$75,000,000
$75,000,000 Loss Limit	Insurance Co.		
Bridge Use and Occupancy	Ace American	1/24/16 - 1/24/17	
15-Day Deductible	Insurance Co.		
Named Windstorm			$1,000,000
$1,000,000 Deductible Bridge Property			
Flood			$1,000,000
$1,000,000 Deductible Bridge Property			
Bridge Property			$500,000
$500,000 Deductible AOP Except Named Storm & Flood			
Non-Bridge Property - Earth Movement			25,000
$25,000 Deductible Per Occurrence			
Terrorism	Lloyd's Syndicate	1/24/16 - 1/24/17	$75,000,000
$25,000 Deductible			
Water Damage			$50,000
$50,000 Deductible Bridge Property			
Contractors Equipment	AGCS Marine	5/24/16 - 5/24/17	
Leased or Rented Mobile Equipment	Insurance Company		$500,000
Catastrophe			$2,500,000
Unscheduled Contractor's Equipment			$2,500,000
Special Perils, Flood & Earthquake - Deductible			$25,000
Electronic Data Processing	AGCS Marine	5/24/16 - 5/24/17	$300,000
Equipment - Schedule on file with company	Insurance Company		$25,000 or 15 days for Loss of Income
Employee Dishonesty Bond	Travelers Casualty	11/1/16 - 11/1/17	
Employee Dishonesty	& Surety CO.		$300,000
Computer/Transfer of Funds/Money Order			$300,000
Forgery and Alterations			$50,000
Money In/Out with $500 deductible			

Coverage	Underwriter	Policy Period	Limits
Retained Limits Liability			
Comprehensive General Liability retention applicable to each loss is $500,000 - $500,000 SIR	Lloyd's	1/24/16 - 1/24/17	$9,500,000 Per Occurrence and Aggregate
Law Enforcement Liability retention applicable to each loss is $500,000	Lloyd's	1/24/16 - 1/24/17	$9,500,000 Per Occurrence and Aggregate $500,000 SIR
Excess Automobile Liability retention applicable to each loss is $500,000	Lloyd's	1/24/16 - 1/24/17	$9,500,000 each accident
Garage keepers			$500,000, excess of $500,000 per occurrence
Public Officials Liability retention applicable to each loss is $500,000	Lloyd's	1/24/16 - 1/24/17	$9,500,000 Excess of $500,000 per occurrence and aggregate
Sub-limits - not in addition to part of total limit			$500,000 SIR
Wrongful Acts			$9,500,000, excess of $500,000
Sexual Harassment/Sexual Abuse	Lloyd's	1/24/16 - 1/24/17	$9,500,000, excess of $500,000
Employment Practices	Lloyd's	1/24/16 - 1/24/17	$9,500,000, excess of $500,000
Stand Alone Excess Liability	Axis Specialty Ins. Co.	1/24/16 - 1/24/17	$10,000,000 Excess of $10M Primary
Stand Alone Excess Liability	Houston Casualty Company	1/24/16 - 1/24/17	$10,000,000 Excess of $20,000,000
Workers' Compensation	LWCC	11/1/16 - 11/1/17	Statutory
Employer's liability			$1,000,000
Each accident disease limit			$1,000,000
Disease - each person			$1,000,000
Maritime Employers Liability $2,500 Deductible any one accident or illness	Lloyd's	2/20/16 - 2/20/17	$1,000,000, any one accident
Boiler and Machinery	Boiler	6/14/16 - 6/14/17	$100,000,000
$10,000 deductible per claim - Direct			$1,000,000
48-hour deductible - Indirect			Business Income
Police Officers Faithful Performance Bond	Western Surety	5/12/16 - 5/12/17	$10,000 per officer
Pollution Legal Liability $100,000 deductible applicable to each accident	Co.	12/18/16 - 12/18/17	$5,000,000 each occurrence $10,000,000 general aggregate

Reports Required by
Government Auditing Standards

PINELL & MARTINEZ LLC
Certified Public Accountants

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Covington, Louisiana 70433
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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*

To the Board of Commissioners
Greater New Orleans Expressway Commission
Metairie, Louisiana

We have audited, in accordance with the 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, the financial statements of the business-type activities of the Greater New Orleans Expressway Commission, as of and for the year ended October 31, 2016, and the related notes to the financial statements, which collectively comprise the Greater New Orleans Expressway Commission's basic financial statements, and have issued our report thereon dated April 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater New Orleans Expressway Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater New Orleans Expressway Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greater New Orleans Expressway Commission's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greater New Orleans Expressway Commission's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item **2016-1**.

Greater New Orleans Expressway Commission's Response to the Finding

Management's response to the findings identified in our audit is described in management's letter at page 56. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pinell & Martinez, llc

Covington, Louisiana
April 29, 2017

PINELL & MARTINEZ LLC
Certified Public Accountants

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Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by The Uniform Guidance

To the Board of Commissioners
Greater New Orleans Expressway Commission
Metairie, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Greater New Orleans Expressway Commission's (the "Commission") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended October 31, 2016. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

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Member of The Association of Certified Fraud Examiners

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2016.

Report on Internal Control Over Compliance

Management of the Commission, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pinell & Martinez, llc

Covington, Louisiana
April 29, 2017

A. Summary of Auditor's Results

Financial Statements

a. Type of auditor's report issued: Unmodified

b. Internal control over financial reporting:

Material weaknesses identified	____ yes	✓ no
Significant deficiencies identified that are not considered to be material weaknesses	____ yes	✓ none noted

c. Noncompliance material to financial statements noted	✓ yes	____ no

Federal Awards

a. Type of auditors' report issued on compliance for major programs: Unmodified

b. Internal control over major programs:

Material weaknesses identified	____ yes	✓ no
Significant deficiencies identified that are not considered to be material weaknesses	____ yes	✓ none noted

c. Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	____ yes	✓ no

d. Identification of major programs:

CFDA # 20.205 Highway Planning and Construction

e. Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

f. Auditee qualified as low-risk audit	____ yes	✓ no

B. Findings in Accordance with *Government Auditing Standards*

2016 – 1 Compliance: Misappropriation of Funds

Criteria
Toll fees collected should be deposited into the Commission's operating account in a timely manner.

Condition
On January 25, 2016, the Commission's toll analyst detected a toll collector, Marlene Williams, committing theft. Upon reconciling the toll revenues collected by the Northshore Toll Department to the number of vehicles crossing the New Orleans Causeway, management discovered a $4,400 discrepancy for the period of November 2015 – January 2016. Based upon the Commission's internal investigation, Marlene Williams was discovered stealing cash collected from drivers. Ms. Williams was terminated, and the Commission notified the Mandeville Police Department to pursue charges. Ms. Williams pleaded guilty to the theft on December 7, 2016, and she received probation and must repay the $4,400 through a payment plan with the St. Tammany Parish Probation Office beginning September 2017. The investigation is deemed complete.

Cause
Toll collector, Marlene Williams, stole toll revenues (cash) collected at the Northshore toll booth.

Effect
Funds that would have been applied to the Commission's operating expenses were misappropriated.

Recommendation
Ms. Williams has already been terminated and pleaded guilty to the theft. The District Attorney is assisting with the recovery of the stolen funds which must be repaid by Ms. Williams. We recommend the Commission to continue to pursue the recovery of the stolen funds. In addition, management should contact the Louisiana Legislative Auditor in a timely manner to report all instances of theft.

Management's Response and Corrective Action Plan
See management's response and corrective action plan on page 56.

C. Findings and Questioned Costs for Federal Awards under Uniform Guidance

None noted.

A. Findings in Accordance with *Government Auditing Standards*

None noted.

B. Findings and Questioned Costs for Federal Awards under Uniform Guidance

None noted.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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April 30, 2017

Louisiana Legislative Auditor

Greater New Orleans Expressway Commission respectfully submits the following response for the year ended October 31, 2016.

Pinell & Martinez, LLC
308 S. Tyler Street, Suite 2
Covington, LA 70433

Audit Period: November 1, 2015 – October 31, 2016

The finding from the October 31, 2016 schedule of findings are discussed below. The finding is numbered consistently with the number assigned in the schedule.

Section B: Findings in Accordance with *Government Auditing Standards*

Management's Response:

On January 25, 2016, our toll analyst detected a toll collector, Marlene Williams, committing a fraudulent act. With the internal controls in place, the GNOEC was able to recognize the shortage, terminate the employee, and filed a report with Mandeville Police Department. We pursued criminal actions. On December 7, 2016, Mrs. Williams pled guilty to the theft charges with probation and is scheduled to start making restitution through a payment plan with St. Tammany Parish Probation Office in September 2017. If the funds are not received, Mrs. Williams will have to report back to the judge and will possibly be incarcerated. If she is incarcerated, the GNOEC will file a claim in Small Claims Court for the restitution. The GNOEC added more cameras and have begun to monitor the cameras closer to ensure that fraud or misappropriation of funds does not occur.

On May 16, 2017, the GNOEC sent the notification regarding R.S. 24:523 to the Legislative Auditor's Office and the District Attorney Office. Unfortunately, the GNOEC was not aware of the R.S. 24:523 and sent the notification after our audit was issued.

Sincerely,

Melissa Phillpott
Chief Financial Officer