

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Greater New Orleans Expressway Commission  
State of Louisiana  
New Orleans, Louisiana

June 30, 2000



***Financial and Compliance Audit Division***

---

---

***Daniel G. Kyle, Ph.D., CPA, CFE***  
***Legislative Auditor***

**LEGISLATIVE AUDIT ADVISORY COUNCIL**

**MEMBERS**

**Representative Edwin R. Murray, Chairman**  
**Senator J. "Tom" Schedler, Vice Chairman**

**Senator Robert J. Barham**  
**Senator Foster L. Campbell, Jr.**  
**Senator Lynn B. Dean**  
**Senator Willie L. Mount**  
**Representative Rick Farrar**  
**Representative Victor T. Stelly**  
**Representative T. Taylor Townsend**  
**Representative Warren J. Triche, Jr.**

**LEGISLATIVE AUDITOR**

**Daniel G. Kyle, Ph.D., CPA, CFE**

**DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT**

**Albert J. Robinson, Jr., CPA**

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Thirty-two copies of this public document were produced at an approximate cost of \$168.00. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. A copy of this document is available on the Legislative Auditor's Web site at [www.la.state.la.us](http://www.la.state.la.us).

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended October 31, 1999  
With Supplemental Information Schedules

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor.

June 30, 2000

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

General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended October 31, 1999

**CONTENTS**

	<b>Statement</b>	<b>Page No.</b>
Independent Auditor's Report on the Financial Statements		3
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	5
Governmental Funds:		
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General, Special Revenue, and Debt Service Funds	C	9
Proprietary Fund - Internal Service Fund:		
Statement of Revenues, Expenses, and Changes in Retained Earnings	D	13
Statement of Cash Flows	E	14
Notes to the Financial Statements		15
	<b>Schedule</b>	<b>Page No.</b>
Supplemental Information Schedules:		
General Fund - Schedule of Cash Receipts and Disbursements	1	33
Special Revenue Funds:		
Combining Balance Sheet	2	36
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	3	37
Schedule of Cash Receipts and Disbursements	4	38

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
 Contents, October 31, 1999

**CONTENTS (CONT.)**

	<b>Schedule</b>	<b>Page No.</b>
Supplemental Information Schedules: (Cont.)		
Debt Service Fund - Schedule of Cash Receipts and Disbursements	5	40
Capital Projects Funds:		
Combining Balance Sheet	6	42
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	7	43
Schedule of Cash Receipts and Disbursements	8	45
Schedule of Compensation Paid Board Members	9	47
Schedule of Investments	10	49
Schedule of Revenue From Tolls	11	51
Schedule of Traffic - Number of Crossings (Unaudited)	12	52
Schedule of Insurance (Unaudited)	13	54
	<b>Exhibit</b>	
Other Report Required by <i>Government Auditing Standards</i> - Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements	A	
	<b>Appendix</b>	
Management's Corrective Action Plans and Responses to the Findings and Recommendations	A	



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

May 15, 2000

Independent Auditor's Report  
on the Financial Statements

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of and for the year ended October 31, 1999, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of management of the Greater New Orleans Expressway Commission. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph and in Exhibit A, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of detailed equipment accounting records, we were unable to form an opinion regarding the value of equipment totaling \$3,123,905 that is recorded in the property, plant, and equipment account on the accompanying balance sheet.

*In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the value of equipment, the general purpose financial statements referred to previously present fairly, in all material respects, the financial position of the Greater New Orleans Expressway Commission as of October 31, 1999, and the results of operations and cash flows of its Internal Service Fund for the year then ended, in conformity with generally accepted accounting principles.*

In connection with our audit, nothing came to our attention that caused us to believe that the Greater New Orleans Expressway Commission failed to comply with the terms, covenants, or provisions of the General Bond Resolution dated September 25, 1986, and as supplemented by



LEGISLATIVE AUDITOR

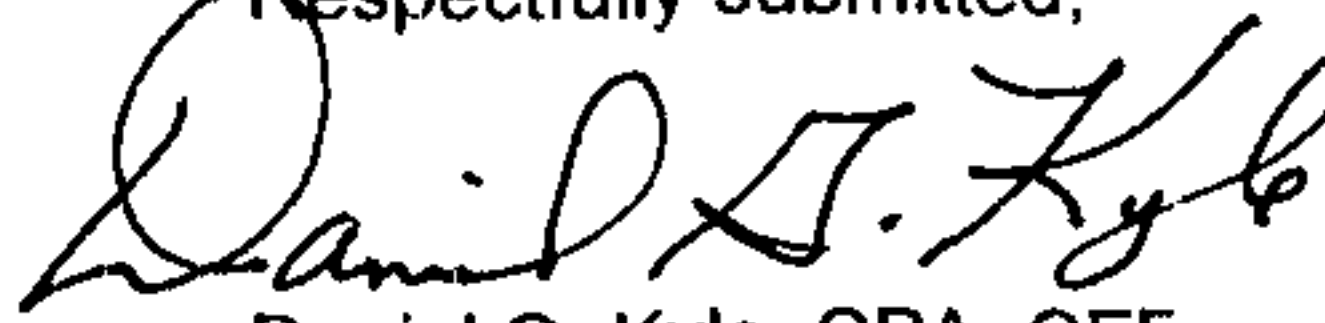
**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Audit Report, October 31, 1999

the Series 1992 and 1999A bond resolutions dated December 4, 1992, and June 16, 1999, respectively. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2000, on the Greater New Orleans Expressway Commission's compliance with laws and regulations and on internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Greater New Orleans Expressway Commission. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

EB:JR:RCL:dl

[NOEXPRES]

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS**

**Combined Balance Sheet, October 31, 1999**

	GOVERNMENTAL FUNDS			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>ASSETS AND OTHER DEBITS</b>				
Cash (note 2)	\$1,974,952	\$44,183		
Investments (note 3)	10,066,193	1,196,353	\$11,442,266	\$27,537,724
Receivables (note 4)	339,730	86,896	171,221	45,278
Due from other funds (note 16)	128,690			2,274,623
Inventory (note 1-G)	329,575			
Property, plant, and equipment (note 5)				
Other Debits:				
Amount available in General Fund				
Amount available in Special Revenue Funds				
Amount available in Debt Service Fund				
Amount to be provided for retirement of general long-term obligations				
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$12,839,140</b>	<b>\$1,327,432</b>	<b>\$11,613,487</b>	<b>\$29,857,625</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
Liabilities:				
Payables (note 12)	\$811,147		\$4,020,163	\$444,047
Due to other funds (note 16)	3,533,965	\$72,396	37,506	
Tag deposits	673,280			
Unearned revenue	543,219			
Estimated liability for claims				
Accrued compensated absences (note 13)				
Bonds payable (note 13)				
Total Liabilities	<u>5,561,611</u>	<u>72,396</u>	<u>4,057,669</u>	<u>444,047</u>
Equity and Other Credits:				
Investment in general fixed assets (note 5)				
Retained earnings (note 7)				
Fund balances:				
Reserved (note 14)	329,575	1,255,036	7,555,818	5,929,120
Unreserved:				
Designated (note 15)	4,830,250			
Undesignated	2,117,704			23,484,458
Total Fund Equity	<u>7,277,529</u>	<u>1,255,036</u>	<u>7,555,818</u>	<u>29,413,578</u>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$12,839,140</b>	<b>\$1,327,432</b>	<b>\$11,613,487</b>	<b>\$29,857,625</b>

The accompanying notes are an integral part of this statement.



Statement A

PROPRIETARY FUND - INTERNAL SERVICE	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
			\$2,019,135
\$943,610			51,186,146
5,450			648,575
1,259,342			3,662,655
			329,575
	\$4,328,115		4,328,115
		\$1,266,648	1,266,648
		1,202,240	1,202,240
		7,555,818	7,555,818
		63,706,151	63,706,151
<u>\$2,208,402</u>	<u>\$4,328,115</u>	<u>\$73,730,857</u>	<u>\$135,905,058</u>
			\$5,275,357
\$18,788			3,662,655
			673,280
			543,219
500,000			500,000
		\$835,857	835,857
		72,895,000	72,895,000
<u>518,788</u>	<u>NONE</u>	<u>73,730,857</u>	<u>84,385,368</u>
	\$4,328,115		4,328,115
1,689,614			1,689,614
			15,069,549
			4,830,250
			25,602,162
<u>1,689,614</u>	<u>4,328,115</u>	<u>NONE</u>	<u>51,519,690</u>
<u>\$2,208,402</u>	<u>\$4,328,115</u>	<u>\$73,730,857</u>	<u>\$135,905,058</u>

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

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended October 31, 1999**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>REVENUES</b>					
Tolls	\$13,944,324				\$13,944,324
Vehicular license tax		\$5,082,942			5,082,942
Intergovernmental revenues:					
Federal grants	149,137	700,219			849,356
State grants		55,580			55,580
Use of money and property:					
Leases	268,818				268,818
Investment income:					
Interest income	468,162	37,153	\$452,116	\$814,857	1,772,288
Net decrease in fair value of investments			(615,134)		(615,134)
Other	98,049				98,049
Total revenues	<u>14,928,490</u>	<u>5,875,894</u>	<u>(163,018)</u>	<u>814,857</u>	<u>21,456,223</u>
<b>EXPENDITURES</b>					
Bridge and public safety:					
General administrative - salaries	523,796				523,796
Employee related benefits	756,224				756,224
Expressway bridge:					
Operating	4,669,708				4,669,708
Capital outlay	855,390			6,242,730	7,098,120
Huey P. Long bridge:					
Operating	501,268				501,268
Capital outlay	91,152				91,152
Special programs:					
Operating		677,130			677,130
Capital outlay		29,051			29,051
Debt service:					
Principal retirement			1,985,000		1,985,000
Interest			3,709,405		3,709,405
Bond issuance costs			376,192		376,192
Intergovernmental expenditures - parishes	350,000				350,000
Total expenditures	<u>7,747,538</u>	<u>706,181</u>	<u>6,070,597</u>	<u>6,242,730</u>	<u>20,767,046</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>7,180,952</u>	<u>5,169,713</u>	<u>(6,233,615)</u>	<u>(5,427,873)</u>	<u>689,177</u>

(Continued)

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
GOVERNMENTAL FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances, 1999**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>OTHER FINANCING SOURCES (Uses)</b>					
Transfers in	\$9,166		\$5,337,554	\$6,494,145	\$11,840,865
Transfers out	(6,494,145)	(\$5,252,614)	(9,166)	(84,940)	(11,840,865)
Proceeds of revenue bonds			1,673,336	13,080,000	14,753,336
Total other financing sources (uses)	<u>(6,484,979)</u>	<u>(5,252,614)</u>	<u>7,001,724</u>	<u>19,489,205</u>	<u>14,753,336</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	695,973	(82,901)	768,109	14,061,332	15,442,513
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>6,581,556</u>	<u>1,337,937</u>	<u>6,787,709</u>	<u>15,352,246</u>	<u>30,059,448</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$7,277,529</u></u>	<u><u>\$1,255,036</u></u>	<u><u>\$7,555,818</u></u>	<u><u>\$29,413,578</u></u>	<u><u>\$45,501,961</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget  
(GAAP Basis) and Actual - General,  
Special Revenue, and Debt Service Funds  
For the Year Ended October 31, 1999**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Tolls	\$13,850,000	\$13,944,324	\$94,324
Vehicular license tax			
Intergovernmental revenues:			
Federal grants		149,137	149,137
State grants			
Use of money - investment income:			
Interest income	514,450	468,162	(46,288)
Net decrease in fair value of investments			
Leases and other	386,000	366,867	(19,133)
Total revenues	<u>14,750,450</u>	<u>14,928,490</u>	<u>178,040</u>
<b>EXPENDITURES</b>			
Operating:			
Expressway bridge	6,112,619	5,878,919	233,700
Huey P. Long bridge	603,673	572,077	31,596
Motorist assistance program			
Evacuation study			
Debt service:			
Principal retirement			
Interest and fiscal charges			
Bond issuance cost			
Intergovernmental expenditures - parishes	350,000	350,000	
Capital outlay:			
Expressway bridge	1,257,905	855,390	402,515
Huey P. Long bridge	84,484	91,152	(6,668)
Motorist assistance program			
Total expenditures	<u>8,408,681</u>	<u>7,747,538</u>	<u>661,143</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>6,341,769</u>	<u>7,180,952</u>	<u>839,183</u>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Transfers in		9,166	9,166
Transfers out	(6,341,769)	(6,494,145)	(152,376)
Proceed of revenue bonds			
Total other financing sources (uses)	<u>(6,341,769)</u>	<u>(6,484,979)</u>	<u>(143,210)</u>

(Continued)

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$5,082,942	\$5,082,942				
	700,219	\$700,219			
	55,580	55,580			
40,950	37,153	(3,797)	\$495,600	\$452,116 (615,134)	(\$43,484) (615,134)
<u>5,123,892</u>	<u>5,875,894</u>	<u>752,002</u>	<u>495,600</u>	<u>(163,018)</u>	<u>(658,618)</u>
	518,135	(518,135)			
	158,995	(158,995)			
			1,985,000	1,985,000	
			3,795,000	3,709,405	85,595
				376,192	(376,192)
	29,051	(29,051)			
NONE	706,181	(706,181)	5,780,000	6,070,597	(290,597)
<u>5,123,892</u>	<u>5,169,713</u>	<u>45,821</u>	<u>(5,284,400)</u>	<u>(6,233,615)</u>	<u>(949,215)</u>
			5,284,400	5,337,554	53,154
(5,123,892)	(5,252,614)	(128,722)		(9,166)	(9,166)
				1,673,336	1,673,336
<u>(5,123,892)</u>	<u>(5,252,614)</u>	<u>(128,722)</u>	<u>5,284,400</u>	<u>7,001,724</u>	<u>1,717,324</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
GOVERNMENTAL FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget  
(GAAP Basis) and Actual - General,  
Special Revenue, and Debt Service Funds, 1999**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	NONE	\$695,973	\$695,973
FUND BALANCES AT BEGINNING OF YEAR	\$6,581,556	6,581,556	NONE
FUND BALANCES AT END OF YEAR	\$6,581,556	\$7,277,529	\$695,973

(Concluded)

The accompanying notes are an integral part of this statement.



Statement C

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
NONE	(\$82,901)	(\$82,901)	NONE	\$768,109	\$768,109
<u>\$1,337,937</u>	<u>1,337,937</u>	<u>NONE</u>	<u>\$6,787,709</u>	<u>6,787,709</u>	<u>NONE</u>
<u>\$1,337,937</u>	<u>\$1,255,036</u>	<u>(\$82,901)</u>	<u>\$6,787,709</u>	<u>\$7,555,818</u>	<u>\$768,109</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
PROPRIETARY FUND - INTERNAL SERVICE FUND**

**Statement of Revenues, Expenses, and  
Changes in Retained Earnings  
For the Year Ended October 31, 1999**

<b>OPERATING REVENUES</b>	
Premiums	<u>\$720,386</u>
<b>OPERATING EXPENSES</b>	
Contractual service	195,981
Claims	<u>242,692</u>
Total operating expenses	<u>438,673</u>
<b>OPERATING INCOME</b>	281,713
<b>NONOPERATING REVENUES</b>	
Investment income	<u>48,987</u>
<b>NET INCOME</b>	330,700
Change in estimated claims liability (note 7)	594,027
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>764,887</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u><u>\$1,689,614</u></u>

The accompanying notes are an integral part of this statement.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
PROPRIETARY FUND - INTERNAL SERVICE FUND**

**Statement of Cash Flows  
For the Year Ended October 31, 1999**

Operating income	\$281,713
Adjustments to reconcile operating income to net cash provided by operating activities - changes in current assets and liabilities:	
(Increase) in receivables	(3,376)
(Increase) in due from other funds	(281,713)
Net cash provided (used) by operating activities	<u>(3,376)</u>
Cash flows from investing activities:	
Purchase of investment securities	(7,768,450)
Proceeds from sale and maturities of investment securities	7,722,839
Receipt of interest earned on investments	<u>48,987</u>
Net cash from investing activities	<u>3,376</u>
Net increase in cash	NONE
Cash at beginning of year	<u>NONE</u>
Cash at end of year	<u><u>NONE</u></u>

The accompanying notes are an integral part of this statement.

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

Notes to the Financial Statements  
As of and for the Year Ended, October 31, 1999

**INTRODUCTION**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**B. REPORTING ENTITY**

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

**C. FUND ACCOUNTING**

The commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the commission are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows:

**Governmental Funds**

Governmental funds account for all or most of the commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include the following:

1. General Fund--the general operating fund of the commission accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds--account for revenue sources that are legally restricted to expenditures for specific purposes.



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

3. Debt Service Fund--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other funds.

**Proprietary Fund**

The proprietary fund accounts for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The proprietary fund of the commission consists of an internal service fund that accounts for the general liability self-insurance program. The intent of the commission for this program is (a) that the payment of claims and related service costs be financed or recovered primarily through assessed premiums or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

User tolls (rates determined by vehicle size) are electronically levied and recorded at the time vehicles enter the expressway bridge toll plaza (North Shore plaza only effective May 5, 1999).

Vehicular license taxes are assessed and collected by the state from the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St Tammany. A portion, fifty percent, is dedicated to the commission to finance debt service and is recorded as revenue when the annual payment is received in August.



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

Investment income includes both the interest received on demand deposits and investments and the change in the fair value of investments. GASB Statement 31 requires that investments be reported at fair value on the balance sheet. The change in fair value of investments from the beginning and end of the current fiscal year is the net increase (decrease) in the fair value of investments and is included as a component of investment income.

Substantially all other revenues are recorded when received.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which is recognized when paid. In addition, interest on long-term debt due November 1 is accrued at year-end.

**Other Financing Sources (Uses)**

Other financing sources (uses), representing transfers between funds that are not expected to be repaid and proceeds from the sale of bonds, are recognized when they become available and measurable.

The proprietary fund is accounted for using a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operations of this fund are included on the balance sheet. The Proprietary Fund - Internal Service Fund uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Major revenues and expenses are recorded as follows:

**Revenues**

Premiums are recorded as operating revenues in the accounting period in which they are assessed.

Investment income is recognized as nonoperating revenue in the accounting period in which they are earned.

**Expenses**

Insurance claims and contractual service costs are recognized as expenses in the accounting period occurred.

Under provisions of GASB Statement 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the commission follows pronouncements of the

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

**E. BUDGET PRACTICES**

The commission prepares its budget in accordance with the Louisiana Local Government Budget Act, R.S. 39:1301-1315. The general manager submits proposed operating budgets for the General, Special Revenue, and Debt Service Funds to the Greater New Orleans Expressway Commission and to the general public for inspection. The budgets are prepared on a modified accrual basis of accounting. For the period under audit, the proposed budgets were advertised in the official journal September 23, 1998. At the board meeting, October 6, 1998, the 1999 budget was formally adopted by the commission.

The commission does not use encumbrance accounting, except that incomplete contract amounts in the Capital Projects Funds are recorded as a reserve for encumbrance. All appropriations lapse at year-end. Annually, in July the original budget is amended by management and is ratified by the board of the commission during October.

**F. CASH AND INVESTMENTS**

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

Under state law, the commission may invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. Investments are stated at fair value.

**G. INVENTORY**

The commission maintains an inventory of spare bridge components for emergency use. The general government inventory was recorded as an expenditure in the General Fund at the time purchased and is valued at cost.

**H. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Infrastructure assets totaling \$139,868,091 are not capitalized but are disclosed in note 5. No depreciation has been provided on general fixed assets. General fixed assets are valued at historical cost.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**I. COMPENSATED ABSENCES**

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

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually taken. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

**J. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds, including long-term debt due after November 1 of the subsequent year and compensated absences for accumulated unpaid vacation and sick leave benefits are accounted for in the general long-term obligations account group, not in the governmental funds. Debt service obligations due the next day following the close of the fiscal year is recorded as a fund liability at year-end.

**K. POSTEMPLOYMENT HEALTH CARE  
AND LIFE INSURANCE BENEFITS**

The Greater New Orleans Expressway Commission provides certain continuing health care and life insurance benefits for its retired employees. The commission recognizes the cost of providing these retiree benefits as an expenditure when paid during the year.

**L. DEFERRED COMPENSATION PLAN**

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

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

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

Participants may contribute up to 20% of their salary with the commission matching up to \$72 per month. All contributions are immediately vested. The commission contributed \$91,800 to the plan during the year ended October 31, 1999.

**M. FUND EQUITY**

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**N. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as operating transfers.

**O. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**2. CASH**

At October 31, 1999, the commission has cash (book balances) totaling \$2,019,135.

A summary of cash of the commission follows:

Petty cash	\$1,600
Demand accounts:	
Noninterest-bearing	949,139
Interest-bearing	<u>1,068,396</u>
Total	<u><u>\$2,019,135</u></u>



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent banks. The market value of the pledged securities plus the federal security must at all times equal the amount on deposit with the fiscal agents. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. At October 31, 1999, the commission has \$2,079,661 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance (GASB Category 1). In addition, \$1,781,687 of pledged securities are held by the financial institution's (counterparty) agent in the commission's name (GASB Category 2). The collected bank balances are undersecured by \$97,974 at October 31, 1999.

**3. INVESTMENTS**

At October 31, 1999, investments of the commission total \$51,186,146, which is shown on Statement A. In accordance with GASB Codification Section 150.125, the various types of investments are listed and presented by category of credit risk assumed by the commission. Category 1 represents those investments insured or registered in the commission's name or securities held by the commission or its agent in the commission's name. Category 2 represents investments uninsured and unregistered with securities held by the counterparty's trust department or agent in the commission's name. Category 3 represents investments unsecured and unregistered with securities held by the counterparty or by its trust department or agency but not in the commission's name.

A summary of commission investments follows:

	Category			Reported Amount	Fair Value
	1	2	3		
Government Securities:					
Repurchase Agreement			\$11,500,000	\$11,500,000	\$11,500,000
United States Treasury obligations			4,850,145	4,850,145	4,850,145
Federal Home Loan Bank			2,516,844	2,516,844	2,517,387
Federal Home Loan Mortgage			9,007,455	9,007,455	9,007,930
Federal National Mortgage Association			4,897,661	4,897,661	4,897,852
Total governmental securities	<u>NONE</u>	<u>NONE</u>	<u>\$32,772,105</u>	32,772,105	32,773,314
Money market funds				<u>18,414,041</u>	<u>18,414,041</u>
Total investments				<u>\$51,186,146</u>	<u>\$51,187,355</u>

Investments of government securities reflected in the governmental funds and the internal service fund are stated at fair value as required by GASB Statement 31 when the difference between the carrying value and the fair value is substantial. The commission used quoted market values to determine the fair value of the investments.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

The \$18,414,041 of money market funds consist of investments in direct obligations of the United States Department of Treasury, other federal governmental agencies, and/or repurchase agreements involving these securities. These investments are not required to be classified as to category of credit risk by GASB Codification Section 150.107.

**4. RECEIVABLES**

At October 31, 1999, the commission has receivable balances, totaling \$648,575, as follows:

Class of Receivable	Governmental Funds			Proprietary Fund - Internal Service	Total
	General	Special Revenue	Debt Service		
Grants		\$81,009			\$81,009
Interest earning	\$35,765	5,887	\$171,221	\$5,450	263,601
Other	303,965				303,965
Total receivables	<u>\$339,730</u>	<u>\$86,896</u>	<u>\$171,221</u>	<u>\$5,450</u>	<u>\$648,575</u>

**5. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets is as follows:

	Balance November 1, 1998	Additions	Deletions	Balance October 31, 1999
Building	\$1,204,210			\$1,204,210
Furniture, fixtures, and equipment	2,365,438	\$428,768	\$99,232	2,694,974
Huey P. Long Bridge equipment	337,779	91,152		428,931
Total	<u>\$3,907,427</u>	<u>\$519,920</u>	<u>\$99,232</u>	<u>\$4,328,115</u>

Infrastructure assets are not recorded in Statement A, but a summary of changes in infrastructure valued at historical cost assets is as follows:

	Balance November 1, 1998	Additions	Deletions	Balance October 31, 1999
Expressway bridge construction costs:				
1954 bridge	\$45,263,522			\$45,263,522
1967 bridge	33,367,133			33,367,133
Bridge improvements	54,994,706	\$6,204,040		61,198,746
Total	<u>\$133,625,361</u>	<u>\$6,204,040</u>	<u>NONE</u>	<u>\$139,829,401</u>



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**6. RETIREMENT SYSTEM**

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

All full-time commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 3% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Members are required by state statute to contribute 9.50% of gross salary, and the commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The contribution rate was 7.75% of annual covered payroll in fiscal years ended October 31, 1999, 1998, and 1997, respectively. The commission contributions to the System for the years ending October 31, 1999, 1998, and 1997, were \$220,250, \$230,540, and \$178,188, respectively, equal to the required contributions for each year.

**7. RISK MANAGEMENT**

The commission is exposed to various risks of loss related to general liability, automotive liability, and property insurance contracts. An Internal Service Fund (a risk management fund) is used to account for and finance its uninsured risks of loss. Under this program, the risk management fund provides coverage for the general and automotive liability up to the \$100,000 deductible limits for each covered loss. The commission purchased commercial insurance for claims in excess of coverage provided by the Internal Service Fund. Settled claims have not exceeded this commercial coverage for the fiscal year.

The General Fund of the commission participates in the program and makes payments to the Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims and to provide reserves for the 1% deductible on the bridge structure in the event of a catastrophic loss. At October 31, 1999, retained earnings in the Internal Service Fund of \$1,689,614 are designated for catastrophic loss. The claims liability of \$500,000, reported at October 31, 1999, is based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information before the issuance of the financial statements indicates that it is probable that a liability has been

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Internal Service Fund's claims liability in fiscal year 1999 were:

Estimated liability for claims at beginning of year	\$1,094,027
Current year:	
Claims	242,692
Changes in estimates	(594,027)
Claims payment	<u>(242,692)</u>
Estimate liability for claims at end of year	<u><u>\$500,000</u></u>

The disposition of several claims for amounts less than previously estimated and an analysis of the general, automobile, and property insurance loss experience for the period November 1, 1992, through October 31, 1999, using industry risk management software, resulted in a \$594,027 reduction in loss exposure.

**8. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

Substantially all commission employees become eligible for postemployment health care, dental and life insurance benefits if they reach normal retirement age while working for the commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the commission. For 1999, the cost of providing those benefits for the 14 retirees totaled \$34,628.

**9. COMPENSATED ABSENCES**

As of October 31, 1999, employees of the commission have accumulated and vested \$835,857 of employee annual and sick leave benefits, which was computed in accordance with GASB Codification Section C60. Compensated absences are recorded within the general long-term obligations account group.

**10. LEASE AND RENTAL COMMITMENTS**

Effective May 31, 1996, the commission entered into a fifty-year property lease from the City of Mandeville at a cost of \$25 per year.

**11. LESSOR OPERATING LEASES**

The Greater New Orleans Expressway Commission leases limited portions of the expressway bridge necessary to accommodate telecommunication equipment and cables. Future minimum rental payments to be received under these operating leases for the next five years are as follows:

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

Fiscal year ending October 31:	
2000	\$290,357
2001	290,357
2002	290,357
2003	290,357
2004	212,984
Total	<u>\$1,374,412</u>

**12. PAYABLES**

The following is a summary of payables at October 31, 1999:

	Governmental Funds			Total
	General	Debt Service	Capital Projects	
Accounts payable	\$197,036		\$4,930	\$201,966
Payroll deductions and employer's payable	95,957			95,957
Insurance and claims	32,172			32,172
Payable to:				
State of Louisiana - sales tax claim	124,999			124,999
Parishes - statutory	350,000			350,000
Bonds payable		\$1,985,000		1,985,000
Interest payable		2,035,163		2,035,163
Contracts payable			439,117	439,117
Other	10,983			10,983
Total	<u>\$811,147</u>	<u>\$4,020,163</u>	<u>\$444,047</u>	<u>\$5,275,357</u>

**13. CHANGES IN LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended October 31, 1999:



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

	Long-Term Obligations Payable at November 1, 1998	Additions	Deductions and Retirement	Long-Term Obligations Payable at October 31, 1999
Revenue bonds:				
Refunding, Series 1992	\$59,880,000		\$1,985,000	\$57,895,000
Improvements, Series 1999A		\$15,000,000		15,000,000
Total revenue bonds payable	<u>59,880,000</u>	<u>15,000,000</u>	<u>1,985,000</u>	<u>72,895,000</u>
Compensated absences	<u>736,929</u>	<u>98,928</u>	NONE	<u>835,857</u>
Total	<u><u>\$60,616,929</u></u>	<u><u>\$15,098,928</u></u>	<u><u>\$1,985,000</u></u>	<u><u>\$73,730,857</u></u>

The additions and reductions to compensated absences during the 1998-99 fiscal year represent the net change during the year because the additions and deductions could not readily be determined.

**A. REFUNDING REVENUE BONDS, SERIES 1992**

On December 22, 1999, the commission issued \$64,010,000 in Refunding Revenue Bonds. The proceeds of this issue were used to refund the November 1, 1994, and November 1, 1997, through November 1, 2016 maturities of the previously issued Refunding and Improvement Bonds, Series 1986. The Refunding Revenue Bonds payable at the beginning of the year were \$59,880,000. Principal due November 1, 1999, that was accrued and paid to the paying agent prior to the aforementioned date, amounted to \$1,985,000 and reduced the outstanding bonds payable to \$57,895,000 at October 31, 1999. The Refunding Revenue Bonds, Series 1992, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$2,085,000 to \$5,195,000 beginning November 1, 2000, through November 1, 2016. The bonds carry interest rates from 5.3% to 6.2% and interest to maturity amounts to \$35,673,705 through November 1, 2016.

**B. REVENUE BONDS, SERIES 1999A**

On July 27, 1999, the commission issued \$15,000,000 of Revenue Bonds, Series 1999A. The proceeds of this issue will be used to finance the cost of certain improvements to the expressway bridge. There were no maturities in the fiscal year; therefore, the outstanding bonds payable principal of \$15,000,000 was unchanged at October 31, 1999. The Revenue Bonds, Series 1999A, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$600,000 to \$1,265,000 beginning November 1, 2000, through November 1, 2016. The bonds carry interest rates from 3.75% to 5.25% and interest to maturity amounts to \$7,679,580 through November 1, 2016.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

The annual requirements to amortize all bonds outstanding at October 31, 1999, including total interest to maturity of \$43,353,285 are as follows:

<u>Fiscal Year</u>	<u>Revenue Bonds</u>		<u>Total</u>
	<u>Refunding Series 1992</u>	<u>Improvements Series 1999A</u>	
2000	\$5,501,580	\$1,329,950	\$6,831,530
2001	5,506,075	1,332,450	6,838,525
2002	5,505,075	1,332,138	6,837,213
2003	5,503,995	1,334,513	6,838,508
2004	5,506,895	1,324,763	6,831,658
Thereafter	66,045,085	16,025,766	82,070,851
Total	<u>\$93,568,705</u>	<u>\$22,679,580</u>	<u>\$116,248,285</u>

**14. FUND BALANCE RESERVES**

The following is a summary of fund balance reserves at October 31, 1999:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Reserved for:					
Inventory	\$329,575				\$329,575
Encumbrances				\$5,929,120	5,929,120
Debt service		\$1,202,240	\$7,555,818		8,758,058
Evacuation survey		44,183			44,183
Motorist assistance		8,613			8,613
Total	<u>\$329,575</u>	<u>\$1,255,036</u>	<u>\$7,555,818</u>	<u>\$5,929,120</u>	<u>\$15,069,549</u>

**15. FUND BALANCE - UNRESERVED - DESIGNATED**

The Greater New Orleans Expressway Commission has designated a portion of its General Fund balance for future expenditures. A description of these designations follows:

- Huey P. Long Bridge - funds set aside and restricted for operations.
- Extraordinary maintenance and repair - funds set aside for maintenance and repairs.
- Debt service - funds set aside as a surety for revenue bond indebtedness.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

A summary of the designations for the year ended October 31, 1999, follows:

Huey P. Long Bridge	\$700,655
Debt service	1,266,648
Extraordinary maintenance and repair	<u>2,862,947</u>
Total	<u><u>\$4,830,250</u></u>

**16. DUE FROM/TO OTHER FUNDS**

The balances of due from/to other funds detailed by individual fund at October 31, 1999, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$128,690	\$3,533,965
Special Revenue Funds		72,396
Debt Service Funds		37,506
Capital Projects Funds	2,274,623	
Internal Service Fund	<u>1,259,342</u>	<u>18,788</u>
Total	<u><u>\$3,662,655</u></u>	<u><u>\$3,662,655</u></u>

The interfund due from/to other funds results from the cash management system used by the commission where all cash transactions are initially recorded in the General Fund.

**17. LITIGATION AND CLAIMS**

The commission is a defendant or co-defendant in 13 lawsuits in which the plaintiffs allege wrongful termination of employment and death, wrongful death, property damage, and personal injury. In the opinion of the commission's legal counsel, the ultimate resolution of 10 matters should not materially affect the financial statements and three property damage and personal injury automobile accidents are in the discovery phase and the likely outcome is not determined.

**18. FEDERAL GRANTS**

The Greater New Orleans Expressway Commission received federal funds under the United States Department of Transportation (CFDA 20.205) pass-through grant from the Louisiana Department of Transportation and Development. During the year ended October 31, 1999, the commission expended federal funds, totaling \$492,467, under this program.



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Concluded)

In addition, the Greater New Orleans Expressway Commission received federal funds from the Federal Emergency Management Assistance Agency under the Public Assistance Grants Program (CFDA 83.544) for two programs, Hurricane Evacuation Study and Hurricane George. The commission administers these programs as a subrecipient with funds passing through the Department of Military Affairs. During the year ended October 31, 1999, the commission expended federal funds totaling \$158,995 and \$42,433, under the programs respectively.

**19. OPERATING TRANSFERS IN/OUT**

The following is a summary of the operating transfers in and out for the year ended October 31, 1999:

	<u>Transfers In</u>	<u>Transfers Out</u>
General:		
Debt service	\$9,166	
Capital projects		\$6,494,145
Total	<u>9,166</u>	<u>6,494,145</u>
Special revenue:		
Debt service	<u>NONE</u>	<u>5,252,614</u>
Debt service:		
General Fund		9,166
Special revenue	5,252,614	
Capital projects	84,940	
Total	<u>5,337,554</u>	<u>9,166</u>
Capital projects:		
General Fund	6,494,145	
Debt service		84,940
Total	<u>6,494,145</u>	<u>84,940</u>
Total Transfers	<u><u>\$11,840,865</u></u>	<u><u>\$11,840,865</u></u>

## **SUPPLEMENTAL INFORMATION SCHEDULES**

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

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended October 31, 1999**

**GENERAL FUND**

**REVENUE ACCOUNT**

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

**COLLATERAL UNDISBURSED DEBT SERVICE ACCOUNT**

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

**OPERATION AND MAINTENANCE ACCOUNT**

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

**EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE ACCOUNT**

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

**EXCESS REVENUE ACCOUNT**

This account maintains any surplus remaining at the end of a fiscal year pending distribution pursuant to Act 875 of the 1988 Louisiana Legislature.

**HUEY P. LONG BRIDGE ACCOUNT**

As provided by Act 875 of the 1988 Louisiana Legislature, the commission shall use as much of its surplus as may be necessary for its officers to police the Huey P. Long Bridge.

**ASSETS FORFEITURE ACCOUNT**

This account maintains assets seized by the expressway police.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
GENERAL FUND ACCOUNTS**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 1999**

	<u>REVENUE</u>	<u>COLLATERAL UNDISBURSED DEBT SERVICE</u>	<u>OPERATIONS AND MAINTENANCE</u>
<b>BALANCES AT NOVEMBER 1, 1998</b>	<u>\$204,545</u>	<u>NONE</u>	<u>\$847,980</u>
<b>RECEIPTS</b>			
Tolls	14,081,979		
Federal			144,844
Use of money and property:			
Leases	268,818		
Investment income	36,003	\$35,333	36,481
Other			3,600
Investment sales and maturities	12,907,077	7,637,012	
Transfers in	542,046	390,716	5,827,057
Total receipts	<u>27,835,923</u>	<u>8,063,061</u>	<u>6,011,982</u>
<b>DISBURSEMENTS</b>			
Operating:			
Expressway bridge	96,451		5,484,248
Huey P. Long bridge			
Intergovernmental disbursements - parishes			
Capital outlay:			
Expressway bridge			399,717
Huey P. Long Bridge			
Investment purchases	18,010,903	7,645,136	
Transfers out	9,647,628	417,925	
Total disbursements	<u>27,754,982</u>	<u>8,063,061</u>	<u>5,883,965</u>
<b>BALANCES AT OCTOBER 31, 1999</b>	<u>\$285,486</u>	<u>NONE</u>	<u>\$975,997</u>

EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE	EXCESS REVENUE	HUEY P. LONG BRIDGE	ASSETS FORFEITURE	TOTAL (MEMORANDUM ONLY)
\$810,000	\$600,000	\$729,245	\$26,740	\$3,218,510
				14,081,979
		4,293		149,137
				268,818
99,568	225,193	23,979		456,557
			14,610	18,210
16,312,499	6,610,807	635,052		44,102,447
	3,430,718			10,190,537
16,412,067	10,266,718	663,324	14,610	69,267,685
			18,044	5,598,743
		561,379		561,379
	350,000			350,000
878,094				1,277,811
		91,152		91,152
16,251,427	4,395,947	626,000		46,929,413
92,546	5,520,771	23,875		15,702,745
17,222,067	10,266,718	1,302,406	18,044	70,511,243
NONE	\$600,000	\$90,163	\$23,306	\$1,974,952



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended October 31, 1999**

**SPECIAL REVENUE FUNDS**

**VEHICULAR LICENSE TAX**

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

**MOTORIST ASSISTANT PROGRAM**

Monies received from the Louisiana Department of Transportation and Development are used to provide motorist incident management on Interstate 10. The program is anticipated to last two additional years.

**EMERGENCY EVACUATION PROJECT**

Monies received from the Federal Emergency Management Agency are being used to study evacuation routes.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SPECIAL REVENUE FUNDS**

**Combining Balance Sheet, October 31, 1999**

	VEHICULAR LICENSE TAX	MOTORIST ASSISTANT PROGRAM	EMERGENCY EVACUATION PROJECT	TOTAL
<b>ASSETS</b>				
Cash			\$44,183	\$44,183
Investments	\$1,196,353			1,196,353
Receivables	5,887	\$81,009		86,896
	<u>\$1,202,240</u>	<u>\$81,009</u>	<u>\$44,183</u>	<u>\$1,327,432</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Due to other funds	NONE	\$72,396	NONE	\$72,396
Fund Equity - fund balances:				
Reserved for debt service	\$1,202,240			1,202,240
Reserved for future operations		8,613	\$44,183	52,796
Total Fund Equity	<u>1,202,240</u>	<u>8,613</u>	<u>44,183</u>	<u>1,255,036</u>
	<u>\$1,202,240</u>	<u>\$81,009</u>	<u>\$44,183</u>	<u>\$1,327,432</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>				

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SPECIAL REVENUE FUNDS**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended October 31, 1999**

	VEHICULAR LICENSE TAX	MOTORIST ASSISTANT PROGRAM	EMERGENCY EVACUATION PROJECT	TOTAL
<b>REVENUES</b>				
Vehicular license tax	\$5,082,942			\$5,082,942
Federal grants		\$500,219	\$200,000	700,219
State grants		55,580		55,580
Interest income	37,153			37,153
Total revenues	<u>5,120,095</u>	<u>555,799</u>	<u>200,000</u>	<u>5,875,894</u>
<b>EXPENDITURES</b>				
Vehicular assistance		518,135		518,135
Evacuation study			158,995	158,995
Machinery and equipment		29,051		29,051
Total expenditures	<u>NONE</u>	<u>547,186</u>	<u>158,995</u>	<u>706,181</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>5,120,095</u>	<u>8,613</u>	<u>41,005</u>	<u>5,169,713</u>
<b>OTHER FINANCING SOURCES (Uses)</b>				
Operating transfers out	(5,252,614)			(5,252,614)
Total other financing sources (uses)	<u>(5,252,614)</u>	<u>NONE</u>	<u>NONE</u>	<u>(5,252,614)</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(132,519)	8,613	41,005	(82,901)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>1,334,759</u>	<u>NONE</u>	<u>3,178</u>	<u>1,337,937</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$1,202,240</u>	<u>\$8,613</u>	<u>\$44,183</u>	<u>\$1,255,036</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SPECIAL REVENUE FUNDS**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 1999**

	VEHICULAR LICENSE TAX	MOTORIST ASSISTANT PROGRAM	EMERGENCY EVACUATION PROJECT	TOTAL (MEMORANDUM ONLY)
<b>BALANCES AT NOVEMBER 1, 1998</b>	<u>NONE</u>	<u>NONE</u>	<u>\$3,178</u>	<u>\$3,178</u>
<b>RECEIPTS</b>				
Vehicular license tax	\$5,082,942			5,082,942
Intergovernmental receipts:				
Federal grants		\$427,311	200,000	627,311
State grants		47,479		47,479
Use of money and property - investment income	37,600			37,600
Investment sales and maturities	<u>5,252,614</u>			<u>5,252,614</u>
Total receipts	<u>10,373,156</u>	<u>474,790</u>	<u>200,000</u>	<u>11,047,946</u>
<b>DISBURSEMENTS</b>				
Operating - expressway bridge			6	6
Motorist assistance program		445,740		445,740
Evacuation study			158,989	158,989
Capital outlay		29,050		29,050
Investment purchases	5,120,542			5,120,542
Transfers out	<u>5,252,614</u>			<u>5,252,614</u>
Total disbursements	<u>10,373,156</u>	<u>474,790</u>	<u>158,995</u>	<u>11,006,941</u>
<b>BALANCES AT OCTOBER 31, 1999</b>	<u>NONE</u>	<u>NONE</u>	<u>\$44,183</u>	<u>\$44,183</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and for the Year Ended October 31,1999**

**DEBT SERVICE FUND**

**DEBT SERVICE ACCOUNT**

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

**DEBT SERVICE RESERVE ACCOUNT**

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

**COST OF ISSUANCE ACCOUNT**

A portion of the initial bond proceeds of the 1999A Series bond issue was deposited to this account for payment of legal fees and other cost associated with the issuance of the bonds.

**ACCRUED INTEREST ACCOUNT**

The 1999A Series bonds were sold subsequent to the date of the bonds. This timing difference creates an accrued interest collection and deposit that will be returned to the bondholder on the first interest payment date.



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
DEBT SERVICE FUND ACCOUNTS**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 1999**

	<u>DEBT SERVICE</u>	<u>DEBT SERVICE RESERVE</u>	<u>COST OF ISSUANCE</u>	<u>ACCRUED INTEREST</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>BALANCES AT NOVEMBER 1, 1998</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>RECEIPTS</b>					
Use of money and property - investment income	\$58,613	\$405,472	\$330	\$699	\$465,114
Investment sales and maturities	18,252,432	12,220,353	155,716		30,628,501
Transfers in	5,750,544		4,597		5,755,141
Proceeds from revenue bond sale		1,347,800	325,536	85,161	1,758,497
Total receipts	<u>24,061,589</u>	<u>13,973,625</u>	<u>486,179</u>	<u>85,860</u>	<u>38,607,253</u>
<b>DISBURSEMENTS</b>					
Debt service:					
Principal retirement		1,895,000			1,895,000
Interest		3,565,235			3,565,235
Bond issuance cost		80,344	295,849		376,193
Investment purchases	18,462,397	13,605,484	190,330	85,860	32,344,071
Transfers out	58,613	368,141			426,754
Total disbursements	<u>24,061,589</u>	<u>13,973,625</u>	<u>486,179</u>	<u>85,860</u>	<u>38,607,253</u>
<b>BALANCES AT OCTOBER 31, 1999</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended October 31, 1999**

**CAPITAL PROJECTS FUNDS**

**CONSTRUCTION - SERIES 1986**

The Construction Series 1986 Fund accounts for major maintenance and capital improvements to the expressway bridge from the proceeds of the 1986 capital improvement bond issue.

**CONSTRUCTION - SERIES 1992**

The Construction Series 1992 Fund accounts for a small amount of funding earmarked for maintenance to the expressway bridge from the 1992 refunding bond issue proceeds.

**CONSTRUCTION - SERIES 1999A**

This Construction Series 1999A Fund accounts for major maintenance and capital improvements to the expressway bridge from the proceeds of the 1999A capital improvement bond issue.

**BRIDGE REHABILITATION**

A special fifty cents toll assessment was authorized to fund improvements to the expressway bridge. This fund accounts for capital improvements financed by the fifty cents toll.

**MAGNETIC LEVITATION DEPLOYMENT PROJECT**

The fund was established to account for costs related to the study of the Federal Railroad Administration sponsored "Mag-Lev" Program to design, build, and operate a super, high-speed frictionless rail system. This fund was established March 10, 1999.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
CAPITAL PROJECTS FUNDS**

**Combining Balance Sheet, October 31, 1999**

	CONSTRUCTION - SERIES			BRIDGE REHABILITATION	TOTAL
	1986	1992	1999A		
<b>ASSETS</b>					
Investments	\$2,029,411	\$1,462	\$13,068,034	\$12,438,817	\$27,537,724
Receivables	8,962	5		36,311	45,278
Due from other funds				2,274,623	2,274,623
<b>TOTAL ASSETS</b>	<b>\$2,038,373</b>	<b>\$1,467</b>	<b>\$13,068,034</b>	<b>\$14,749,751</b>	<b>\$29,857,625</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Payables				\$444,047	\$444,047
Total liabilities	NONE	NONE	NONE	444,047	444,047
Fund Equity - fund balances:					
Reserved for encumbrances				5,929,120	5,929,120
Unreserved - undesignated	\$2,038,373	\$1,467	\$13,068,034	8,376,584	23,484,458
Total Fund Equity	2,038,373	1,467	13,068,034	14,305,704	29,413,578
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$2,038,373</b>	<b>\$1,467</b>	<b>\$13,068,034</b>	<b>\$14,749,751</b>	<b>\$29,857,625</b>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
CAPITAL PROJECTS FUNDS**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended October 31, 1999**

	CONSTRUCTION - SERIES		
	1986	1992	1999A
<b>REVENUES</b>			
Interest income	\$100,762	\$63	\$72,974
Total revenues	<u>100,762</u>	<u>63</u>	<u>72,974</u>
<b>EXPENDITURES</b>			
Capital expenditures:			
Expressway bridge	40,683		
Other			
Total expenditures	<u>40,683</u>	<u>NONE</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>60,079</u>	<u>63</u>	<u>72,974</u>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Operating transfers in			
Operating transfers out			(84,940)
Proceeds from sale of bonds			13,080,000
Total other financing sources (uses)	<u>NONE</u>	<u>NONE</u>	<u>12,995,060</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>60,079</u>	<u>63</u>	<u>13,068,034</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>1,978,294</u>	<u>1,404</u>	<u>NONE</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$2,038,373</u></u>	<u><u>\$1,467</u></u>	<u><u>\$13,068,034</u></u>

BRIDGE REHABILITATION	MAGNETIC LEVITATION DEPLOYMENT PROJECT	TOTAL
\$641,058		\$814,857
<u>641,058</u>	NONE	<u>814,857</u>
6,163,357		6,204,040
	\$38,690	38,690
<u>6,163,357</u>	<u>38,690</u>	<u>6,242,730</u>
(5,522,299)	(38,690)	(5,427,873)
6,455,455	38,690	6,494,145
		(84,940)
		13,080,000
<u>6,455,455</u>	<u>38,690</u>	<u>19,489,205</u>
933,156	NONE	14,061,332
<u>13,372,548</u>	NONE	<u>15,352,246</u>
<u>\$14,305,704</u>	NONE	<u>\$29,413,578</u>



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
CAPITAL PROJECTS FUNDS**

**Schedule of Cash Receipts and Disbursements  
For the Year Ended October 31, 1999**

	CONSTRUCTION - SERIES			BRIDGE REHABILITATION	TOTAL (MEMORANDUM ONLY)
	1986	1992	1999A		
<b>BALANCES AT NOVEMBER 1, 1998</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>RECEIPTS</b>					
Use of money and property - investment income	\$98,358	\$63	\$72,974	\$615,963	\$787,358
Investment sales and maturities	33,410,122		11,585,133	96,223,549	141,218,804
Transfers in				5,521,375	5,521,375
Proceeds from revenue bond sale			13,080,000		13,080,000
Total receipts	<u>33,508,480</u>	<u>63</u>	<u>24,738,107</u>	<u>102,360,887</u>	<u>160,607,537</u>
<b>DISBURSEMENTS</b>					
Capital outlay - expressway bridge	40,683			6,931,596	6,972,279
Investment purchases	33,467,797	63	24,653,167	95,429,291	153,550,318
Transfers out			84,940		84,940
Total disbursements	<u>33,508,480</u>	<u>63</u>	<u>24,738,107</u>	<u>102,360,887</u>	<u>160,607,537</u>
<b>BALANCES AT OCTOBER 31, 1999</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and for the Year Ended October 31, 1999**

**COMPENSATION PAID BOARD MEMBERS**

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

Members of the commission are entitled to compensation of \$569.66 per month as authorized by an Amendment to the Articles of Incorporation dated August 7, 1986, and are included in the general administrative expenditures of the General Fund.

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

**Schedule of Compensation Paid Board Members  
For the Year Ended October 31, 1999**

Richard H. Blanke	\$6,836
Robert L. DeViney, Jr.	6,836
Ronald A. Goux	6,836
Frank A. Simone	6,836
Paul R. Spitzfaden	<u>6,836</u>
<b>Total</b>	<b><u><u>\$34,180</u></u></b>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and for the Year Ended October 31, 1999**

**STATISTICAL INFORMATION**

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

Schedule of Investments

Schedule of Revenue From Tolls

Schedule of Traffic - Number of Crossings (Unaudited)

Schedule of Insurance (Unaudited)

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
ALL FUND TYPES**

**Schedule of Investments  
As of October 31, 1999**

	<u>FAIR VALUE</u>	<u>COST</u>	<u>PAR VALUE</u>
<b>GOVERNMENTAL FUNDS:</b>			
<b>GENERAL:</b>			
Revenue Account - Money Market - United States Treasury Securities	\$5,103,826	\$5,103,826	\$5,103,826
Collateral Undisbursed Debt Service Account - Money Market - United States Treasury Securities	8,129	8,129	8,129
Extraordinary Maintenance and Repair Reserve Account: Money Market - United States Treasury Securities	113,401	113,401	113,401
Federal Home Loan Mortgage Corporation Note at 5.25% Due November 12, 1999	130,792	130,786	131,000
Federal National Mortgage Association Note: 5.33% Due December 8, 1999	627,593	627,544	631,000
5.62% Due February 9, 2000	608,421	608,490	618,000
Federal Home Loan Bank Note at 5.69% Due January 11, 2000	201,787	201,743	204,000
Excess Revenue Account - Money Market - United States Treasury Securities	3,146,542	3,146,542	3,146,542
Huey P. Long Bridge Account - Money Market - United States Treasury Securities	<u>125,732</u>	<u>125,732</u>	<u>125,732</u>
Total General Fund	<u>\$10,066,223</u>	<u>\$10,066,193</u>	<u>\$10,081,630</u>
<b>SPECIAL REVENUE:</b>			
Vehicular License Tax Fund - Money Market - United States Treasury Securities	<u>\$1,196,353</u>	<u>\$1,196,353</u>	<u>\$1,196,353</u>
<b>DEBT SERVICE:</b>			
Debt Service - Money Market - United States Treasury Securities	\$4,031,271	\$4,031,271	\$4,031,271
Debt Service Reserve: Money Market - United States Treasury Securities	2,560,850	2,560,850	2,560,850
United States Treasury Bond at 7.25% Due May 15, 2016	<u>4,850,145</u>	<u>4,350,446</u>	<u>4,500,000</u>
Total Debt Service Fund	<u>\$11,442,266</u>	<u>\$10,942,567</u>	<u>\$11,092,121</u>

(Continued)



**GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA  
ALL FUND TYPES  
Schedule of Investments, 1999**

	FAIR VALUE	COST	PAR VALUE
<b>GOVERNMENTAL FUNDS: (CONT.)</b>			
<b>CAPITAL PROJECTS:</b>			
Construction Series:			
1986:			
Money Market - United States Treasury Securities	\$215,797	\$215,797	\$215,797
Federal Home Loan Mortgage Corporation Note at 5.22% Due November 12, 1999	588,063	588,044	589,000
Federal National Mortgage Association Note at 5.33% Due December 8, 1999	929,951	929,878	935,000
Federal Home Loan Bank Note at 5.69% Due January 11, 2000	295,756	295,692	299,000
Subtotal	<u>2,029,567</u>	<u>2,029,411</u>	<u>2,038,797</u>
1992 - Money Market - United States Treasury Securities	<u>1,462</u>	<u>1,462</u>	<u>1,462</u>
1999A:			
Money Market - United States Treasury Securities	1,568,034	1,568,034	1,568,034
Repurchase Agreement Dated September 8, 1999	11,500,000	11,500,000	11,500,000
Subtotal	<u>13,068,034</u>	<u>13,068,034</u>	<u>13,068,034</u>
Bridge Rehabilitation:			
Money Market - United States Treasury Securities	322,235	322,235	322,235
Federal Home Loan Mortgage Corporation Note:			
5.25% Due November 12, 1999	2,530,969	2,530,859	2,535,000
5.19% Due December 15, 1999	1,651,230	1,651,299	1,662,000
5.62% Due February 3, 2000	2,087,628	2,087,546	2,118,000
5.77% Due March 9, 2000	1,623,877	1,623,566	1,657,000
Federal National Mortgage Association Note:			
5.34% Due December 8, 1999	2,087,665	2,087,480	2,099,000
5.62% Due February 9, 2000	511,940	511,997	520,000
Federal Home Loan Bank Note at 5.69% Due January 11, 2000	1,624,184	1,623,835	1,642,000
Subtotal	<u>12,439,728</u>	<u>12,438,817</u>	<u>12,555,235</u>
Total Capital Projects Funds	<u><u>\$27,538,791</u></u>	<u><u>\$27,537,724</u></u>	<u><u>\$27,663,528</u></u>
<b>PROPRIETARY FUND - INTERNAL SERVICE:</b>			
Money Market - United States Treasury Securities	\$20,407	\$20,407	\$20,407
Federal Home Loan Mortgage Corporation Note at 5.22% Due November 12, 1999	395,370	395,357	396,000
Federal National Mortgage Association Note at 5.33% Due December 8, 1999	132,282	132,271	133,000
Federal Home Loan Bank Note at 5.69% Due January 11, 2000	395,660	395,575	400,000
Total Internal Service Fund	<u><u>\$943,719</u></u>	<u><u>\$943,610</u></u>	<u><u>\$949,407</u></u>

(Concluded)

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

**Schedule of Revenue From Tolls  
For the Year Ended October 31, 1999**

	<u>NORTH SHORE</u>	<u>SOUTH SHORE</u>	<u>TOTAL</u>
1998:			
November	\$555,378	\$558,138	\$1,113,516
December	600,299	607,255	1,207,554
1999:			
January	540,420	546,220	1,086,640
February	526,483	530,987	1,057,470
March	607,225	608,362	1,215,587
April	603,224	607,751	1,210,975
May	1,089,215	71,362	1,160,577
June	1,141,730		1,141,730
July	1,150,949		1,150,949
August	1,156,841		1,156,841
September	1,136,392		1,136,392
October	1,171,758		1,171,758
	<u>\$10,279,914</u>	<u>\$3,530,075</u>	13,809,989
Total			
			<u>134,335</u>
			<u>\$13,944,324</u>

**NOTE:**

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

**UNAUDITED**

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

**Schedule of Traffic - Number of Crossings  
For the Year Ended October 31, 1999**

	AXLES UNDER 7'5" HEIGHT				AXLES OVER 7'5" HEIGHT			
	2	3	4	5 OR MORE	2	3	4	5 OR MORE
1998:								
November	357,801	2,134	1,028	54	6,770	925	1,049	1,995
December	393,069	1,671	835	48	7,406	877	948	2,103
1999:								
January	331,446	1,429	816	37	6,723	842	889	2,088
February	324,164	1,448	957	45	6,691	891	1,094	2,178
March	355,387	1,761	1,217	52	7,844	1,153	1,197	2,700
April	371,450	2,010	1,215	40	7,745	1,209	1,282	2,721
May	411,575	2,299	1,126	50	8,286	1,413	1,198	3,027
June	389,378	1,747	877	58	8,354	1,395	996	2,838
July	410,351	1,799	912	50	8,476	1,482	995	2,829
August	410,825	1,519	853	36	8,310	1,553	857	3,245
September	404,026	1,511	755	15	8,539	1,666	939	3,212
October	425,174	1,379	713	14	8,826	1,682	1,002	3,232
Total	<u>4,584,646</u>	<u>20,707</u>	<u>11,304</u>	<u>499</u>	<u>93,970</u>	<u>15,088</u>	<u>12,446</u>	<u>32,168</u>

**NOTE:**

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

Schedule 12

NON-REVENUE VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION NON-REVENUE (BRIDGE VEHICLES)	AUTOMATIC VEHICLE IDENTIFICATION DISCOUNT TOLL VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION RECREATIONAL VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION FULL TOLL VEHICLES	TOTAL VEHICLES
15,302	5,030	413,591	220	44,883	850,782
16,318	5,130	441,781	217	50,483	920,886
15,702	4,792	428,720	202	45,591	839,277
15,003	4,089	404,672	179	45,281	806,692
17,545	5,239	486,287	217	52,735	933,334
16,486	4,899	449,104	150	52,880	911,191
9,723	4,488	418,219	111	47,541	909,056
9,157	4,202	403,497	118	43,780	866,397
8,659	4,276	376,079	94	43,009	859,011
9,063	4,291	388,115	60	43,457	872,184
8,929	4,398	400,900	87	42,784	877,761
9,361	4,494	404,495	107	44,533	905,012
<u>151,248</u>	<u>55,328</u>	<u>5,015,460</u>	<u>1,762</u>	<u>556,957</u>	<u>10,551,583</u>

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

**Schedule of Insurance  
For the Year Ended October 31, 1999**

<u>COVERAGE</u>	<u>UNDERWRITER</u>	<u>NUMBER</u>	<u>POLICY PERIOD</u>	<u>LIMITS</u>
Bridge property damage and related coverages:				
Expressway bridge and spare parts \$1,000,000 Deductible	Reliance National	NZB00142023	11/2/98-11/1/99	\$90,000,000
Spare Structural Components				1,500,000
Bridge Use Occupancy				19,800,000
Electronic data processing (EDP) equipment:				
Variable message signs, call boxes, etc.	Reliance National	NZB00142023	11/2/98-11/1/99	2,935,850
EDP Extra Expense				1,000,000
EDP Media				140,000
Business Income				50,000
Property and liability package:				
Building and contents	Reliance National	NZB00142023	11/2/98-11/1/99	945,000
Scheduled property and equipment				2,078,344
Commercial general liability		SI3004928		1,000,000 Per Occurrence
Broad form contractual and police professional liability - retention applicable to each loss is \$100,000.				3,000,000 Aggregate
Excess automobile liability:				
Automobile liability, bodily injury and property damage - retention applicable to each loss is \$100,000.	Reliance National	SI3004928	11/2/98-11/1/99	1,000,000 Each Accident
Automobile physical damage	Self-insured by commission			
Blanket employee dishonesty bond with \$2,500 deductible	Reliance National	SI3004928	11/2/98-11/1/99	200,000 Blanket 50,000 Money and Securities
Umbrella liability - extends the limits and broadens the scope of the general liability insurance.	Reliance National	SX3005383	11/2/98-11/1/99	20,000,000
Public officials and employees' liability - deductible is \$10,000 for each loss.	Reliance National	PA29900408	11/2/98-11/1/99	10,000,000 Per Occurrence and Aggregate

(Continued)



UNAUDITED

Schedule 13

GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
 STATE OF LOUISIANA  
 Schedule of Insurance, 1999

<u>COVERAGE</u>	<u>UNDERWRITER</u>	<u>NUMBER</u>	<u>POLICY PERIOD</u>	<u>LIMITS</u>
Workers' compensation for injury includes United States Longshoreman and Harbor Worker coverage	Transcontinental Insurance Company	WC176932656	11/1/98-11/1/99	\$1,000,000
Primary maritime employers' liability - deductible of \$5,000	Virginia Surety	VH-494397	11/1/98-3/1/99	1,000,000
Equipment breakdown	Hartford Steam Boiler	FBP2241054	6/14/99-6/14/2000	20,000,000

(Concluded)

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (225) 339-3800  
FACSIMILE: (225) 339-3870

May 15, 2000

Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of the General Purpose Financial Statements

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of and for the year ended October 31, 1999, and have issued our report thereon dated May 15, 2000. The scope of our audit was limited in that we were unable to determine the value of equipment within the property, plant and equipment account because of the inadequacy of detailed equipment accounting records. This resulted in a qualified opinion on the general purpose financial statements. Except for this scope limitation, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Greater New Orleans Expressway Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 the following instances of noncompliance that is required to be reported under *Government Auditing Standards*.

**Subsidiary Records for Equipment Not Complete**

The Greater New Orleans Expressway Commission did not maintain complete subsidiary accounting records over its equipment as required by Louisiana law. Louisiana Revised Statute 24:515(B)(1) requires equipment records to be maintained that include the date of purchase, initial cost, and disposition, if any. Good internal controls also require that the commission implement control procedures that capture and track the dollar value of equipment acquisition, valuation, and disposition.

## LEGISLATIVE AUDITOR

### GREATER NEW ORLEANS EXPRESSWAY COMMISSION

#### STATE OF LOUISIANA

Compliance and Internal Control Report

May 15, 2000

Page 2

At October 31, 1999, the commission reported equipment totaling \$3,123,905, of which \$2,492,397 (80%) was not supported by adequate records. Within the past year, management became aware of its custodial responsibility over fixed assets and began listing, tagging, and researching the cost of equipment; however, the records are incomplete. As a result, the commission does not have reasonable assurance that its equipment value is accurately reported in the financial statements.

The Greater New Orleans Expressway Commission should implement adequate internal control policies and procedures and comply with state laws and regulations regarding custodial management over equipment. Management of the Greater New Orleans Expressway Commission concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

#### **Failure to Prepare Timely Annual Financial Statements**

For the fiscal year ended October 31, 1999, the Greater New Orleans Expressway Commission did not prepare annual financial statements in a timely manner, and the audit of the commission's financial statements was not completed within six months after the close of the commission's fiscal year as required by Louisiana Revised Statute 24:513A(5)(a). Good accounting practices also require that financial statements be prepared within 90 days of the close of the fiscal year. Because the commission did not complete the preparation of its annual financial statements until after April 30, 2000, the audit of those financial statements could not be completed within six months of the close of the fiscal year.

The Greater New Orleans Expressway Commission should prepare annual financial statements in accordance with generally accepted accounting principles within 90 days after the close of the fiscal year. Management of the Greater New Orleans Expressway Commission concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, pages 3-4).

#### **Undersecured Bank Deposit**

The Greater New Orleans Expressway Commission did not ensure that adequate securities were pledged for all deposits in its bank accounts. Louisiana Revised Statute 39:1225 requires the amount of the security pledged be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency, such as FDIC. Periods of uncollateralized balances subject public funds to a risk of loss.



## LEGISLATIVE AUDITOR

### GREATER NEW ORLEANS EXPRESSWAY COMMISSION

#### STATE OF LOUISIANA

Compliance and Internal Control Report

May 15, 2000

Page 3

Two demand deposit accounts maintained at a financial institution totaling \$197,974 at October 31, 1999, exceeded the FDIC insurance and were uncollateralized in the amount of \$97,974. This condition occurred because management failed to insure that securities were being pledged for accounts that exceeded the guarantee deposits.

The Greater New Orleans Expressway Commission should establish procedures to monitor the adequacy of securities pledged by banks in an effort to reduce the risk of loss. Management of the Greater New Orleans Expressway Commission concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 5).

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

In planning and performing our audit, we considered the Greater New Orleans Expressway Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted the matter described below and the matters previously mentioned in our report on compliance that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Greater New Orleans Expressway Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

#### **Weaknesses in Controls Over the Payroll Function**

The Greater New Orleans Expressway Commission did not comply with certain federal regulations relating to its payroll function and did not always maintain the proper documentation for payroll expenditures. The following deficiencies in the payroll function were noted:

1. The commission did not withhold and pay the employee's share of the Medicare tax nor did it pay the employer's matching share of the Medicare tax as required by federal laws and regulations. State and local governments are required to withhold a 1.45% Medicare tax from salaries paid employees and remit it along with the employer's match. Social Security Administration Handbook Section 1000 states that "state and local government employees hired or rehired after March 31, 1986 must have Medicare Hospital Insurance (HI) coverage, unless the law specifically excludes them." Of the commission's 113 active employees at October 31, 1999, none of the 95 employees that were eligible and required to participate in the Medicare Program were contributing

## LEGISLATIVE AUDITOR

### GREATER NEW ORLEANS EXPRESSWAY COMMISSION

#### STATE OF LOUISIANA

#### Compliance and Internal Control Report

May 15, 2000

Page 4

members. Management mistakenly thought that its parochial retirement system employees were exempt from the Medicare tax. Failure to remit the Medicare tax results in a violation of federal laws and regulations.

2. The commission's documentation for time worked by employees was incomplete. In a test of attendance records for 15 employees, 14 employees (93%) did not certify the time worked. In most departments, payrolls are supported by daily time and attendance sheets prepared by supervisors who indicate whether or not the employee is present, on leave, et cetera. Most employees are not required to sign time sheets certifying attendance. In addition, timekeepers and/or supervisors are certifying their own time as their name appears on the time and attendance sheet submitted under their signature. Because the employee manual is silent with respect to employee's certifying hours worked, most department supervisors do not require their employees to sign the time sheets. Failure to establish time and attendance certification policies for its employees results in increased risk that the commission's payroll is incomplete or inaccurate.

The Greater New Orleans Expressway Commission should adhere to federal regulations and should implement internal control policies and procedures which demonstrate that employees concur with the actual hours worked. Management of the Greater New Orleans Expressway Commission concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, pages 6-7).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described previously, we consider the reportable condition relating to subsidiary records for equipment not complete to be a material weakness.



LEGISLATIVE AUDITOR

GREATER NEW ORLEANS EXPRESSWAY COMMISSION  
STATE OF LOUISIANA

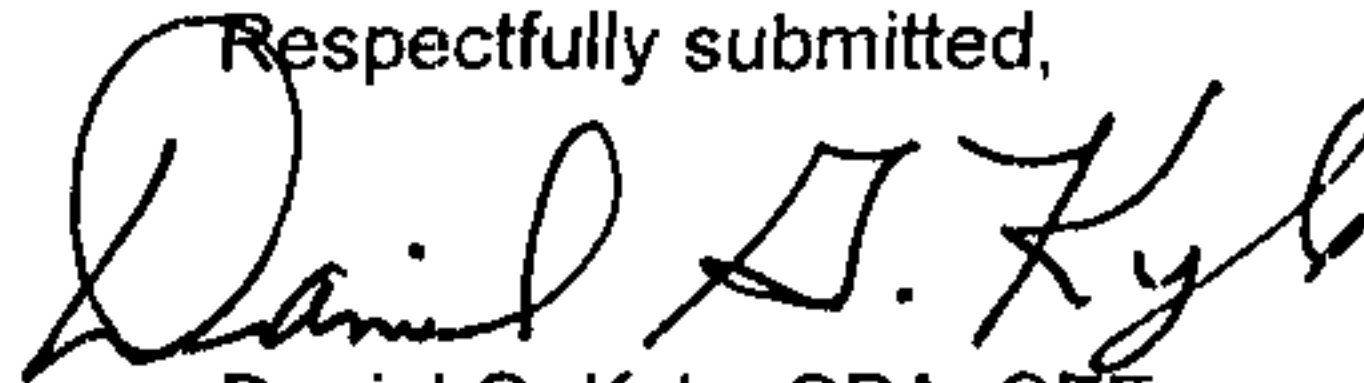
Compliance and Internal Control Report

May 15, 2000

Page 5

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

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

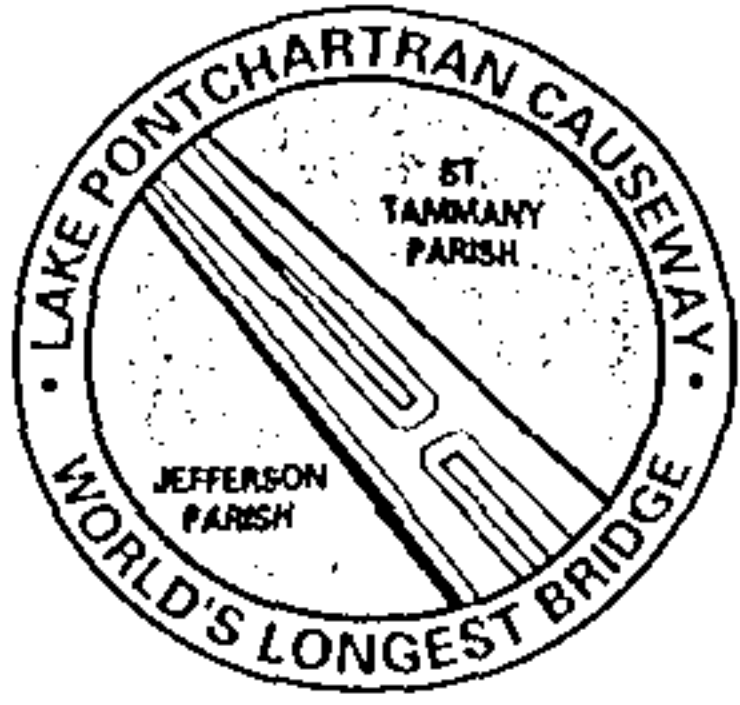
ED:JR:RCL:dl

{NOEXPRES}

EXHIBIT A

## Appendix A

# Management's Corrective Action Plans and Responses to the Findings and Recommendations



RONALD A. GOUX  
*Chairman*  
FRANK A. SIMONE  
*Vice-Chairman*  
ROBERT L. DeVINEY, JR.  
*Secretary*  
JOHN L. DONAHUE, JR.  
*Treasurer*  
J. BARTON PEPPERMAN  
*Assistant Secretary Treasurer*  
HUNTER O. WAGNER, JR.  
*General Manager*

## GREATER NEW ORLEANS EXPRESSWAY COMMISSION

P.O. BOX 7656, METAIRIE, LOUISIANA 70010 - TELEPHONE 835-3118 - FAX 835-2518

May 11, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Greater New Orleans Expressway Commission  
Audit of Fiscal Year Ended October 31, 1999

Dear Dr. Kyle:

The Greater New Orleans Expressway Commission respectfully submits its formal response to the following finding:

**FINDING:   Subsidiary Records for Equipment Not Complete**

In response to a similar finding noted in the audit of Fiscal Year 11/01/97 - 10/31/98, GNOEC staff meetings were held in March 1999 to begin implementation of a new program for tagging and maintaining computerized records on all equipment. Prior to that time, information pertaining to inventory items was kept manually on index cards and presented to the independent accountants for recordation.

In August 1999, staff began tagging inventory and entering all items into the computer system under the MIP Fixed Assets Program. To date, all inventory items have been tagged and entered into the system. Current procedures do capture and track dollar values of equipment acquisitions. Staff is in the process of ascertaining the costs of items purchased in prior years and entering them into the system accordingly. The previous accountants have been requested to provide the prior year's manual records in order that information may be input into the system.

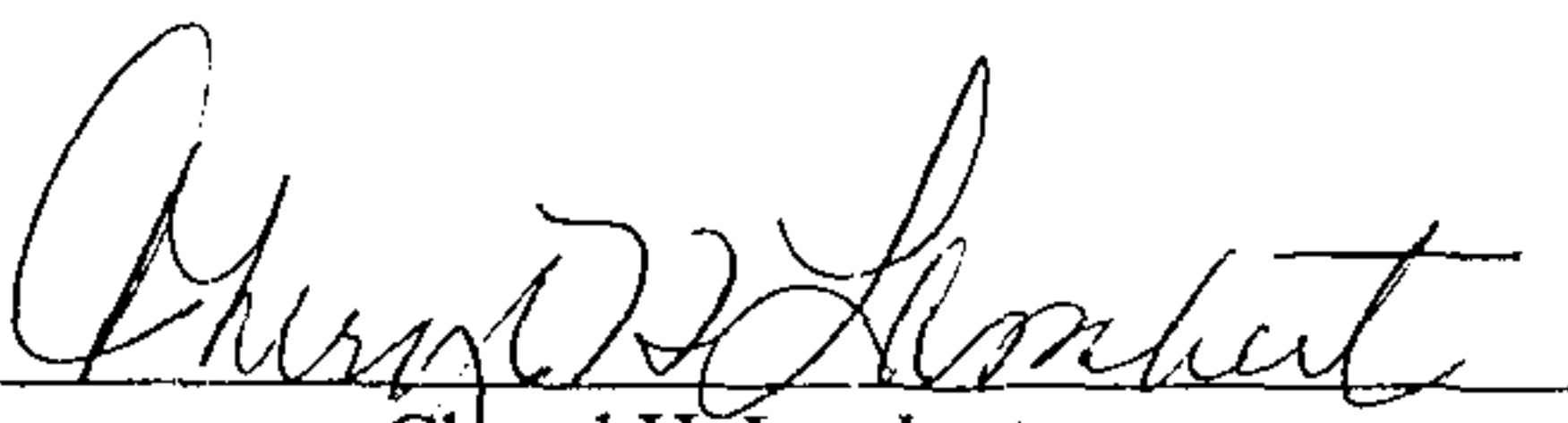
Dr. Daniel G. Kyle, CPA, CFE  
May 11, 2000  
Page 2

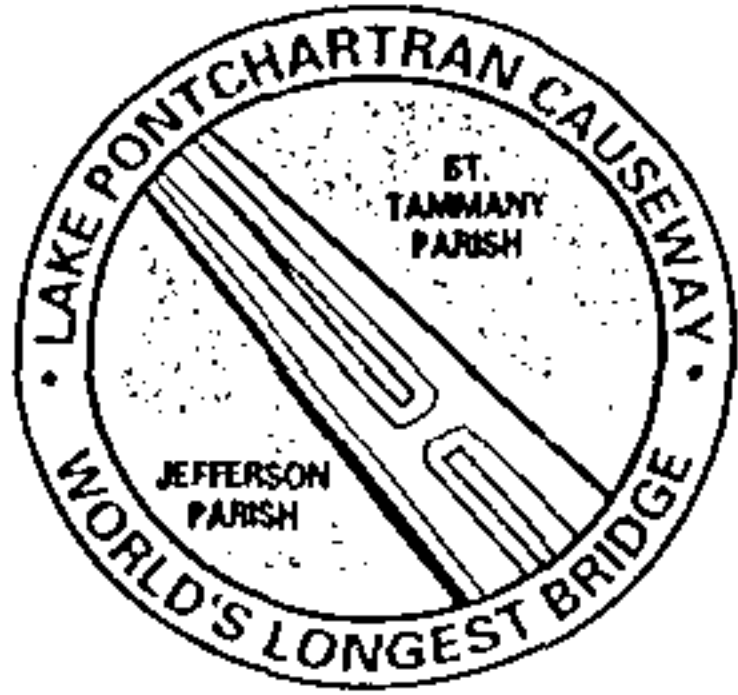
Please note that in response to the "CAUSE" stated on the Legislative Auditor Fact Finding Form that management previously maintained fixed asset records and has been in the process of upgrading the system. While the records are not yet complete, an ongoing effort is being put forth to locate the prior records and update the new system. The GNOEC maintains physical control of the assets through the tagging system and will continue to update the costs for financial control.

The ongoing update will be directed by Cheryl H. Lambert, Supervisor of Finance. It is anticipated that the project will be completed by October 31, 2000.

Subsequent to the preliminary response dated April 11, 2000, the GNOEC staff has continued to accumulate costs of items purchased in prior years. These costs were obtained from invoices on file, prior budget requests for specific items, and estimates based on costs of similar assets. The total accounted for, as provided to the legislative auditor, is \$3,025,302.24.

GREATER NEW ORLEANS  
EXPRESSWAY COMMISSION

  
Cheryl H. Lambert  
Supervisor of Finance



RONALD A. GOUX  
*Chairman*  
FRANK A. SIMONE  
*Vice-Chairman*  
ROBERT L. DeVINEY, JR.  
*Secretary*  
JOHN L. DONAHUE, JR.  
*Treasurer*  
J. BARTON PEPPERMAN  
*Assistant Secretary Treasurer*  
HUNTER O. WAGNER, JR.  
*General Manager*

## GREATER NEW ORLEANS EXPRESSWAY COMMISSION

P.O. BOX 7656, METAIRIE, LOUISIANA 70010 - TELEPHONE 835-3118 - FAX 835-2518

May 11, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Greater New Orleans Expressway Commission  
Audit of Fiscal Year Ended October 31, 1999

Dear Dr. Kyle:

The Greater New Orleans Expressway Commission respectfully submits its formal response to the following finding:

**FINDING: Failure to Prepare Timely Annual Financial Statements**

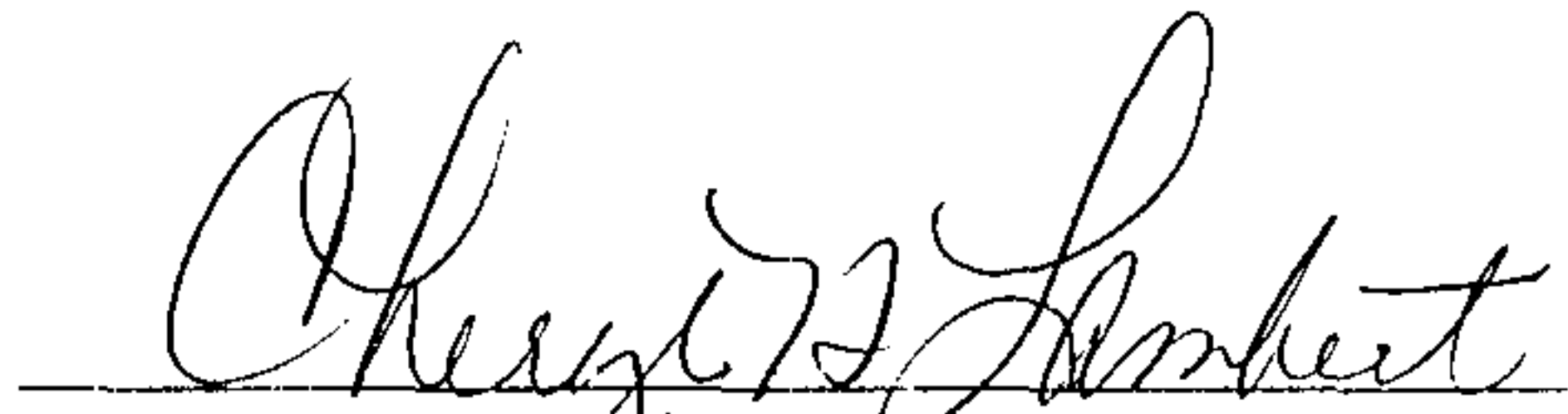
While RS 24:514 (E) does require financial statements to be prepared within ninety days of the close of the accounting year, Sub-section (F) changes this requirement if the audit is performed by a Certified Public Accountant. In prior years, when the financials were audited by outside Independent Certified Public Accountants, the statements were prepared in concert with the auditors and not completed until after the start of the auditor's field work. This was done in order to implement changes in format and to book audit adjustments. With the change to the legislative auditor, it was assumed that this practice would continue.

It is suggested that on future first time engagements that the legislative auditor consider holding a pre-audit conference to cover any differences in requirements and procedures to facilitate the transition.

Dr. Daniel G. Kyle, CPA, CFE  
May 11, 2000  
Page 2

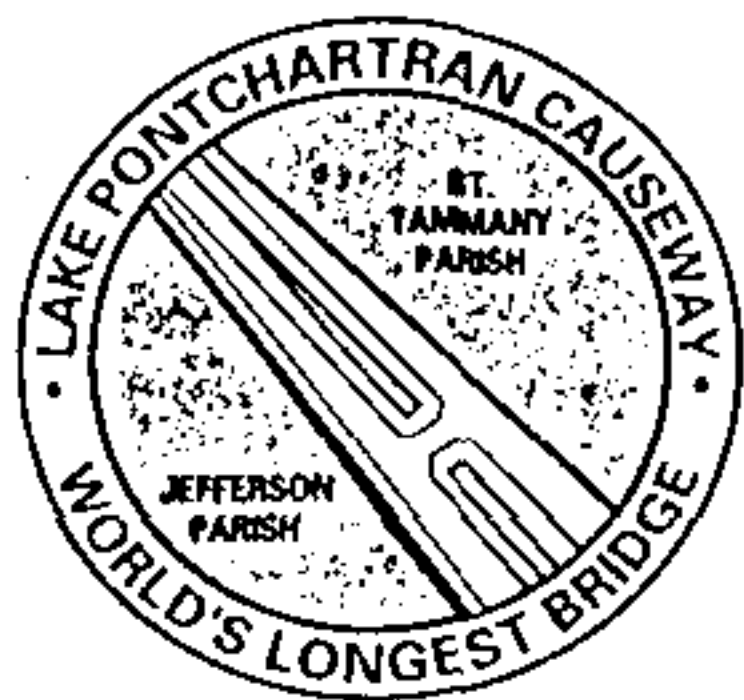
In the future, the financials will be prepared within ninety days of year end. In order to facilitate this, we request that the auditors provide the Commission with the 10/31/99 financial statements on disk. We will be able to prepare financial statements in the future using the legislative auditor's format. Cheryl H. Lambert, Supervisor of Finance, will be responsible for providing the financial statements on a timely basis.

GREATER NEW ORLEANS  
EXPRESSWAY COMMISSION



Cheryl H. Lambert  
Supervisor of Finance





RONALD A. GOUX  
*Chairman*  
FRANK A. SIMONE  
*Vice-Chairman*  
ROBERT L. DeVINEY, JR.  
*Secretary*  
JOHN L. DONAHUE, JR.  
*Treasurer*  
J. BARTON PEPPERMAN  
*Assistant Secretary Treasurer*  
HUNTER O. WAGNER, JR.  
*General Manager*

## GREATER NEW ORLEANS EXPRESSWAY COMMISSION

P.O. BOX 7656, METAIRIE, LOUISIANA 70010 - TELEPHONE 835-3118 - FAX 835-2518

May 11, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Greater New Orleans Expressway Commission  
Audit of Fiscal Year Ended October 31, 1999

Dear Dr. Kyle:

The Greater New Orleans Expressway Commission respectfully submits its formal response to the following finding:

**FINDING: Undersecured Bank Deposit**

When two demand deposit accounts were placed with a new financial institution in 1999, it was anticipated that the burden to provide the collateral would be on said financial institution. This was not done. The bank has since been contacted and the collateral will be put into place.

The Greater New Orleans Expressway Commission will establish detailed procedures to monitor the adequacy of securities pledged by banks. Cheryl H. Lambert, Supervisor of Finance, will be responsible for the project, which should be in place by year end, 10/31/00.

GREATER NEW ORLEANS  
EXPRESSWAY COMMISSION

Cheryl H. Lambert  
Supervisor of Finance



RONALD A. GOUX  
*Chairman*  
FRANK A. SIMONE  
*Vice-Chairman*  
ROBERT L. DeVINEY, JR.  
*Secretary*  
JOHN L. DONAHUE, JR.  
*Treasurer*  
J. BARTON PEPPERMAN  
*Assistant Secretary Treasurer*  
HUNTER O. WAGNER, JR.  
*General Manager*

## GREATER NEW ORLEANS EXPRESSWAY COMMISSION

P.O. BOX 7656, METAIRIE, LOUISIANA 70010 - TELEPHONE 835-3118 - FAX 835-2518

May 11, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Greater New Orleans Expressway Commission  
Audit of Fiscal Year Ended October 31, 1999

Dear Dr. Kyle:

The Greater New Orleans Expressway Commission respectfully submits its formal response to the following finding:

**FINDING: Weaknesses In Controls Over the Payroll Function**

**1. Medicare Tax**

Since 1977 the Greater New Orleans Expressway Commission has been a participant in the Parochial Employees' Retirement System Plan A instead of the Social Security Administration. Medicare Tax was not withheld from employees' wages. The GNOEC has no record of receiving a notice regarding the change made to the system in 1986. The GNOEC has been audited every year, however, there was never any mention or finding regarding this matter noted by the legislative auditors or the independent accountants.

Effective April 1, 2000 (April 15<sup>th</sup> payroll check) the GNOEC has begun withholding Medicare Tax from the wages of employees hired after March 31, 1986. The employees were notified of the commencement of this contribution prior to its implementation. A copy of the Federal-State Reference Guide, Social Security Coverage and FICA Reporting by

Dr. Daniel G. Kyle, CPA, CFE  
May 11, 2000  
Page 2

State and Local Government Employers has been received from Linda Yelverton of the Louisiana Treasurer's Office and made a part of the GNOEC's payroll procedures and records.

The GNOEC does have policies and procedures that assure the completeness and accuracy of payroll processing. The failure to properly withhold Medicare Tax was an oversight that dates back to 1986. This oversight, while affecting taxes withheld, does not weaken the overall system of controls over the payroll process.

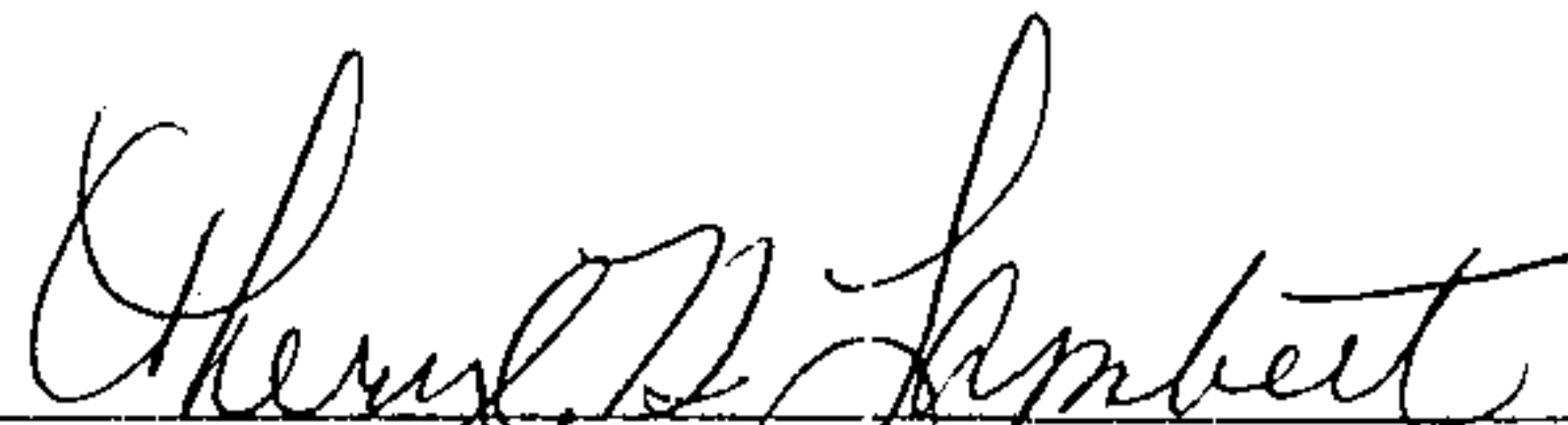
## 2. Documentation for Time Worked

As noted in the findings not all employees certify their time on a formal basis. However, the GNOEC has in place a system whereby time sheets prepared and signed by the supervisors are forwarded to the Human Resources Director for review. The supervisor's time is included on the time sheets submitted.

The GNOEC system provides levels of review to document employee time and attendance.

The effect stated on the Legislative Auditor Fact Finding Form leads one to believe that the GNOEC "cannot be assured that payroll processing is complete and accurate". As outlined above, the GNOEC has in place a payroll processing system that incorporates multi-levels of review. The lack of employee certification does not indicate a substantial weakness. However, to further strengthen the system, employee certification will be implemented under the direction of Eileen Barthe', Human Resources Director. It is anticipated that this will be completed by June 30, 2000.

GREATER NEW ORLEANS  
EXPRESSWAY COMMISSION



Cheryl H. Lambert  
Supervisor of Finance