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**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
Metairie, Louisiana**

**Basic Financial Statements
and Independent Auditor's Report
As of the Year Ended October 31, 2003
With Supplemental Information**

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

Release Date 5.12.04

**T. A. HARRIS, INC.
A PROFESSIONAL ACCOUNTING
CORPORATION**

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

Basic Financial Statements
And Independent Auditor's Reports
As of and for the Year Ended October 31, 2003
With Supplemental Information Schedules

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GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
Contents, October 31, 2003

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BEN SLATER III
Chairman
JOY H. ZAINEY
Vice Chairman
BARNEY McLAIN
Secretary
JOHN L. DONAHUE, JR.
Treasurer
WILLIAM P. CONNICK
Assistant Secretary/Treasurer
ROBERT J. LAMBERT
General Manager

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

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

March 29, 2004

To Members of the Greater New Orleans Expressway Commission and Citizens

The Annual Financial Report of the Greater New Orleans Expressway Commission (GNOEC) for the fiscal year ended October 31, 2003, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the GNOEC's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the GNOEC. All disclosures necessary to enable the reader to gain an understanding of the GNOEC's financial activities have been included.

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

PROFILE

The Greater New Orleans Expressway Commission was established in 1954 as the governing body with jurisdiction over the Expressway. The Commission is a special purpose government engaged in business type activities. By legislative enactment, after all bonds, principal and interest, are fully paid, the Expressway becomes the property of the State of Louisiana and thereafter will be operated and maintained by the Louisiana

Department of Transportation and Development as a toll-free (non-business type) facility and as part of the state highway system.

The Commission provides for the policing of the Expressway, the operation and maintenance of the Expressway and the associated administrative services. By legislative mandate in 1986, the Commission provides for the policing of the Huey P. Long Bridge. By a cooperative endeavor agreement, the Commission participates in a Motorists Assistance Program (MAP), which is a federal program through the Louisiana Department of Transportation and Development. The objective of the MAP program is for police officers to facilitate traffic flow along an approximate eleven-mile corridor of Interstate 10 from Jefferson to Orleans Parishes by assisting motorists in distress. This program operates seven days a week from 6:00 a.m. to 8:00 p.m.

SAFETY

A major priority of the Commission is the safety of the motoring public crossing the Expressway. The Commission has implemented a public information system that includes the internet, call boxes, variable message signs, radio announcements and brochures. The Expressway is patrolled by its police officers twenty-four hours daily.

In 1995, the Commission began a structural rehabilitation program to bring the Expressway up to its original design standards. Upon completion of the rehabilitation program, structural preservation maintenance will be based on annual inspection report recommendations and any extraordinary or emergency conditions.

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

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

Basis of Accounting

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

Accounting Systems and Budgetary Control

In developing and evaluating the GNOEC's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the

safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

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

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

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

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

Account Description

As required by the Bond Indenture Agreement, the accounts of the Commission are organized on the basis of funds and accounts, each of which is considered separate accounting activity for recording receipts and disbursements. Those accounts (General, Special Revenue, Debt Service, Capital Projects and Internal Service) are shown on Schedule 1, Pages 31 to 37 of this report. These account activities are summarized into the sole enterprise fund, which is used to account for ongoing organizations and activities that are similar to those found in the private sector.

The cost of providing the services to the general public is recovered, in whole or part, through user charges. The GNOEC's operations comprise the operation of the Expressway Bridge in which tolls are charged. Results of operations for the year ended October 31, 2003 can be found in the Management Discussion & Analysis, Page 10.

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

For the year ended October 31, 2003, breakdown of the toll revenues is as follows:

Dedicated for the Rehab Improvement Program	\$ 6,033,799
Undedicated to be Used for General Operations	<u>9,414,412</u>
	\$15,448,211

Long-Term Debt

The GNOEC had the following principle outstanding long-term debt at October 31, 2003:

Revenue Bonds	
Refunding, Series 2003	\$54,605,000
Improvements, Series 1999-A	<u>13,125,000</u>
	\$67,730,000

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

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

CASH MANAGEMENT POLICIES AND PROCEDURES

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

RISK MANAGEMENT

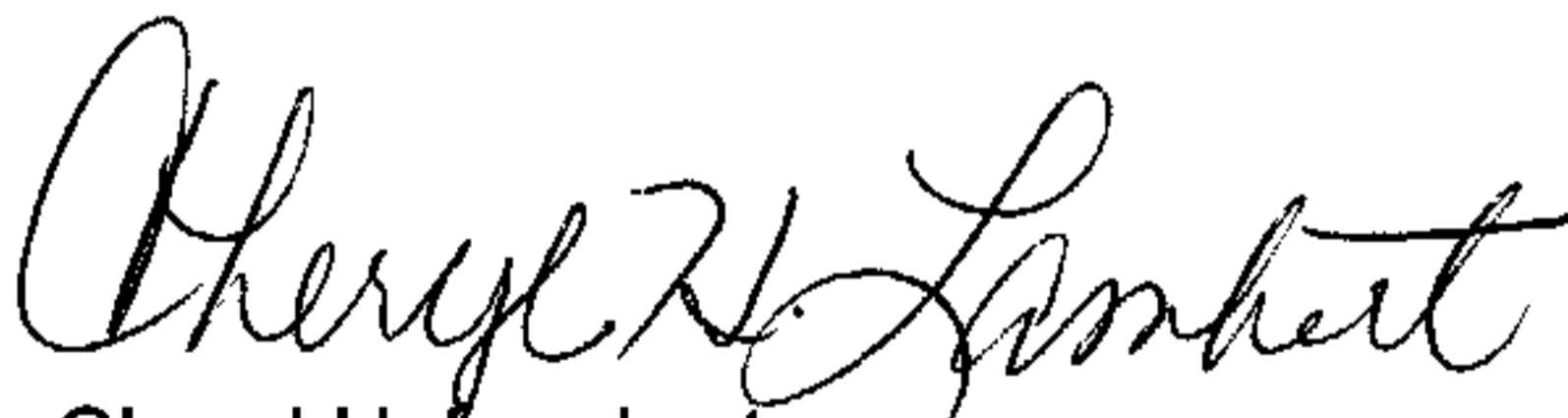
The Commission is exposed to various risks of loss related to general liability, automotive liability, and property insurance contracts. An Internal Service Account (a risk management account) is used to account for and finance its uninsured risks of loss. Under this program, the risk management account provides coverage for the general and automotive liability up to the \$200,000 deductible limits for each covered loss. The Commission purchased commercial insurance for claims in excess of coverage provided by the Internal Service Account. Settled claims have not exceeded this commercial coverage for the fiscal year. Additional information on the Commission's risk management activity can be found in the notes to the financial statements on Page 25.

INDEPENDENT AUDIT

The financial records, books of account, and transactions of the GNOEC for the fiscal year ended October 31, 2003 have been audited by T. A. Harris, Inc., Certified Public Accountant, and the opinion is included in the Financial Section of this report.

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

Respectfully submitted,



Cheryl H. Lambert
Supervisor of Finance

T.A. Harris Inc. Certified Public Accountant

A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

Greater New Orleans Expressway Commission
State of Louisiana
Metairie, Louisiana

We have audited the accompanying basic financial statements of the Greater New Orleans Expressway Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended October 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of October 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1-A to the basic financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of November 1, 2000.

Management's Discussion and Analysis on pages 10 through 13 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission failed to comply with the terms, covenants, or provisions of the General Bond Resolution dated September 25, 1986, and as supplemented by the Series 1992, 1999A, and 2003 bond resolutions dated December 4, 1992, June 16, 1999, and April 15, 2003 respectively, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2004, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 conducted for the purpose of forming an opinion on the Commission's basic financial statements. The accompanying supplemental information schedules listed in the table of contents and the "Annual Financial Report" as required by the Louisiana Division of Administration are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Commission. Such information, except those schedules marked "Unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the introductory section listed in the table of contents, and, accordingly, we do not express an opinion thereon.

J. G. Harris, Inc. APAC

March 29, 2004
Baton Rouge, Louisiana

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

The management's discussion and analysis of the Greater New Orleans Expressway Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended October 31, 2003. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 3 – 7 and the Commission's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2003 by \$61,686,851 compared to \$56,527,896 for fiscal year 2002, an increase of \$5,158,955 (or 9.1%).

The Commission's toll revenue increased \$ 768,239 (or 5.2%) compared to the prior fiscal year.

The accrued amount from Highway Fund #2 (Vehicular License Tax), which is dedicated to debt service, increased by \$890,891 (or 19.2%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Greater New Orleans Expressway Commission's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. Contrary to the governmental fund type model annual financial report presented in prior years, no fund level financial statements are presented because the Commission is engaged in a single enterprise, which is the movement of vehicles over bridges (infrastructure assets). Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; the Statement of Cash Flows; and Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning separate accounting activity required by bond indentures and/or bond resolutions. The basic financial statements are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private sector business.

Basic Financial Statements

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

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

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Net Assets

	10/31/2003	10/31/2002
Current and other assets	\$ 53,145,187	\$ 51,098,718
Capital assets	<u>84,169,366</u>	<u>79,563,078</u>
Total assets	<u>137,314,553</u>	<u>130,661,796</u>
Other liabilities	8,184,536	9,718,900
Long-term debt outstanding	<u>67,443,166</u>	<u>64,415,000</u>
Total liabilities	<u>75,627,702</u>	<u>74,133,900</u>
Total net assets	<u>\$ 61,686,851</u>	<u>\$ 56,527,896</u>

The composite net asset amount of \$61,686,851 as of October 31, 2003 consists of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$15,471,380, \$38,319,062, and \$7,896,409 respectively. The composite net asset amount of \$56,527,896 as of October 31, 2002 consisted of investment in capital assets, restricted net assets, and unrestricted net assets in the amounts of \$12,178,078, \$36,597,932, and \$7,751,886, respectively. The Commission's equity interest (capital assets less related outstanding debt) in its capital assets is reported within the investment in capital assets, net of related debt amount.

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

As referred to previously, net assets of the Commission increased by \$5,158,955, or 9.1%, from October 31, 2002 to October 31, 2003. A major cause of this increase is that user fees, et cetera, were greater than the cost of operations. In addition, capital improvements are not charges against current revenues but are capitalized within the property, plant, and equipment account and depreciated over future periods.

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

Changes in Net Assets

	10/31/2003	10/31/2002
Operating revenues	\$ 15,934,381	\$ 15,129,727
Operating expenses	<u>12,650,401</u>	<u>11,514,108</u>
Operating income	3,283,980	3,615,619
Non-operating revenues(expenses)	<u>1,874,975</u>	<u>1,979,076</u>
Increase in net assets	<u>\$ 5,158,955</u>	<u>\$ 5,594,695</u>

From fiscal year 2002 to 2003, the Commission's total revenues, including operating and nonoperating revenues, increased by \$178,838 or .79%. This increase is due to an increase from Highway Fund #2 (Vehicular License Tax) and in an increase in toll revenues. Conversely, from fiscal year 2002 to 2003, the total cost of all programs and services, excluding depreciation, increased by \$138,166 or 1.0%.

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

Capital Assets

At the end of 2003, the Commission had \$84,169,366 invested in a broad range of capital assets, including the expressway bridge, building, vehicles, furniture, fixtures and equipment.

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

	10/31/2003	10/31/2002
Building and improvements	\$ 1,043,649	\$ 1,073,754
Furniture, fixtures, and equipment	1,335,799	1,245,701
Infrastructure	<u>81,789,918</u>	<u>77,243,623</u>
Total	<u>\$ 84,169,366</u>	<u>\$ 79,563,078</u>

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

This year's major additions included:

Bridge improvements	\$ 7,726,348
Furniture, fixtures, and equipment	<u>597,202</u>
Total	<u>\$ 8,323,550</u>

Long-Term Debt

The Commission had \$68,697,986 in current and noncurrent bonds outstanding at year-end, compared to \$67,385,000 last year, an increase of 2.06%.

	<u>2003</u>	<u>2002</u>
Outstanding Debt, at Year-end		
Revenue and Refunding Bonds	<u>\$ 68,697,986</u>	<u>\$ 67,385,000</u>

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

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

The Commission has estimated claims of \$567,267 outstanding at year-end compared with \$723,486 last year. Other obligations include accrued vacation pay and sick leave of \$857,495 compared to \$917,248 for the October 31, 2003 fiscal year.

BUDGET

The annual budget is approved by the Commission at the October meeting. The budget is then approved by the joint budget committee of the Louisiana Legislature. An updated projected budget was prepared in September 2003. The major difference between the original budget and the updated budget was that the amount available for the Bridge Rehabilitation Projects was increased by \$500,496 or 9.7%. This resulted from a projection of higher toll revenue and the additional \$0.50 allocated to the Rehabilitation Projects.

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

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

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

Statement A

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

**Statement of Net Assets
October 31, 2003**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (note 2)	\$ 2,150,335
Investments (note 3)	7,277,730
Receivables (note 4)	5,061
Prepaid items	107,044
Inventory	329,575
Total current assets	9,869,745

NONCURRENT ASSETS:

Restricted assets:	
Investments (note 3)	39,589,243
Receivables (note 4)	2,043,084
Total restricted assets	41,632,327
Property, plant, and equipment (net)(note 5)	84,169,366
Deferred bond issuance costs, net of amortization of \$27,384	1,643,115
Total noncurrent assets	127,444,808

TOTAL ASSETS	\$ 137,314,553
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LIABILITIES

CURRENT LIABILITIES:

Payables (note 12)	\$ 819,471
Deferred revenue	576,215
Liabilities payable from restricted assets:	
Capital projects (note 12)	1,704,648
Bonds	1,254,820
Accrued interest	1,633,617
Total current liabilities	5,988,771

NONCURRENT LIABILITIES:

Tag deposits	760,020
Estimated liability for claims (note 7)	567,267
Accrued compensated absences (note 9)	857,495
Bonds payable (note 13)	67,443,166
Other	10,983
Total noncurrent liabilities	69,638,931
Total liabilities	75,627,702

NET ASSETS:

Investment in capital assets, net of related debt (note 14)	15,471,380
Restricted net assets (note 14)	38,294,062
Restricted for future acquisition (note 14)	25,000
Unrestricted net assets	7,896,409
Total net assets	\$ 61,686,851

The accompanying notes are an integral part of this statement.

Statement B

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
For the Year Ended October 31, 2003**

OPERATING REVENUES

Tolls	\$ 15,448,211
Leases	366,708
Other miscellaneous revenue	<u>119,462</u>
Total operating revenues	<u>15,934,381</u>

OPERATING EXPENSES

Personal services	4,466,523
Contractual services	74,087
Operating services	1,829,609
Supplies and maintenance	1,866,708
Professional services	328,324
Administrative	307,440
Depreciation	3,715,449
Claims expense	<u>62,261</u>
Total operating expenditures	<u>12,650,401</u>

OPERATING INCOME

3,283,980

NON-OPERATING REVENUES(EXPENSES)

Intergovernmental revenue:	
Federal grants (note 15)	519,678
State grants	89,300
Magnetic Levitation expenses	(115,555)
Vehicular license tax	5,524,743
Payments to parishes	(350,000)
Investment income:	
Interest income	592,518
Net decrease in fair value of investments	(3,275)
Interest expense	(4,386,421)
Amortization of cost of issuance	(27,384)
Loss on disposal of fixed assets	(1,813)
Gain on disposal of investment	<u>33,184</u>
Total non-operating revenues	<u>1,874,975</u>

INCOME BEFORE CONTRIBUTIONS

5,158,955

CAPITAL CONTRIBUTIONS

-

CHANGE IN NET ASSETS

5,158,955

NET ASSETS AT BEGINNING OF YEAR

56,527,896

NET ASSETS AT END OF YEAR

\$ 61,686,851

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2003**

Cash flows from operating activities

Cash received from customers, including cash deposits	\$ 15,517,348
Cash received from use of property	366,708
Cash received from other deposits	74,201
Cash paid to suppliers for goods and services	(5,091,969)
Cash paid to employees for services	(4,684,814)
Cash paid to outsiders for claims	(218,279)
Net cash provided for operating activities	<u>5,963,195</u>

Cash flows from non-capital financing activities

Subsidy from federal grant	597,691
Subsidy from state and local grants	52,885
Cash paid to suppliers for goods and services (Mag Lev)	(443,876)
Vehicular license tax	4,751,129
Subsidy to local governments	(350,000)
Net cash flows from non-capital financing activities	<u>4,607,829</u>

Cash flows from capital and related financing activities

Purchase of capital assets	(6,248,889)
Principal payments made on bonds	(54,260,000)
Interest paid and Cost of Issuance	(4,937,777)
Bond proceeds(Net)	54,180,307
Net cash used for capital and related financing activities	<u>(11,266,359)</u>

Cash flows from investing activities

Purchase of investment securities	(309,443,303)
Proceeds from sale of investment securities	309,020,071
Interest and dividends earned on investment securities	769,746
Net cash provided for investing activities	<u>346,514</u>

Net decrease in cash and cash equivalents

(348,821)

Cash and cash equivalents at beginning of year

2,499,156

Cash and cash equivalents at end of year

\$ 2,150,335

(Continued)

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

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

**Statement of Cash Flows
For the Year Ended October 31, 2003**

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

Cash flows from operating activities:

Operating income	\$ 3,283,980
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	3,715,449
Magnetic Levitation Expenses	(115,555)
Changes in assets and liabilities:	
Increase in prepaid items	(102,144)
Increase in receivables (net of non-operating receivables)	(971,019)
Increase in payables (net of Mag Lev)	298,417
Decrease in compensated absences payable	(59,753)
Decrease in claims liability	(156,219)
Increase in unearned tag deposits	46,990
Increase in unearned revenue	23,049
Net cash provided by operating activities	<u>\$ 5,963,195</u>

Noncash investing, capital, and financing activities:

Decrease in fair value of investments	<u>(\$3,275)</u>
---------------------------------------	------------------

(Concluded)

The accompanying notes are an integral part of this statement.

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

Notes to the Financial Statements
As of and for the Year Ended October 31, 2003

INTRODUCTION

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The Commission applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statement – Management's Discussion and Analysis for State and Local Governments* and related standards. This new standard provides for significant changes

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

in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

B. REPORTING ENTITY

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

C. FUND ACCOUNTING

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

D. BASIS OF ACCOUNTING

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

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

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 to the Greater New Orleans Expressway Commission and to the general public for inspection. The budgets are prepared on a modified accrual basis of accounting. For the period under audit, the proposed budgets were advertised in the official journal on October 16, 2003. At the board meeting on October 30, 2003, the 2004 budget was formally adopted by the Commission. 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. PREPAID ITEMS

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

H. INVENTORY

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

I. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Equipment includes all items valued above \$1,000 and infrastructure includes the cost to construct and improve the twin bridges and related roadway approaches. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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Notes to the Financial Statements (Continued)

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

J. RESTRICTED ASSETS

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

K. COMPENSATED ABSENCES

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

Compensated absences are recognized as an expense and liability in the financial statements when incurred.

L. LONG-TERM OBLIGATIONS

Long-term obligations are reported at face value.

M. 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 expense when paid during the year.

N. DEFERRED COMPENSATION PLAN

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

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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Notes to the Financial Statements (Continued)

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.

Participants may contribute up to 20% of their salary with the Commission matching up to \$72 per month, but total contributions may not exceed \$12,000 annually. All contributions are immediately vested. The Commission contributed \$81,756 to the plan during the year ended October 31, 2003.

O. NET ASSETS

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

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

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

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

2. CASH AND CASH EQUIVILENTS

At October 31, 2003, the Commission has cash (book balances) totaling \$2,150,335.

A summary of the Commission's cash follows:

Petty cash	\$ 1,600
Demand accounts:	
Noninterest-bearing	1,049,956
Interest-bearing	<u>1,098,779</u>
 Total	 <u><u>\$2,150,335</u></u>

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 fair value of the pledged securities plus the federal security must at all times equal the amount on deposit with the fiscal agents. At October 31, 2003, the Commission had

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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Notes to the Financial Statements (Continued)

\$2,178,182 in deposits (collected bank balances) that were secured from risk in the following manner:

1. Insured or collateralized with securities held by the commission or its agency in the commission's name	\$300,000
2. Collateralized with securities held by the pledging Institution's trust department or agent in the commission's name	<u>1,878,182</u>
Total secured bank balances	<u><u>\$2,178,182</u></u>

The collected bank balances were fully secured and or collateralized at October 31, 2003.

3. INVESTMENTS

At October 31, 2003, investments of the Commission total \$46,866,973, as 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 agent but not in the Commission's name. A summary of Commission investments follows:

	Category			Reported Amount	Fair Value
	1	2	3		
Government securities:					
Federal Farm Credit Bank			\$4,569,189	\$4,569,189	\$4,569,189
Federal Home Loan Mortgage			22,410,646	22,410,646	22,410,646
Federal National Mortgage Association			8,385,475	8,385,475	8,385,475
Total government securities	<u>NONE</u>	<u>NONE</u>	<u>\$35,365,310</u>	35,365,310	35,365,310
Money market funds				<u>11,501,663</u>	<u>11,501,663</u>
Total investments				<u><u>\$46,866,973</u></u>	<u><u>\$46,866,973</u></u>

Investments of government securities reflected in Statement A are stated at fair value as required by GASB Statement 31. The Commission used quoted market values to determine the fair value of the investments. The \$ 11,501,663 of money market funds consists 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 150.126.

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Notes to the Financial Statements (Continued)

4. RECEIVABLES

At October 31, 2003, the Commission has receivable balances totaling \$2,048,145 as follows:

	Unrestricted	Restricted	Total
Vehicular license tax		\$1,828,772	\$1,828,772
Interest	\$3,985	2,683	6,668
Other	1,076	211,629	212,705
	<u>5,061</u>	<u>2,043,084</u>	<u>2,048,145</u>
Total receivables	<u>\$5,061</u>	<u>\$2,043,084</u>	<u>\$2,048,145</u>

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance November 1, 2002	Additions	Deletions	Balance October 31, 2003
Business Type Activities:				
Capital assets, being depreciated:				
Building	\$1,204,210			\$1,204,210
Furniture, fixtures, and equipment	3,427,337	\$597,202	\$206,996	3,817,543
Infrastructure	167,958,633	7,726,348		175,684,981
Total capital assets, being depreciated	<u>172,590,180</u>	<u>8,323,550</u>	<u>206,996</u>	<u>180,706,734</u>
Less accumulated depreciation for:				
Building	130,456	30,105		160,561
Furniture, fixtures, and equipment	2,181,636	505,291	205,183	2,481,744
Infrastructure	90,715,010	3,180,053		93,895,063
Total accumulated depreciation	<u>93,027,102</u>	<u>3,715,449</u>	<u>205,183</u>	<u>96,537,368</u>
Total capital assets, being depreciated, net	<u>\$79,563,078</u>	<u>\$4,608,101</u>	<u>\$1,813</u>	<u>\$84,169,366</u>

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 Commission employees working 28 hours per week are eligible to participate in the System. Benefits vest with 7 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. Beginning January 1, 2002 active members may be

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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Notes to the Financial Statements (Continued)

eligible to retire at age 65 with seven years of service credit. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Members are required by state statute to contribute 9.50% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The employer contribution rate was 7.75% of annual covered payroll in fiscal years ended October 31, 2003, 2002, and 2001, respectively. The Commission contributions to the System for the years ending October 31, 2003, 2002, and 2001, were \$258,722, \$249,739, and \$241,470, respectively, equal to the required contributions for each year.

7. RISK MANAGEMENT

The Commission is exposed to various risks of loss relating to general liability, automotive liability, and property insurance contracts and has a self-insured risk management program to account for and finance its uninsured risks of loss. Under this program, the Commission provides coverage for general and automotive liability up to the \$200,000 deductible limits for each covered loss. The Commission purchased commercial insurance for claims in excess of coverage provided by the risk management program. Settled claims have not exceeded this commercial coverage for the fiscal year.

The Commission is a defendant or co-defendant in 6 lawsuits in which the plaintiffs allege wrongful death, property damage, personal injury, age discrimination, violation of the whistleblower statute, violation of civil rights, and employment retaliation. In the opinion of the Commission's legal counsel, the ultimate resolution of nine matters should not materially affect the financial statements. Two lawsuits (one automobile accident and one employment retaliation matter) are in the discovery phase and the likely outcome is not determined. In the assessment of the last four matters, one automobile accident will probably result in some amount of loss and there is a reasonable possibility that a loss exposure could result in the remaining three lawsuits. Accounting recognition for the potential loss exposure is provided for in the following paragraph.

At October 31, 2003, the claims liability of \$567,267 is based on the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information before the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability in fiscal year 2003 were as follows:

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Notes to the Financial Statements (Continued)

Estimated liability for claims at beginning of year	\$723,486
Current year:	
Claims	\$218,847
Changes in estimates	(156,219)
Claims payment	<u>(218,847)</u>
Estimated liability for claims at end of year	<u><u>\$567,267</u></u>

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 2003, the cost of providing those benefits for the 30 retirees totaled \$102,193.

9. COMPENSATED ABSENCES

As of October 31, 2003, employees of the Commission have accumulated and vested \$857,495 of employee annual and sick leave benefits, which was computed in accordance with GASB Codification Section C60.

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 are as follows:

Fiscal year ending October 31:	
2004	\$378,082
2005	385,790
2006	392,147
2007	366,485
2008	240,714
2009-2013	<u>382,310</u>
Total	<u><u>\$2,145,528</u></u>

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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Notes to the Financial Statements (Continued)

12. PAYABLES

The following is a summary of payables at October 31, 2003:

Accounts payable	\$422,752
Payroll deductions and employer's payable	46,719
Payable to parishes - statutory	<u>350,000</u>
 Total	 <u><u>\$819,471</u></u>

13. LONG-TERM DEBT

The following is a summary of the long-term obligation transactions for 2003 fiscal year:

	Debt Payable at November 1, 2003	Additions	Deductions and Retirement	Debt Payable at October 31, 2003	Due within one year
Revenue bonds:					
Refunding, Series 1992	\$ 53,610,000		\$ 53,610,000		
Improvements, Series 1999A	13,775,000		650,000	\$ 13,125,000	680,000
Refunding, Series 2003		\$ 54,605,000		54,605,000	550,000
Total revenue bonds payable	<u>67,385,000</u>	<u>54,605,000</u>	<u>54,260,000</u>	<u>67,730,000</u>	<u>1,230,000</u>
 Bond Premium (Discount)		967,986		967,986	24,820
	<u>67,385,000</u>	<u>55,572,986</u>	<u>54,260,000</u>	<u>68,697,986</u>	<u>1,254,820</u>
 Compensated absences	917,248	0	59,753	857,495	0
 Total	<u><u>\$68,302,248</u></u>	<u><u>\$55,572,986</u></u>	<u><u>\$54,319,753</u></u>	<u><u>\$69,555,481</u></u>	<u><u>\$1,254,820</u></u>

The additions and reductions to compensated absences during the 2001-2002 fiscal year represent the net change during the year because the additions and deductions could not readily be determined.

A. REVENUE BONDS, SERIES 1999A

On July 27, 1999, the Commission issued \$15,000,000 of Revenue Bonds, Series 1999A. The proceeds of this issue will be used to finance the cost of certain improvements to the expressway bridge. The Revenue Bonds payable at the beginning of the year were \$13,775,000. Principal due and retired on November 1, 2002, amounted to \$650,000 and reduced the outstanding bonds payable to \$13,125,000 at October 31, 2003. 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 \$680,000 to \$1,265,000 beginning November 1, 2003, through November 1, 2016. The bonds carry interest rates from 4.25% to 5.25% and interest to maturity amounts to \$5,560,042 through November 1, 2016.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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Notes to the Financial Statements (Continued)

B. REFUNDING REVENUE BONDS, SERIES 2003

On April 15, 2003, the Commission issued \$54,605,000 in Refund Revenue Bonds, Series 2003 to refund the 1992 issue, as well as to finance the cost of the Project consisting of safety and capacity improvements to the North Toll Plaza parking area and safety and capacity improvements at westbound West Esplanade Avenue and Causeway Boulevard. The Refund Revenue Bonds payable at the beginning of the year were \$0. Principal due and retired on November 1, 2002, amounted to \$0 and reduced the outstanding bonds payable to \$54,605,000 at October 31, 2003. The Refund Revenue Bonds are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of \$550,000 to \$3,210,000 beginning November 1, 2003, through November 1, 2033. The bonds carry interest rates from 2.00% to 5.00% and interest to maturity amounts to \$49,280,918 through November 1, 2033.

The annual requirements to amortize all bonds outstanding at October 31, 2003, including total interest to maturity of \$54,840,960 are as follows:

Fiscal Year	Revenue Bonds				Total
	Refunding Series 1999A		Refunding Series 2003		
	Principal	Interest	Principal	Interest	
2004	\$680,000	\$654,513	\$550,000	\$1,306,361	\$3,190,874
2005	700,000	624,763	1,050,000	2,388,439	4,763,202
2006	750,000	593,263	1,010,000	2,367,439	4,720,702
2007	775,000	558,763	1,060,000	2,347,239	4,741,002
2008	825,000	522,338	1,080,000	2,326,039	4,753,377
2009	850,000	483,150	1,105,000	2,301,739	4,739,889
2010-2014	4,940,000	1,738,163	6,015,000	11,018,672	23,711,835
2015-2019	3,605,000	385,089	7,285,000	9,748,864	21,023,953
2020-2024			9,220,000	7,811,626	17,031,626
2025-2029			11,630,000	5,403,250	17,033,250
2030-2033			14,600,000	2,261,250	16,861,250
Total	\$13,125,000	\$5,560,042	\$54,605,000	\$49,280,918	\$122,570,960

C. DEFEASED ISSUE

In April of 2003, the Commission issued \$54.605 million in bonds. The purpose of this issue was to provide construction monies as well as monies to refund the 1992 bonds. In order to refund the bonds, portions of the proceeds of the new issue were deposited and held in an escrow account created in the Debt Service Fund and serviced by an escrow trustee. The amount of the escrow, together with interest and earnings, will be used to pay the principal, redemption premiums, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$23 million and gave the Commission an economic gain (difference between the present values of the debt service payments on the old and new debt of nearly \$5 million. At October 31, 2003, \$51.29 million of the 1992 refunding bonds are considered defeased.

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

14. NET ASSETS

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

Invested in Capital Assets, Net of Related Debt:	
Net property, plant and equipment (net of depreciation)	\$ 84,169,366
Less:	
Current portion of bonds payable	(1,254,820)
Noncurrent portion of revenue bonds payable	<u>(67,443,166)</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 15,471,380</u>
Restricted for Special Revenue, Debt Service, Capital Projects and Risk Management:	
Restricted investments	\$39,589,243
Restricted receivables	2,043,084
Liabilities from restricted assets:	
Capital projects	(1,704,648)
Accrued interest	<u>(1,633,617)</u>
Restricted for Special Revenue, Debt Service, Capital Projects and Risk Management:	<u>\$38,294,062</u>
Restricted for Future Acquisition of Equipment	<u>\$25,000</u>

15. FEDERAL GRANTS

The Greater New Orleans Expressway Commission received federal funds (90% federal/10% state match) under the United States Department of Transportation (CFDA 20.205) pass-through grant from the Louisiana Department of Transportation and Development for highway incident management. During the year ended October 31, 2003, the Commission expended funds totaling \$491,832 under this program.

The Greater New Orleans Expressway Commission also received federal funds (66.66% federal/33.34% state and local match) directly from the United States Department of Transportation under the Federal Railroad Administration High Speed Ground Transportation Program (CFDA 20.312) for the Magnetic Levitation feasibility study. During the year ended October 31, 2003, funds totaling \$115,555 were expended under this program.

SUPPLEMENTAL INFORMATION SCHEDULES

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

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended October 31, 2003**

GENERAL FUND ACCOUNTS

Revenue Account

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

Collateral Undisbursed Debt Service Account

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

Operation and Maintenance Account

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

Extraordinary Maintenance and Repair Reserve Account

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

Excess Revenue Account

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

Asset Forfeiture Account

This account maintains assets seized by the expressway police.

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

SPECIAL REVENUE ACCOUNTS

Vehicular License Tax

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

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 through April 30, 2004.

Emergency Evacuation Project

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

DEBT SERVICE ACCOUNTS

Debt Service Account

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

Debt Service Reserve Account

This account maintains a balance equal to the Debt Service Reserve Account requirement (maximum annual debt service requirements for the current or any future year). 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 and 2003 Series bond issue was deposited to this account for payment of legal fees and other cost associated with the issuance of the bonds.

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

CAPITAL PROJECTS ACCOUNTS

Construction - Series 1986

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

Construction - Series 1999A

The Construction Series 1999A Account is used for major maintenance and capital improvements to the expressway bridge from the proceeds of the 1999A capital improvement bond issue.

Construction - Series 2003

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

Bridge Rehabilitation

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

Magnetic Levitation Deployment Project

The account was established to account for costs relating to the study of the Federal Railroad Administration sponsored "Mag-Lev" Program.

INTERNAL SERVICE ACCOUNT

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

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

**Schedule of Cash Receipts and Disbursements
For the Year Ended October 31, 2003**

	REVENUE	COLLATERAL UNDISBURSED DEBT SERVICE	OPERATIONS AND MAINTENANCE	GENERAL EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE
BALANCES AT NOVEMBER 1, 2002	\$ 218,583	\$ -	\$ 979,119	\$ -
RECEIPTS				
Tolls	15,517,348			
Vehicular license tax				
Intergovernmental grants:				
Federal				
State				
Use of money and property:				
Leases	366,708			
Investment income	5,028	4,651	13,786	42,977
Bond proceeds				
Other	72,166			
Investment sales and maturities	17,973,870	8,823,603		32,895,595
Transfers in	3,933,235	3,683,322	7,079,246	3,246,456
Total receipts	<u>37,868,355</u>	<u>12,511,576</u>	<u>7,093,032</u>	<u>36,185,028</u>
DISBURSEMENTS				
Personal services			3,528,248	
Contractual services			72,952	
Operating services			1,790,882	
Supplies and maintenance			448,108	55,812
Professional services			271,925	931,943
Administrative	144,723		297,381	
Capital outlay			485,562	
Debt services:				
Principal retirement				
Interest				
Cost of Issuance				
Intergovernmental expenditures - parishes				
Insurance settlements			218,279	
Investment purchases	17,973,870	9,924,793		35,154,296
Transfers out	19,734,403	2,586,783		42,977
Total disbursements	<u>37,852,996</u>	<u>12,511,576</u>	<u>7,113,337</u>	<u>36,185,028</u>
BALANCES AT OCTOBER 31, 2003	<u>\$ 233,942</u>	<u>\$ -</u>	<u>\$ 958,814</u>	<u>\$ -</u>

(Continued)

Schedule 1

ACCOUNTS			SPECIAL REVENUE ACCOUNTS		
EXCESS REVENUE	HUEY P. LONG BRIDGE	ASSETS FORFEITURE	VEHICULAR LICENSE TAX	MOTORIST ASSIST PROGRAM	EMERGENCY EVACUATION PROJECT
\$ 700,000	\$ 81,682	\$ 28,321	\$ -	\$ -	\$ 14,455
			4,751,129		
				475,968	
				52,885	
21,991	6,909		4,987		
		2,035			
10,609,049	781,497		2,599,550		
7,106,583	929,043				
<u>17,737,623</u>	<u>1,717,449</u>	<u>2,035</u>	<u>7,355,666</u>	<u>528,853</u>	<u>-</u>
	618,322			438,867	
	1,135				
	31,619			43,368	
	63,121			46,384	
	1,828			234	
	84,476				
350,000					
8,346,554	933,736		4,756,116		
9,041,069	6,969		2,599,550		
<u>17,737,623</u>	<u>1,741,206</u>	<u>-</u>	<u>7,355,666</u>	<u>528,853</u>	<u>-</u>
<u>\$ 700,000</u>	<u>\$ 57,925</u>	<u>\$ 30,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,455</u>

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

**Schedule of Cash Receipts and Disbursements
For the Year Ended October 31, 2003**

	DEBT SERVICE ACCOUNTS			
	DEBT SERVICE	DEBT SERVICE RESERVE	COST OF ISSUANCE	ESCROW 2003
BALANCES AT NOVEMBER 1, 2002	\$ -	\$ -	\$ -	\$ -
RECEIPTS				
Tolls				
Vehicular license tax				
Intergovernmental grants:				
Federal				
State				
Use of money and property:				
Leases				
Investment income	7,816	311,974	142	1,236
Bond proceeds	54,180,307			
Other				
Investment sales and maturities	11,241,591	38,035,110	251,321	53,716,784
Transfers in	4,048,595		264,759	53,715,548
Total receipts	<u>69,478,309</u>	<u>38,347,084</u>	<u>516,222</u>	<u>107,433,568</u>
DISBURSEMENTS				
Personal service				
Contractual services				
Operating services				
Supplies and maintenance				
Professional services				
Administrative				
Capital outlay				
Debt services:				
Principal retirement	54,260,000			
Interest	4,686,410			
Cost of Issuance			251,367	
Intergovernmental expenditures - parishes				
Insurance settlements				
Investment purchases	8,380,575	31,203,675	264,823	53,716,784
Transfers out	2,151,324	7,143,409	32	53,716,784
Total disbursements	<u>69,478,309</u>	<u>38,347,084</u>	<u>516,222</u>	<u>107,433,568</u>
BALANCES AT OCTOBER 31, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

CAPITAL PROJECTS ACCOUNTS

CONSTRUCTION SERIES				BRIDGE REHABILITATION	MAGNETIC LEVITATION PROJECT	INTERNAL SERVICE	TOTAL
1986	1992	1999A	2003				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,996	\$ -	\$ 2,499,156
							15,517,348
							4,751,129
					121,723		597,691
							52,885
24,118	13	8,951	33,428	267,275		14,464	366,708
							769,746
							54,180,307
							74,201
18,832,385		8,322	26,775,761	81,854,742		4,620,891	309,020,071
		31	6,805,083	6,211,397			97,023,298
18,856,503	13	17,304	33,614,272	88,333,414	121,723	4,635,355	482,353,384
							4,585,437
							74,087
							1,865,869
							613,425
					443,831		1,647,699
826,981		8,322	55,251		45		1,334,765
				5,678,851			6,248,889
							54,260,000
							4,686,410
							251,367
							350,000
							218,279
18,029,522	13	8,982	33,559,021	82,555,188		4,635,355	309,443,303
				99,375			97,122,675
18,856,503	13	17,304	33,614,272	88,333,414	443,876	4,635,355	482,702,205
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,843	\$ -	\$ 2,150,335

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended October 31, 2003**

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

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

**Schedule of Compensation Paid Board Members
For the Year Ended October 31, 2003**

William Peter Connick	\$ 6,836
John L. Donahue, Jr.	6,836
Barney D. McLain	6,836
J. Barton Pepperman	3,703
Ben Slater III	3,133
Joy H. Zainey	<u>6,836</u>
Total	<u><u>\$ 34,180</u></u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended October 31, 2003**

STATISTICAL INFORMATION

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

Schedule of Investments

Schedule of Revenue From Tolls

Schedule of Traffic – Number of Crossings (Unaudited)

Schedule of Insurance (Unaudited)

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

**Schedule of Investments
As of October 31, 2003**

	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>PAR VALUE</u>
GENERAL:			
Extraordinary Maintenance and Repair Reserve Account:			
Federal National Mortgage Association Discount Note:			
Due November 5, 2003	\$ 743,925	\$ 743,925	\$ 744,000
Due January 7, 2004	2,031,133	2,031,133	2,035,000
Federal Home Loan Mortgage Corporation Discount Note:			
Due December 4, 2003	855,230	855,230	856,000
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	1,997,549	1,997,549	1,997,549
Excess Revenue Account - Money Market - One Group			
United States Treasury Securities - Money Market Fund Class I	1,649,893	1,649,893	1,649,893
Huey P. Long Bridge Account - Money Market - One Group			
United States Treasury Securities - Money Market Fund Class I	1,330,904	1,330,904	1,330,904
DEBT SERVICE;			
Debt Service Fund Account:			
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	2,031,973	2,031,973	2,031,973
Debt Service Reserve Account:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due March 10, 2004	1,290,079	1,290,079	1,295,000
Ambac Assurance Corporation Surety Bond Policy No. SB1602BE			
			1
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	255	255	255
2003 Account:			
Cost of Issuance Fund:			
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	13,502	13,502	13,502
CAPITAL PROJECTS:			
Construction Series:			
1986 Account:			
Construction Fund:			
Federal Home Loan Bank Construction Discount Note:			
Due November 5, 2003	1,150,885	1,150,885	1,151,000
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	7,980	7,980	7,980
1992 Account:			
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	\$ 1,652	\$ 1,652	\$ 1,652
1999A Account:			
Money Market - One Group - United States Treasury Securities Money Market Fund Class I			
	1,143,099	1,143,099	1,143,099
Bridge Rehabilitation Account:			
Federal National Mortgage Association Discount Note:			
Due November 5, 2003	904,910	904,910	905,000

(Continued)

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

**Schedule of Investments
As of October 31, 2003**

	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>PAR VALUE</u>
CAPITAL PROJECTS: (CONT.)			
Bridge Rehabilitation Account: (cont.)			
Federal National Mortgage Association Discount Note:			
Due January 7, 2004	2,364,499	2,364,499	2,369,000
Due February 6, 2004	1,007,172	1,007,172	1,010,000
Due April 1, 2004	1,333,836	1,333,836	1,340,000
Federal Home Loan Mortgage Corporation Discount Note:			
Due December 4, 2003	651,413	651,413	652,000
Due March 10, 2004	1,305,022	1,305,022	1,310,000
Due May 20, 2004	2,507,357	2,507,357	2,523,000
Due July 8, 2004	1,500,593	1,500,593	1,513,000
Due July 15, 2004	1,153,231	1,153,231	1,163,000
Due August 12, 2004	1,153,933	1,153,933	1,165,000
Due October 7, 2004	1,816,564	1,816,564	1,839,000
Federal Farm Credit Bank Discount Note:			
Due March 1, 2004	2,262,282	2,262,282	2,270,000
Due June 1, 2004	2,306,907	2,306,907	2,322,000
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	966	966	966
2003 Account:			
Revenue Bonds:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due November 6, 2003	1,720,828	1,720,828	1,721,000
Due December 1, 2003	1,704,636	1,704,636	1,706,000
Due January 9, 2004	1,001,094	1,001,094	1,003,000
Due February 5, 2004	1,711,195	1,711,195	1,716,000
Due April 1, 2004	1,803,665	1,803,665	1,812,000
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	1,615	1,615	1,615
SPECIAL REVENUE:			
Vehicular License Tax Fund:			
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	3,322,026	3,322,026	3,322,026
INTERNAL SERVICE FUND:			
Self Insurance Account:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due November 14, 2003	360,891	360,891	361,000
Due December 4, 2003	557,498	557,498	558,000
Due February 5, 2004	166,532	166,532	167,000
Money Market - One Group - United States Treasury Securities			
Money Market Fund Class I	<u>249</u>	<u>249</u>	<u>249</u>
Total	<u>\$ 46,866,973</u>	<u>\$ 46,866,973</u>	<u>\$ 47,007,664</u>

(Concluded)

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

**Schedule of Revenue From Tolls
For the Year Ended October 31, 2003**

	<u>NORTH SHORE</u>
2002:	
November	\$ 1,226,788
December	1,294,208
2003:	
January	1,233,033
February	1,137,177
March	1,265,753
April	1,287,483
May	1,337,712
June	1,236,144
July	1,282,021
August	1,286,204
September	1,275,140
October	<u>1,370,977</u>
Subtotal	\$ 15,232,640
Discounted toll tag forfeitures	<u>215,571</u>
Total	<u><u>\$ 15,448,211</u></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 North Shore Traffic - Number of Crossings
For the Year Ended October 31, 2003**

	AXLES UNDER 7'5" HEIGHT				AXLES OVER 7'5" HEIGHT			
	2	3	4	5 OR MORE	2	3	4	5 OR MORE
2002:								
November	214,601	1,216	507	9	3,314	433	502	807
December	230,266	978	453	6	3,244	419	483	868
2003:								
January	201,080	830	435	10	3,346	399	476	1,017
February	184,002	716	402	9	3,070	353	462	930
March	215,321	978	497	15	3,353	476	605	1,104
April	214,480	1,158	586	7	3,574	575	640	1,144
May	227,376	1,377	681	3	3,738	568	619	989
June	211,446	1,179	536	6	3,475	497	526	872
July	219,196	1,367	550	3	3,720	529	553	899
August	219,009	1,349	615	9	3,493	530	548	1,058
September	209,123	1,270	559	4	3,411	527	522	992
October	225,899	1,316	606	11	3,656	558	639	1,150
Total	2,571,799	13,734	6,427	92	41,394	5,864	6,575	11,830

Schedule 5

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
9,900	2,217	209,552	90	22,991	466,139
10,215	2,366	218,293	103	24,316	492,010
10,624	2,378	229,285	94	23,295	473,269
9,669	2,171	214,685	99	21,314	437,882
10,404	2,266	221,403	99	23,609	480,130
10,630	2,001	228,638	78	24,086	487,597
10,562	2,144	230,876	82	25,200	504,215
10,134	2,020	216,838	71	22,637	470,237
10,588	2,117	222,631	78	23,478	485,709
9,763	2,186	223,195	79	23,792	485,626
7,052	1,973	234,158	70	23,856	483,517
3,914	1,808	251,207	77	24,947	515,788
<u>113,455</u>	<u>25,647</u>	<u>2,700,761</u>	<u>1,020</u>	<u>283,521</u>	<u>5,782,119</u>

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

**Schedule of Insurance
For the Year Ended October 31, 2003**

COVERAGE	UNDERWRITER	NUMBER	POLICY PERIOD	LIMITS
BRIDGE PROPERTY DAMAGE Including: Bridge structure Spare structural components Electronic data processing equipment Variable message signs Hazard incident lights Call boxes and control consoles EDP (Related to VMS/HIL/CB) EDP media Business income EDP extra expense Building and contents Scheduled property and equipment Various Deductibles	St. Paul Insurance Co.	IM04200195	11/1/02-11/1/03	\$ 90,000,000
BRIDGE USE AND OCCUPANCY 7 Day Deductible	St. Paul Insurance Co.	IM04200195	11/1/02-11/1/03	\$18,800,000
EMPLOYEE DISHONESTY BOND with \$5,000 deductible	Travelers	103383074	11/1/02-11/1/03	\$ 300,000 Blanket Limit \$200,000 Forgery and Alterations \$ 50,000 Money In/Out
RETAINED LIMITS LIABILITY	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	
Comprehensive general liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,850,000 Per Occurrence and Aggregate
Law enforcement liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,850,000 Per Occurrence and Aggregate
Excess automobile liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,800,000 Each Accident and Aggregate
Public officials liability retention applicable to each loss is \$200,000	American Alternative Ins. Co.	01A2FR000000801	11/1/02-11/1/03	\$ 9,990,000 Per Occurrence and Aggregate

(Continued)

UNAUDITED

Schedule 6

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Insurance, 2003

COVERAGE	UNDERWRITER	NUMBER	POLICY PERIOD	LIMITS
STAND ALONE EXCESS LIABILITY	Lexington	53543236	11/1/02-11/1/03	\$ 10,000,000
WORKER'S COMPENSATION Employers' liability	LWCC	83403-D	11/1/02-11/1/03	Statutory \$ 1,000,000 Each Accident Disease Limit Disease Each Person
EXPRESS MARITIME EMPLOYERS LIABILITY \$5,000 deductible per claim	XL Specialty Ins. Co.	PXMC849751	3/2/02-3/2/03	\$ 1,000,000 Any Person Any 1 Accident
AUTOMOBILE POLICY (MAP) Comprehensive - \$500 deductible applicable to each accident Collision - \$1,000 deductible applicable to each accident	Clarendon National Insurance	DSA006789	11/1/02-11/1/03	\$ 1,000,000 Each Accident Excluded Uninsured Motorist
BOILER AND MACHINERY \$5,000 deductible per claim	Hartford Steam Boiler	FBP2241054-03	06/14/02-06/14/03	\$ 20,000,000
POLICE OFFICERS FAITHFUL PERFORMANCE BOND	C.N.A. Surety	609006850	5/12/2000 Until Cancelled	\$ 10,000 Per Officer
POLLUTION LEGAL LIABILITY \$100,000 deductible applicable to each incident	American International Spec.	PLS6191242	12/18/00-12/18/05	\$ 5,000,000 Each incident and Aggregate
CONTRACTORS POLLUTION LIABILITY \$100,000 deductible applicable to each claim	American International Spec.	CPL6191241	12/18/00-12/18/05	\$ 5,000,000 Each Claim and Aggregate

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal control required by *Government Auditing Standards*, issued by the Comptroller General of the United States, as well as a report on compliance and internal control applicable to major programs in accordance with OMB Circular A-133. These reports are based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses as well as any findings or questioned costs that would be material to the presented financial statements.

T.A. Harris Inc. Certified Public Accountant

A Professional Accounting Corporation

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Greater New Orleans Expressway Commission
State of Louisiana
Metairie, Louisiana

We have audited the basic financial statements of the Greater New Orleans Expressway Commission (the Commission) as of and for the year ended October 31, 2003, and have issued our report thereon dated March 29, 2004. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's basic 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we did note a certain immaterial instance of noncompliance that we have reported to management of the Commission in a separate letter dated May 5, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commission, the Commission's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

T.A. Harris, Inc. APAC

March 29, 2004
Baton Rouge, Louisiana

T.A. Harris Inc. Certified Public Accountant

A Professional Accounting Corporation

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Greater New Orleans Expressway Commission
State of Louisiana
Metairie, Louisiana

Compliance

We have audited the compliance of the Greater New Orleans Expressway Commission (the Commission) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended October 31, 2003. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended October 31, 2003.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contract and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components do not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contract and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Commission as of and for the year ended October 31, 2003, and have issued our report thereon dated March 29, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Commission, the Commission's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

J.G. Harris, Inc. APAC

March 29, 2004
Baton Rouge, Louisiana

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED OCTOBER 31, 2003

<u>Federal Grantor/Pass-Through Agency/Program Identification</u>	<u>CFDA Number</u>	<u>Fed. Share of Program Expenditures</u>	<u>Total Program Expenditures</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development:			
Highway Research, Planning and Construction Incident Management: State Project No. 737-92-0025	20-205	442,649	491,832
Received Directly from USDOTD:			
Federal Railroad Administration High Speed Ground Transportation Magnetic Levitation: State Project No. 736-99-0811	20-312	77,029	115,555
Subtotal U. S. Department of Transportation		519,678	607,387
Total Expenditures		<u>\$519,678</u>	<u>\$607,387</u>

See accompanying independent auditor's report.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

=====

FOR THE YEAR ENDED OCTOBER 31, 2003

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Greater New Orleans Expressway Commission (the Commission). The Commission's reporting entity is defined in note 1a of the Commission's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in note 1 of the Commission's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award revenues are reported in the Commission's basic financial statements as follows:

Nonoperating Revenues

Federal Grants	\$ 519,678
----------------	------------

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MAJOR FEDERAL AWARDS

The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS/CORRECTIVE ACTION PLANS

=====

FOR THE YEAR ENDED OCTOBER 31, 2003

(1) Summary of Auditor's Results:

- (a) The type of report issued on the financial statements:
unqualified opinion
- (b) Reportable conditions on internal control were disclosed by the audit of the Financial Statements: no Material Weaknesses: no
- (c) Noncompliance which is material to the financial statements: no
- (d) Reportable conditions on internal control over major programs: no Material Weaknesses: no
- (e) The type of report issued on compliance for major programs:
unqualified opinion
- (f) Any audit findings which are required to be reported under section .510 (a) of OMB Circular A-133: no
- (g) Major Programs:
DOTD Incident Management Study (CFDA Number 20.205)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: no

(2) Findings Relating to Financial Statements Reported in Accordance with Government Auditing Standards:

None

(3) Findings and Questioned Costs Relating to Federal Awards:

None

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

SCHEDULE OF PRIOR YEAR FINDINGS



FOR THE YEAR ENDED OCTOBER 31, 2003

<u>FINDING</u>	<u>STATUS</u>
02-A	Resolved (Finding)
02-01	Resolved (Management Letter)

**Division of Administration
Reporting Package**

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending ~~June 30, 20~~ October 31, 2003

Greater New Orleans Expressway Commission
(Agency Name)

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

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Cheryl H. Lambert (Name)
Greater New Orleans Supervisor of Finance
(Title) of Expressway Commission (Agency) who duly sworn, deposes and says, that the

financial statements herewith given present fairly the financial position of
(agency) at Oct 31, 2003 ~~June 30,~~ and the results of operations for the year then ended in accordance with
policies and practices established by the Division of Administration or in accordance with Generally
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Sworn and subscribed before me, this 28th day of April, 2004.

Cheryl H. Lambert
Signature of Agency Official

Marty R. Dupuy
NOTARY PUBLIC
Marty R. Dupuy
Bar Roll # 25950

Prepared by: Cheryl Lambert
Title: Supervisor of Finance
Telephone No.: (504) 835-3118
Date: 4-28-04

GREATER NEW ORLEANS EXPRESWAY COMMISSION
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
October 31, 2003

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

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Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
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**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF OCTOBER 31, 2003**

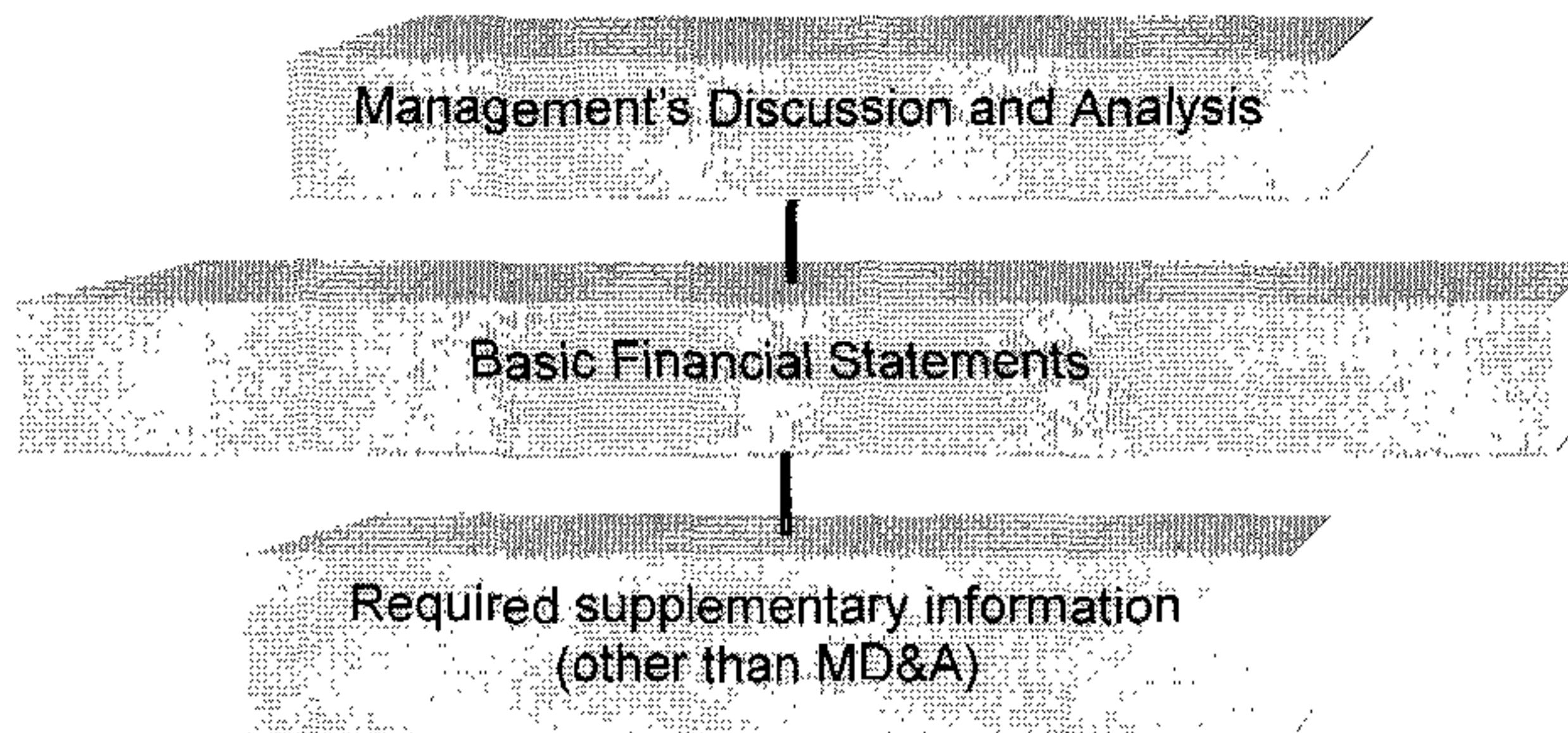
The Management's Discussion and Analysis of the ___GNOEC___'s (BTA) financial performance presents a narrative overview and analysis of ___GNOEC___'s (BTA) financial activities for the year ended October 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 3 - 7 and the ___GNOEC___'s (BTA) financial statements, which begin on page Statement A.

FINANCIAL HIGHLIGHTS

- ★ The ___GNOEC___'s (BTA) assets exceeded its liabilities at the close of fiscal year 2003 by 61.6 million which represents a 9% increase from last fiscal year. The net assets increased by \$ 5.2 million (or 9%).
- ★ The ___GNOEC___'s (BTA) toll revenue increased \$ 768,239 (or 5%). The accrued amount from Highway Fund # 2 which is dedicated to debt service increased by 890,891 or 19%.
- ★
- ★
- ★
- ★

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF OCTOBER 31, 2003

Basic Financial Statements

The basic financial statements present information for the ___GNOEC___ (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of October 31, 2003
 (in thousands)

	Total	
	2003	2002
Current and other assets	\$ 53,145,187	\$ 51,098,718
Capital assets	84,169,366	79,563,078
Total assets	<u>137,314,553</u>	<u>130,661,796</u>
Other liabilities	8,184,536	9,718,900
Long-term debt outstanding	67,443,166	64,415,000
Total liabilities	<u>75,627,702</u>	<u>74,133,900</u>
Net assets		
Invested in capital assets, net of debt	15,471,380	12,178,078
Restricted	38,319,062	36,597,932
Unrestricted	7,896,409	7,751,886
Total net assets	<u>\$ 61,686,851</u>	<u>\$ 56,527,896</u>

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF OCTOBER 31, 2003**

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

Net assets of GNOEC 's (BTA) increased by \$ 5.2 million , or 9%, from October 31, 2002 to October 31, 2003. One of the major causes of this increase is the inclusion of user fees, etcetera were greater than the costs of the operations. In addition, capital improvements are not charges against current revenues but are capitalized within the property, plant and equipment account and depreciated over future periods.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended October 31, 2003
(in thousands)**

	Total	
	2003	2002
Operating revenues	\$ 15,934,381	\$ 15,129,727
Operating expenses	(12,650,401)	(11,514,108)
Operating income(loss)	3,283,980	3,615,619
Non-operating revenues(expenses)	1,874,975	1,979,076
Income(loss) before transfers	5,158,955	5,594,695
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 5,158,955	\$ 5,594,695

The GNOEC 's (BTA) total revenues increased by \$ 178,838 or (.79%). The total cost of all programs and services, excluding depreciation increased by \$ 138,166 or 1%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the GNOEC (BTA) had \$ 84.2 million invested in a broad range of capital assets, including Buildings and improvements, furniture, fixtures, equipment, and infrastructure assets.(See Table below).

This amount represents a net increase (including additions and deductions) of \$ 4.6 million , or 6%, over last year.

STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF OCTOBER 31, 2003

Capital Assets at Year-end
 (Net of Depreciation, in thousands)

	<u>2003</u>	<u>2002</u>
Land	\$	\$
Buildings and improvements	1,043,649	1,073,754
Equipment	1,335,799	1,245,701
Infrastructure	<u>81,789,918</u>	<u>77,243,623</u>
Totals \$	<u>84,169,366</u>	<u>\$ 79,563,078</u>

This year's major additions included (in thousands):

- Bridge repairs (infrastructure) nearly 4.6 million (net) furniture, fixtures, and equipment compromised the remainder

Debt

The GNOEC (BTA) had \$ 68.7 million in bonds and notes outstanding at year-end, compared to \$ 67.4 million last year, an increase of 2 % as shown in the table below.

Outstanding Debt at Year-end
 (in thousands)

	<u>2003</u>	<u>2002</u>
Revenue Bonds and Notes	\$ <u>68,697,986</u>	\$ <u>67,385,000</u>

The GNOEC (BTA)'s bond rating continues to carry the A+ rating for revenue bonds.

The GNOEC (BTA) has claims and judgments of \$ 567,267 outstanding at year-end compared with \$ 723,486 last year. Other obligations include accrued vacation pay and sick leave.

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF OCTOBER 31, 2003**

BUDGET

The annual budget is approved by the Commission at the October meeting. The budget is then approved by the joint budget committee of the Louisiana Legislature.

CONTACTING THE _____GNOEC _____'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the _____GNOEC _____'s (BTA) finances and to show the _____GNOEC _____'s (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact

Supervisor of Finance
GNOEC
PO Box 7656
Metairie, LA 70010

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
AS OF OCTOBER 31, 2003**

ASSETS

CURRENT ASSETS:

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

Cash and cash equivalents (Note C1)	\$	2,150,335
Investments (Note C2)		7,277,730
Receivables (net of allowance for doubtful accounts)(Note U)		5,061
Due from other funds (Note Y)		
Due from federal government		
Inventories		329,575
Prepayments		107,044
Notes receivable		
Other current assets		
Total current assets		9,869,745
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		
Investments		39,589,243
Receivables		2,043,084
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		1,043,649
Machinery and equipment		1,335,799
Infrastructure		81,789,918
Construction in progress		
Other noncurrent assets		1,643,115
Total noncurrent assets		127,444,808
Total assets	\$	137,314,553

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	819,471
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		576,215
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		4,593,085
Bonds payable		
Other long-term liabilities		
Total current liabilities		5,988,771

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		857,495
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		67,443,166
Other long-term liabilities		1,338,270
Total long-term liabilities		69,638,931
Total liabilities		75,627,702

NET ASSETS

Invested in capital assets, net of related debt		15,471,380
Restricted for:		
Capital projects		25,000
Debt service		
Unemployment compensation		
Other specific purposes		38,294,062
Unrestricted		7,896,409
Total net assets		61,686,851
Total liabilities and net assets	\$	137,314,553

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

**STATE OF LOUISIANA
GREATER NRE ORLEANS EXPRESSWAY COMMISSION (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED OCTOBER 31, 2003**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	366,708
Licenses, permits, and fees	15,448,211
Other	119,462
Total operating revenues	<u>15,934,381</u>
OPERATING EXPENSES	
Cost of sales and services	8,627,512
Administrative	307,440
Depreciation	3,715,449
Amortization	_____
Total operating expenses	<u>12,650,401</u>
Operating income(loss)	<u>3,283,980</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	89,300
Intergovernmental revenues (expenses)	(350,000)
Taxes	5,524,743
Use of money and property	_____
Gain (loss) on disposal of fixed assets	(1,813)
Federal grants	519,678
Interest expense	(4,386,421)
Other	479,488
Total non-operating revenues(expenses)	<u>1,874,975</u>
Income(loss) before contributions and transfers	<u>5,158,955</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>5,158,955</u>
Total net assets – beginning as restated	<u>56,527,896</u>
Total net assets – ending	<u>\$ 61,686,851</u>

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

Statement B

STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED OCTOBER 31, 2003

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Component Unit:				
Component Unit X	\$ 17,534,849	\$ 15,814,919	\$ 608,978	\$ (1,110,952)
General revenues:				
Taxes				5,524,743
State appropriations				
<i>Grants and contributions not restricted to specific programs</i>				
Interest				625,702
Miscellaneous				119,462
Special items				
Transfers				
Total general revenues, special items, and transfers				6,269,907
Change in net assets				5,158,955
Net assets - beginning				56,527,896
Net assets - ending				\$ 61,686,851

STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED OCTOBER 31, 2003

Cash flows from operating activities		
Cash received from customers	\$ 15,517,348	
Cash payments to suppliers for goods and services	<u>(5,091,969)</u>	
Cash payments to employees for services	<u>(4,684,814)</u>	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders	<u>(218,279)</u>	
Other operating revenues(expenses)	<u>440,909</u>	
Net cash provided(used) by operating activities		<u>5,963,195</u>
Cash flows from non-capital financing activities		
State appropriations	<u>52,885</u>	
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received	<u>597,691</u>	
Other	<u>3,957,253</u>	
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>4,607,829</u>
Cash flows from capital and related financing		
Proceeds from sale of bonds		
Principal paid on bonds	<u>(54,260,000)</u>	
Interest paid on bond maturities	<u>(4,937,777)</u>	
Proceeds from issuance of notes payable	<u>54,180,307</u>	
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	<u>(6,248,889)</u>	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(11,266,359)</u>
Cash flows from investing activities		
Purchases of investment securities	<u>(309,443,303)</u>	
Proceeds from sale of investment securities	<u>309,020,071</u>	
Interest and dividends earned on investment securities	<u>769,746</u>	
Net cash provided(used) by investing activities		<u>346,514</u>
Net increase(decrease) in cash and cash equivalents		<u>(348,821)</u>
Cash and cash equivalents at beginning of year		<u>2,499,456</u>
Cash and cash equivalents at end of year		<u>\$ 2,150,635</u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED OCTOBER 31, 2003**

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

Operating income(loss)	\$	<u>3,283,980</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>3,715,449</u>	
Provision for uncollectible accounts	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>(971,019)</u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u>(102,144)</u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>26,643</u>	
Increase(decrease) in accrued payroll and related benefits	<u> </u>	
Increase(decrease) in compensated absences payable	<u>(59,753)</u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u> </u>	
Increase(decrease) in other liabilities	<u>70,039</u>	
 Net cash provided(used) by operating activities	 \$	 <u><u>5,963,195</u></u>

Schedule of noncash investing, capital, and financing activities:

Purchases of equipment on account	<u> </u>
Asset trade-ins	<u> </u>
Other (specify)	<u> </u>
<u>Decrease in FMV of investments</u>	<u>(3,275)</u>
 Total noncash investing, capital, and financing activities:	 <u><u>(3,275)</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended October 31, 2003
INTRODUCTION**

The _____ GNOEC _____ (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute _____ 33:1324 _____. The following is a brief description of the operations of _____ GNOEC _____ (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of _____ GNOEC _____ present information only as to the transactions of the programs of the _____ GNOEC _____ as authorized by Louisiana statutes and administrative regulations.

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

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

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the _____ GNOEC _____ (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended October 31, 2003**

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the _____ GNOEC _____ (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at _____ October 31, 2003, were secured as follows:

	Deposits in bank accounts			
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 2,148,735	\$ _____	\$ _____	\$ 2,148,735
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency <u>in the entity's name</u>	<u>300,000</u>	<u>_____</u>	<u>_____</u>	<u>300,000</u>
2. Collateralized with securities held by the pledging institution's trust department or agent <u>in the entity's name</u>	<u>1,878,182</u>	<u>_____</u>	<u>_____</u>	<u>1,878,182</u>
3. Uncollateralized, including any securities held for the entity <u>but not in the entity's name</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>0</u>
Total bank balances	<u>\$ 2,178,182</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,178,182</u>

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

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	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	Bank One	Numerous	\$ 1,884,192
2.	Parish National bank	Master Plan, Hurr George	139,145
3.	Dryades	Mag Lev	154,845
4.			
Total			\$ 2,178,182

Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at 10/31/2002 (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence. N/A

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

Cash in State Treasury	\$	
Petty cash	\$	1,600

2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The _____ GNOEC _____ (BTA) does (does not) maintain investment accounts as authorized by _____ (Note legal provisions authorizing investments by (BTA)).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

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Type of Investment	Category of Risk			Reported Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ 0	\$ _____
U.S. Government securities	_____	_____	35,365,310	35,365,310	35,365,310
Common & preferred stock	_____	_____	_____	0	_____
Commercial paper	_____	_____	_____	0	_____
Corporate bonds	_____	_____	_____	0	_____
Other: (identify)	_____	_____	_____	0	_____
Money Markets	_____	_____	11,501,663	11,501,663	11,501,663
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
Total categorized investments	\$ 0	\$ 0	\$ 46,866,973	\$ 46,866,973	\$ 46,866,973

Certain types of Investments cannot be categorized: (list separately)

Total investments \$ 46,866,973 \$ 46,866,973

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____
 - 2. Description of the terms of the agreement _____
- e. Investment types owned during the year but not owned as of June 30 _____
- f. Losses during the year due to default by counterparties to deposit or investment transactions _____
- g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

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- h. Source of legal or contractual authorization for use of reverse repurchase agreements _____

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

Reverse Repurchase Agreements as of Year-End

- j. Credit risk related to the reverse repurchase agreements outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- k. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____
- l. Market value on _____ (fiscal close), of the securities to be repurchased _____
- m. Description of the terms of the agreements to repurchase _____

- n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____

- o. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____

- q. Basis for determining which investments, if any, are reported at amortized cost _____

- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____

- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____

- t. Any involuntary participation in an external investment pool _____

- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____

- v. Any income from investments associated with one fund that is assigned to another fund _____

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D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS

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

	Year ended October 31 , 2003						
	Balance 11/1/2002	Additions	Transfers	Retirements	Balance 10/31/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003
Capital assets not being depreciated							
Land	--	--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets							
Furniture, fixtures, and equipment	3,427,337	597,202	--	(206,996)	3,817,543	--	3,817,543
Less accumulated depreciation	(2,181,636)	(505,291)	--	205,183	(2,481,744)	--	(2,481,744)
Total furniture, fixtures, and equipment	1,245,701	91,911	--	(1,813)	1,335,799	--	1,335,799
Buildings and improvements	1,204,210	--	--	--	1,204,210	--	1,204,210
Less accumulated depreciation	(130,456)	(30,105)	--	--	(160,561)	--	(160,561)
Total buildings and improvements	1,073,754	(30,105)	--	--	1,043,649	--	1,043,649
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	167,958,633	7,726,348	--	--	175,684,981	--	175,684,981
Less accumulated depreciation	(90,715,010)	(3,180,053)	--	--	(93,895,063)	--	(93,895,063)
Total infrastructure	77,243,623	4,546,295	--	--	81,789,918	--	81,789,918
Total other capital assets	79,563,078	4,608,101	--	(1,813)	84,169,366	--	84,169,366
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	172,590,180	8,323,550	--	(206,996)	180,706,734	--	180,706,734
Total cost of capital assets	172,590,180	8,323,550	--	(206,996)	180,706,734	--	180,706,734
Less accumulated depreciation	(93,027,102)	(3,715,449)	--	205,183	(96,537,368)	--	(96,537,368)
Capital assets, net	79,563,078	4,608,101	--	(1,813)	84,169,366	--	84,169,366

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

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E. INVENTORIES

The unit's inventories are valued at \$ 329,575 (lower cost/market). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.**

F. RESTRICTED ASSETS

Restricted assets in the GNOEC (BTA) at Oct. 31, 2003 (fiscal year end), reflected at \$ 41,632,327 in the non-current assets section on Statement A, consist of \$ in cash with fiscal agent, \$ 2,043,084 in receivables, and \$ 39,589,243 investment in US Govt Securities (identify the type investments held.)

G. LEAVE

1. COMPENSATED ABSENCES

The GNOEC (BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 120 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 120 hours plus unused sick leave 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 fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. 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.

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Participants may contribute up to 20% of their salary with the Commission matching up to \$72 per month, but the total contributions not to exceed \$12,000 annually. All contributions are immediately vested. The Commission contributed \$ 81,756 to the plan during the year ended October 31, 2003.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). 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 (BTA). For 2003, the cost of providing those benefits for the _____ retirees totaled \$_____.

The _____ (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$_____ for the year ended _____, 20____. The cost of providing those benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees. (or, The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended _____, 20____ the costs of _____ retiree benefits totaled \$_____).

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year _____ amounted to \$_____. A schedule of payments for operating leases follows:

Nature of lease	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009-2013	FY2014-2018
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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2. CAPITAL LEASES

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

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending October 31, :</u>	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	<u>0</u>
Less amounts representing executory costs	_____
Net minimum lease payments	<u>0</u>
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u>0</u>

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3. LESSOR DIRECT FINANCING LEASES

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

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

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

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>
a. Office space	_____	\$ _____
b. Equipment	_____	_____
c. Land- (Bridge area)	_____	2,145,528
Less amounts representing executory costs		
Minimum lease payment receivable		2,145,528
Less allowance for doubtful accounts		
Net minimum lease payments receivable		2,145,528
Less estimated residual value of leased property		
Less unearned income		
Net investment in direct financing lease		\$ <u>2,145,528</u>

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2003 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of ___ October 31, 2003 ___ (the last day of your fiscal year):

Year ending ___ October 31 _____:	
2004	\$ 378,082
2005	385,790
2006	392,147
2007	366,485
2008	240,714
2009-2013	382,310
2014-2018	
2019-2023	
Total	\$ <u>2,145,528</u>

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4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

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

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year):

Year Ended June 30,	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2004	\$ _____	\$ _____	\$ _____	\$ _____	\$ 0
2005					0
2006					0
2007					0
2008					0
2009-2013					0
2014-2018					0
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

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K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended Oct. 31, 2003:

	Balance 31-Oct 2002	Year ended October 31, 2003		Balance June 30, 2003	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	-- \$
Reimbursement contracts payable					--
Bonds payable	64,415,000	4,282,986		68,697,986	1,254,820
Total notes and bonds	<u>64,415,000</u>	<u>4,282,986</u>	<u>--</u>	<u>68,697,986</u>	<u>1,254,820</u>
Other liabilities:					
Contracts payable					--
Compensated absences payable	917,248		59,753	857,495	
Capital lease obligations					--
Liabilities payable from restricted asse					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	<u>917,248</u>	<u>--</u>	<u>59,753</u>	<u>857,495</u>	<u>--</u>
Total long-term liabilities	<u>65,332,248</u>	<u>4,282,986</u>	<u>59,753</u>	<u>69,555,481</u>	<u>1,254,820</u>

A detailed summary, by issues, of all debt outstanding at October 31, 2003, including outstanding interest of \$ 54,840,960 is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send a copy of the amortization schedule for any new debt issued.)

L. LITIGATION

1. The GNOEC (BTA) is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
			\$	\$
Totals			\$ <u>0</u>	\$ <u>0</u>

The GNOEC (BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

2. Claims and litigation costs of \$ _____ were incurred in the current year and are reflected in the accompanying financial statement.

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M. RELATED PARTY TRANSACTIONS

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

N. ACCOUNTING CHANGES

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

O. IN-KIND CONTRIBUTIONS

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

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____ 0

P. DEFEASED ISSUES

In ___ April ___, 2003, the ___ GNOEC ___ (BTA), issued \$ ___ 54,605,000 ___ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of ___ 1992 ___ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ ___ 53,715,548 ___, plus an additional \$ ___ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated ___ April ___, 2003 between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ ___ 23,000,000 ___ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$ ___ 5,000,000 ___).

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state. The liability outstanding as of October 31, 2003, by funding source, is as follows:

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NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at October 31, 2003. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at October 31, 2002. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2002-2003:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ 0

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At October 31, 2003, the _____ GNOEC _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ . The _____ (BTA) did _____ to correct this deficiency.

T. SHORT-TERM DEBT

The _____ GNOEC _____ (BTA) issues short-term notes for _____ .

Short-term debt activity for the year ended October 31, 2003, was as follows:

	<u>Reason for Debt</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax anticipation notes		\$	\$	\$	\$ 0

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The _____(BTA) uses a revolving line of credit to finance bonds. prior to the issuance of related

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Reason for Debt	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit		\$ _____	\$ _____	\$ _____	\$ _____ 0

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at October 31, 2003, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$ _____	\$ 1,828,772	\$ _____	\$ 219,373	\$ 2,048,145
					0
Gross receivables	\$ 0	\$ 1,828,772	\$ 0	\$ 219,373	\$ 2,048,145
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 0	\$ 1,828,772	\$ 0	\$ 219,373	\$ 2,048,145
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ 0

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at October 31, 2003, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 422,752	\$ 46,719	\$ _____	\$ 350,000	\$ 819,471
					0
Total payables	\$ 422,752	\$ 46,719	\$ 0	\$ 350,000	\$ 819,471

W. SUBSEQUENT EVENTS

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

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended October 31, 2003**

X. SEGMENT INFORMATION

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

Type of goods or services provided by the segment _____

A. Condensed statement of net assets:

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

Condensed Statement of Net Assets:

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

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

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

**STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 Notes to the Financial Statement
 As of and for the year ended October 31, 2003**

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

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	0	0
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	0	0
Beginning net assets	_____	_____
Ending net assets	0	0

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	0	0

Y. DUE TO/DUE FROM AND TRANSFERS

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

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

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended October 31, 2003**

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

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

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the _____ GNOEC _____ (BTA) at 10/31/2003 (fiscal year end), reflected at \$ 4,593,085 in the current liabilities section on Statement A, consist of \$ 1,704,648 in accounts payable, \$ 1,254,820 in bonds payable, and \$ 1,633,617 in _____ accrued interest _____.

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for October 31, 2003.

<u>Fund balance</u> <u>November 1, 2002</u> <u>previously reported</u>	<u>Adjustments</u> <u>+ or (-)</u>	<u>Beginning net assets</u> <u>November 1, 2003</u> <u>As restated</u>
\$ _____	\$ _____	__
_____	_____	__
_____	_____	__
_____	_____	__
_____	_____	__
_____	_____	__

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at November 1, 2003, previously reported, must correspond to Net Assets at October 31, 2003, per the information received from OSRAP.)

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended October 31, 2003**

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
SCHEDULE OF STATE FUNDING
For the Year Ended October 31, 2003
(Fiscal Close)**

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u> 0</u>

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
October 31, 2003
(Fiscal Close)

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

*Send copies of new amortization schedules

DEBT SERVICE REQUIREMENTS

1-Nov	Series 1999A Bonds Total Debt Service	Series 2003 Bonds Principal	Series 2003 Bonds Interest	Series 2003 Bonds Total Debt Service	Combined Total Debt Service Requirements
2003*	\$1,334,513	\$550,000	\$1,306,361	\$1,856,361	\$3,190,874
2004	\$1,324,763	\$1,050,000	\$2,388,439	\$3,438,439	\$4,763,201
2005	\$1,343,263	\$1,010,000	\$2,367,439	\$3,377,439	\$4,720,701
2006	\$1,333,763	\$1,060,000	\$2,347,239	\$3,407,239	\$4,741,001
2007	\$1,347,338	\$1,080,000	\$2,326,039	\$3,406,039	\$4,753,376
2008	\$1,333,150	\$1,105,000	\$2,301,739	\$3,406,739	\$4,739,889
2009	\$1,342,350	\$1,130,000	\$2,276,876	\$3,406,876	\$4,749,226
2010	\$1,347,800	\$1,160,000	\$2,244,389	\$3,404,389	\$4,752,189
2011	\$1,326,488	\$1,200,000	\$2,207,269	\$3,407,269	\$4,733,756
2012	\$1,330,300	\$1,240,000	\$2,166,769	\$3,406,769	\$4,737,069
2013	\$1,331,225	\$1,285,000	\$2,123,369	\$3,408,369	\$4,739,594
2014	\$1,329,263	\$1,330,000	\$2,076,788	\$3,406,788	\$4,736,050
2015	\$1,329,413	\$1,375,000	\$2,030,238	\$3,405,238	\$4,734,650
2016	\$1,331,413	\$1,450,000	\$1,958,050	\$3,408,050	\$4,739,463
2017	-	\$1,525,000	\$1,881,925	\$3,406,925	\$3,406,925
2018	-	\$1,605,000	\$1,801,863	\$3,406,863	\$3,406,863
2019	-	\$1,685,000	\$1,721,613	\$3,406,613	\$3,406,613
2020	-	\$1,770,000	\$1,637,363	\$3,407,363	\$3,407,363
2021	-	\$1,840,000	\$1,564,350	\$3,404,350	\$3,404,350
2022	-	\$1,920,000	\$1,486,150	\$3,406,150	\$3,406,150
2023	-	\$2,005,000	\$1,402,150	\$3,407,150	\$3,407,150
2024	-	\$2,105,000	\$1,301,900	\$3,406,900	\$3,406,900
2025	-	\$2,210,000	\$1,196,650	\$3,406,650	\$3,406,650
2026	-	\$2,320,000	\$1,086,150	\$3,406,150	\$3,406,150
2027	-	\$2,435,000	\$970,150	\$3,405,150	\$3,405,150
2028	-	\$2,560,000	\$848,400	\$3,408,400	\$3,408,400
2029	-	\$2,640,000	\$730,000	\$3,370,000	\$3,370,000
2030	-	\$2,775,000	\$598,000	\$3,373,000	\$3,373,000
2031	-	\$2,915,000	\$459,250	\$3,374,250	\$3,374,250
2032	-	\$3,060,000	\$313,500	\$3,373,500	\$3,373,500
2033	-	\$3,210,000	\$160,500	\$3,370,500	\$3,370,500
Total	\$18,685,038	\$54,605,000	\$49,280,914	\$103,885,914	\$122,570,951

*Does not include debt service on the Series 1992 Bonds of approximately \$1,934,000 prior to delivery of the Series 2003 Bonds

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended October 31, 2003
(Fiscal Close)

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
 Total	 \$ _____ --	 \$ _____ --

SCHEDULE 4-A

**STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY (BTA)
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended October 31, 2003**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2004	\$ _____	\$ _____	\$ _____	\$ _____ --
2005	_____	_____	_____	_____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009-2013	_____	_____	_____	_____ --
2014-2018	_____	_____	_____	_____ --
2019-2023	_____	_____	_____	_____ --
2024-2028	_____	_____	_____	_____ --
 Total	 \$ _____ --	 \$ _____ --	 _____ --	 _____ --

**STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION**

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009-2013	_____	_____
2014-2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA
 GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)
 SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended October 31, 2003**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,230,000.00	\$ 1,960,874.00
2005	\$ 1,750,000.00	\$ 3,013,202.00
2006	1,760,000.00	2,960,702.00
2007	1,835,000.00	2,906,002.00
2008	1,905,000.00	2,848,377.00
2009	1,955,000.00	2,784,889.00
2010-2014	10,955,000.00	12,756,835.00
2014-2019	10,890,000.00	10,133,953.00
2020-2024	9,220,000.00	7,811,626.00
2025-2029	11,630,000.00	5,403,250.00
2030-2034	14,600,000.00	2,261,250.00
 Total	 \$ <u>67,730,000.00</u>	 \$ <u>54,840,960.00</u>

STATE OF LOUISIANA

GREATER NEW ORLEANS EXPRESSWAY COMMISSION (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2003</u>	<u>2002</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 22,693,804	\$ 22,514,966	\$ 178,838	\$.08%
Expenses	17,184,849	16,920,271	264,578 -	1.5%
2) Capital assets	84,169,366	79,563,078	4,606,288	5.8%
Long-term debt	69,555,481	68,302,248	1,253,233 -	1.8%
Net Assets	61,686,851	56,527,896	5,158,955 -	9%

Explanation for change: _____

3)	<u>2003 Original Budget</u>	<u>2003 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ _____	\$ _____	\$ -	\$ Same
Expenditures	_____	_____	-	Same

Explanation of change: _____

	<u>2003 Final Budget</u>	<u>2003 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	_____	_____	_____	Same
Expenditures	_____	_____	_____	Same

Explanation of change: _____

T.A. Harris Inc. Certified Public Accountant

A Professional Accounting Corporation

May 5, 2004

Greater New Orleans Expressway Commission
Po Box 7656
Metairie, LA 70010

Gentlemen,

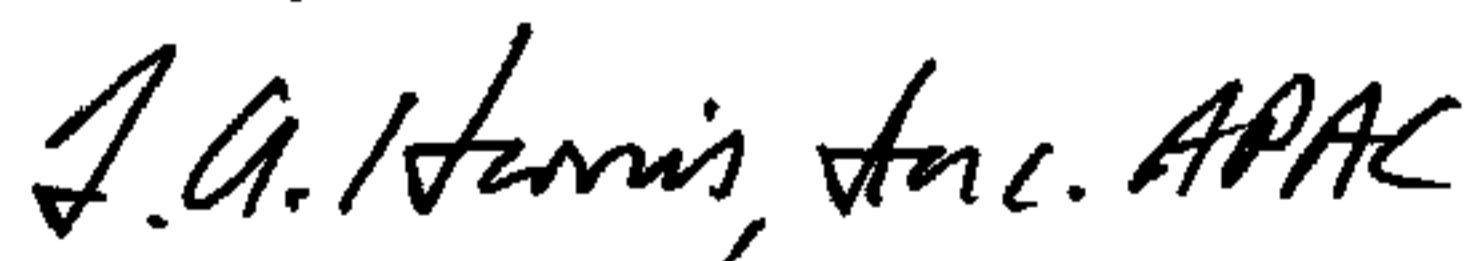
We have audited the basic financial statements of the Greater New Orleans Expressway Commission (the Commission) for the year ended October 31, 2003, and have issued our report dated March 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133.

As part of our examination, we have issued our report on the financial statements, dated March 29, 2004, and our report on internal control and compliance with laws, regulations, and contracts, dated March 29, 2004. During the course of our examination, we became aware of the following matter which represent potential immaterial deviations in compliance:

03-A With regard to personal use of Commission vehicles, it appears the Commission's policy in determining personal use vehicles and qualified non-personal use vehicles, as well as the applicable taxability of each is inconsistent with IRS Regulations.

We recommend management address the foregoing issue by adopting policy consistent with IRS Regulations. Following this letter are IRS Publication 15-B "Employer's Tax Guide to Fringe Benefits" and Regulation 1.274-5T(k)(2) for your review. If you have any questions or need further elaboration, please feel free to call us.

Sincerely,



Baton Rouge, LA



BEN SLATER III
Chairman
JOY H. ZAINY
Vice Chairman
BARNEY McLAIN
Secretary
JOHN L. DONAHUE, JR.
Treasurer
WILLIAM P. CONNICK
Assistant Secretary/Treasurer
ROBERT J. LAMBERT
General Manager

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

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

May 5, 2004

Mr. Ty Harris, CPA
T. A. Harris, Inc. APAC
11944 Justice Avenue, Suite A
Baton Rouge, LA 70816

Dear Mr. Harris:

In response to your letter dated May 5, 2004 regarding personal use of Commission vehicles, we offer the following response.

The Greater New Orleans Expressway Commission will address this issue by complying with all Internal Revenue Service regulations and guidelines relative to personal use of vehicles. We expect to complete this process within 30 days from the date of this letter.

Very truly yours,

Greater New Orleans Expressway Commission

Cheryl H. Lambert
Supervisor of Finance