



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

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

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (504) 339-3800  
FACSIMILE: (504) 339-3870

February 27, 1997

Independent Auditor's Report on Internal Control Structure Based  
Solely on an Audit of the General Purpose Financial Statements

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
New Orleans, Louisiana**

We have audited the general purpose financial statements of the Crescent City Connection Division, a component unit of the State of Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated February 27, 1997, in which we expressed a qualified opinion.

We conducted our audit in accordance with generally accepted auditing standards 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.

Management of the Crescent City Connection Division is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the division for the year ended October 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk to determine our auditing procedures for the purpose of

**EXHIBIT A**

**LEGISLATIVE AUDITOR**

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Internal Control Report  
February 27, 1997  
Page 2**

expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted the matter relating to unreliable treadle count data, as described in the Compliance Report (Exhibit B), which involves the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention, relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the division's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure and its operation that we consider to be material weaknesses as defined above.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described previously is not a material weakness.

In a Legislative Auditor investigative audit dated June 27, 1996, two findings were reported pertaining to toll fees taken for personal use and inadequate controls over cash. Management of the division is in the process of resolving these matters.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
DEBT SERVICE FUNDS**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended October 31, 1996**

	<u>GENERAL FUND</u>	<u>RESERVE FUND</u>	<u>SINKING FUND</u>	<u>INTEREST FUND</u>	<u>TOTAL</u>
<b>REVENUES</b>					
Interest on investments:	<u>\$352</u>	<u>\$194,863</u>	<u>\$51,409</u>	<u>\$72,705</u>	<u>\$319,329</u>
<b>EXPENDITURES</b>					
Debt service:					
Interest:					
Principal			1,040,000	1,940,830	1,940,830
Bank charges	<u>43</u>	<u>173</u>	<u>5,207</u>	<u>8,142</u>	<u>13,565</u>
Total expenditures	<u>43</u>	<u>173</u>	<u>1,045,207</u>	<u>1,948,972</u>	<u>2,994,395</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>309</u>	<u>194,690</u>	<u>(993,798)</u>	<u>(1,876,267)</u>	<u>(2,675,066)</u>
<b>OTHER FINANCING SOURCES (Uses)</b>					
Operating transfers in			1,086,942	1,934,646	3,021,588
Operating transfers out		(395,524)		(58,379)	(453,903)
Total financing sources (uses)	<u>NONE</u>	<u>(395,524)</u>	<u>1,086,942</u>	<u>1,876,267</u>	<u>2,567,685</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>309</u>	<u>(200,834)</u>	<u>93,144</u>	<u>NONE</u>	<u>(107,381)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>20,666</u>	<u>3,281,534</u>	<u>51,234</u>	<u>NONE</u>	<u>3,353,434</u>
Residual Equity Transfer Out	<u>(20,975)</u>				<u>(20,975)</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>NONE</u>	<u>\$3,080,700</u>	<u>\$144,378</u>	<u>NONE</u>	<u>\$3,225,078</u>

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended October 31, 1996**

**SPECIAL REVENUE FUNDS**

**REVENUE FUND**

The Revenue Fund accounts for all revenues collected by the division except for interest earnings identified in other funds and grants.

**OPERATING AND MAINTENANCE FUND**

The Operating and Maintenance Fund is used to account for funds dedicated to the operating and maintenance of the bridges and ferries. Amounts appropriated by the legislature each year are transferred into this fund from the Revenue Fund. The cost of operations and maintenance are transferred out to the General Fund.

**TOLL TAG DEPOSIT FUND**

The Toll Tag Deposit Fund is used to account for all deposits made on toll tags issued. These deposits are refundable upon return of the toll tag device.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
SPECIAL REVENUE FUNDS**

**Combining Balance Sheet, October 31, 1996**

	REVENUE FUND	OPERATING AND MAINTENANCE FUND	TOLL TAG DEPOSIT FUNDS	TOTAL
<b>ASSETS:</b>				
Cash and cash equivalents	\$15,358,209	\$10,799,897	\$726,984	\$26,885,090
Receivables	60,310	24,198	2,936	87,444
Due from other funds	58,379			58,379
<b>TOTAL ASSETS</b>	<b>\$15,476,898</b>	<b>\$10,824,095</b>	<b>\$729,920</b>	<b>\$27,030,913</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Tag deposits			\$672,515	\$672,515
Due to other funds		\$1,221,945		1,221,945
Deferred revenues	\$956,098			956,098
<b>Total Liabilities</b>	<b>956,098</b>	<b>1,221,945</b>	<b>672,515</b>	<b>2,850,558</b>
<b>Fund Equity - fund balances:</b>				
Reserved for operations		9,602,150		9,602,150
<b>Unreserved:</b>				
Designated for projects	14,520,800			14,520,800
Undesignated			57,405	57,405
<b>Total Fund Equity</b>	<b>14,520,800</b>	<b>9,602,150</b>	<b>57,405</b>	<b>24,180,355</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$15,476,898</b>	<b>\$10,824,095</b>	<b>\$729,920</b>	<b>\$27,030,913</b>



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
SPECIAL REVENUE FUNDS**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended October 31, 1996**

	REVENUE FUND	OPERATING AND MAINTENANCE FUND	TOLL TAG DEPOSIT FUNDS	TOTAL
<b>REVENUES</b>				
Interest on investments	\$185,020	\$165,569	\$32,086	\$383,675
Toll revenue	18,908,419			18,908,419
Scrip revenue - bridge and ferry	221,828			221,828
Ferry revenue	451,351			451,351
Highway Fund No. 2	4,835,597			4,835,597
Rental income and other income	51,264		11,270	62,534
Federal grants		660,000		660,000
<b>Total revenues</b>	<u>24,655,479</u>	<u>825,569</u>	<u>43,356</u>	<u>25,524,404</u>
<b>EXPENDITURES</b>				
Operational expenses	3,200			3,200
Bank charges	82,256	15,096	3,199	100,551
<b>Total expenditures</b>	<u>85,456</u>	<u>15,096</u>	<u>3,199</u>	<u>103,751</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>24,570,023</u>	<u>810,473</u>	<u>40,157</u>	<u>25,420,653</u>
<b>OTHER FINANCING SOURCES (Uses)</b>				
Operating transfers in	196,729	19,124,398	134,120	19,455,247
Operating transfers out	(14,021,314)	(10,949,764)	(138,350)	(25,109,428)
<b>Total financing sources (uses)</b>	<u>(13,824,585)</u>	<u>8,174,634</u>	<u>(4,230)</u>	<u>(5,654,181)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>10,745,438</u>	<u>8,985,107</u>	<u>35,927</u>	<u>19,766,472</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>3,775,362</u>	<u>617,043</u>	<u>21,478</u>	<u>4,413,883</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$14,520,800</u>	<u>\$9,602,150</u>	<u>\$57,405</u>	<u>\$24,180,355</u>

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended October 31, 1996**

**DEBT SERVICE FUNDS**

**DEBT SERVICE GENERAL FUND**

The 1954 bond indenture requires that a General Fund be incorporated into the Debt Service Accounts. This Debt Service General Fund is used to account for any excess dedicated revenues after all deposits have been satisfied for the other debt service funds. The 1954 bond indenture specifies the specific manner in which revenues are to be distributed to the various accounts.

This fund is no longer required by the Second Supplemental Bond Indenture for the 1992 series bonds. In March 1996, the division closed the Debt Service General Fund with a residual fund equity transfer of \$20,975 to the Capital Projects Fund.

**RESERVE FUND**

The Reserve Fund is used to account for those funds restricted by the indenture to be used to pay bond principal and interest should the other funds not have sufficient funds to meet current obligations. The trustee is directed to use these funds to meet debt payments only if the Debt Service General Fund is exhausted.

**SINKING FUND**

The Sinking Fund is used to account for those expenditures made to liquidate current bond principal.

**INTEREST FUND**

The Interest Fund is used to account for expenditures related to the accrued interest on bonds.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

**9. LITIGATION AND CLAIMS**

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund or by state General Fund appropriation and are not reflected in the accompanying general purpose financial statements. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's self-insurance program.

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

Individual fund balances due from/to other funds at October 31, 1996, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$1,221,945	
Special Revenue Funds	58,379	\$1,221,945
Debt Service Funds		58,379
	<u>\$1,280,324</u>	<u>\$1,280,324</u>
Total		

**11. OPERATING TRANSFERS IN/OUT**

The bond indenture specifies the specific manner in which revenues are to be deposited and distributed to the various funds. All revenues, except interest earnings and grants identified in other funds, are to be deposited into the revenue fund. These revenues are then distributed to the various other funds in accordance with the provisions of the bond indenture. The distribution of these revenues are shown as operating transfers.



**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

**8. RESERVED AND DESIGNATED  
FUND BALANCES**

As shown on Statement A, the division has reserved fund balances of \$19,412,368 and designated fund balances of \$44,356,592 at October 31, 1996. These balances are reserved or designated as follows:

Reserve for Operations - Moneys are reserved in the Operating and Maintenance Fund for operations of the division. The amount of the reserve at October 31, 1996 is \$9,602,150.

Reserve for Debt Service - Moneys are reserved in the debt service funds in accordance with the Second Supplemental Bond Indenture dated April 1, 1992. The amount of the reserve is \$3,225,078 at October 31, 1996.

Reserve for Construction - Moneys are reserved in the Capital Projects Fund for incomplete projects. The amount reserved is \$ 6,585,140 at October 31, 1996.

Designated Fund Balances - The designated fund balance of the Revenue Fund is \$14,520,800, which is designated for future capital projects. The remaining fund balance in the Capital Projects Fund in the amount of \$29,835,792 has also been designated for future capital projects.

The Debt Service General Fund is no longer required by the Second Supplemental Bond Indenture for the 1992 series bonds. In March 1996, the division closed the Debt Service General Fund with a residual fund equity transfer of \$20,975 to the Capital Projects Fund. This amount is dedicated to future capital construction.

During the year, a review of advances to DOTD indicated that the balance on deposit with the State Treasury was considerably less than the amount recorded in the records for CCCD. An adjustment was made to the beginning balance of the Capital Projects Fund. This adjustment is reflected in the restated beginning balance as follows:

	<u>Capital Projects Fund</u>
Beginning balance	\$47,198,649
Advances to DOTD	<u>85,991</u>
Beginning balance - restated	<u>\$47,284,640</u>



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

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

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (504) 339-3800  
FACSIMILE: (504) 339-3870

February 27, 1997

Independent Auditor's Report on Compliance With Laws and  
Regulations Material to the General Purpose Financial Statements

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
New Orleans, Louisiana**

We have audited the general purpose financial statements of the Crescent City Connection Division, a component unit of the State of Louisiana, as of and for the year ended October 31, 1996, and have issued our report thereon dated February 27, 1997, in which we expressed a qualified opinion.

We conducted our audit in accordance with generally accepted auditing standards 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.

Compliance with laws, regulations, contracts, and grants applicable to the Crescent City Connection Division is the responsibility of the division's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the division's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instance of noncompliance that, although not material to the financial statements, is required to be reported herein under *Government Auditing Standards*:

**Unreliable Treadle Count Data**

Because the Crescent City Connection Division does not maintain a backup of treadle information captured by its computer system, information relating to treadle counts may have been lost or altered. Good internal controls require that information contained in computer systems be backed up, and Louisiana Revised Statute 44:36 requires that public records be preserved and maintained for a period of at least three years from the date the public record was made.

**EXHIBIT B**

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Compliance Report  
February 27, 1997  
Page 2**

A treadle is a mechanism used to count axles of vehicles that pass through the Mississippi River Bridge toll booths. This count of axles or treadle count is recorded electronically on a computer and identifies the particular lane and toll collector. The treadle count indicates how much revenue should have been collected by the toll collector. A comparison is performed by the division's accounting section of the treadle count and the revenue collected by the toll collector for that day to assure that the collectors are remitting all of the money, non-revenue signatures, and passes collected.

During our test of non-revenue transactions, we determined that for January 18, 1996, there was a 3 percent discrepancy for treadle counts on two separate Daily Traffic Reports by Vehicle Classification. The report was printed on January 19, 1996, and again one year later on January 21, 1997; however, the information in the reports pertaining to January 18, 1996, did not agree. Management of the division believes that the discrepancy of treadle information is confined to lane four of the bridge. Maintenance records indicate that the personal computer hard drive for this lane crashed twice, and the entire computer was replaced. Management speculates that the computer's internal clock was not properly set and caused the data to be written to the wrong date. No backups of this electronic data are maintained; therefore, the data for this period could not be re-created to determine which report is the accurate report.

Management of the division should adopt and implement procedures to maintain adequate backups of all computer generated records. In a letter dated February 25, 1997, Mr. Alan LeVasseur, Executive Director, stated, "During the audit, we discovered that computer reports prepared at the time of the audit did not match computer reports printed during the audit period. Specifically, toll collectors' reports from January 4 through February 4, 1996, printed during that period do match recent reports printed from our computer database. This is the only instance of a discrepancy like this that has ever surfaced since the beginning of our system in 1989. To prevent the possibility of loss of future data, we have begun a backup system that maintains copies of the weekly backups for at least three years. In response to inquiries from your staff, we advise you that only our computer employees have access to the in-lane computer equipment. Additionally, we store weekly backup tapes of our databases in a fire protected vault, which is not under control of the computer, toll or accounting personnel."

We considered this instance of noncompliance in forming our opinion on whether the Crescent City Connection Division's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. This report does not affect our report dated February 27, 1997, on those general purpose financial statements.

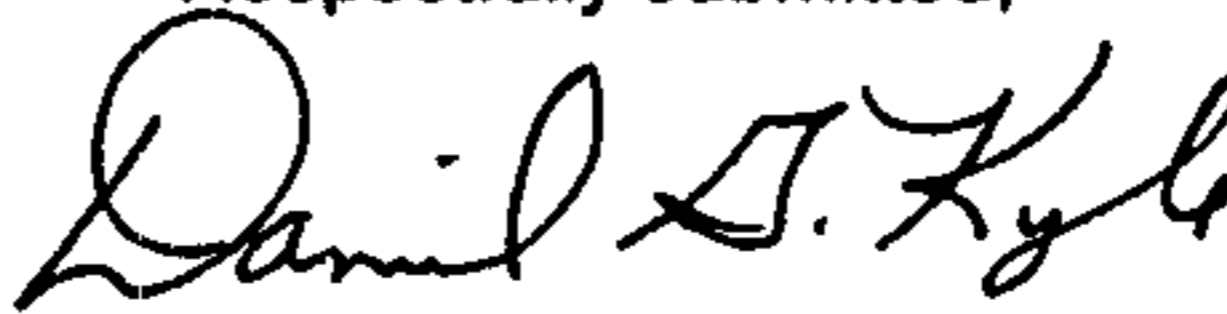


LEGISLATIVE AUDITOR

CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Compliance Report  
February 27, 1997  
Page 3

This report is intended for the information and use of the division and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DJL:JR:dl

(CCCD)



# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Crescent City Connection Division  
Department of Transportation and Development  
State of Louisiana  
New Orleans, Louisiana**

April 30, 1997



***Financial and Compliance Audit Division***

---

---

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

**LEGISLATIVE AUDIT ADVISORY COUNCIL**

**MEMBERS**

**Representative Francis C. Thompson, Chairman**  
**Senator Ronald C. Bean, Vice Chairman**

**Senator Robert J. Barham**  
**Senator Wilson E. Fields**  
**Senator Thomas A. Greene**  
**Senator Craig F. Romero**  
**Representative F. Charles McMains, Jr.**  
**Representative Edwin R. Murray**  
**Representative Warren J. Triche, Jr.**  
**Representative David Vitter**

**LEGISLATIVE AUDITOR**

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

**DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT**

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

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
New Orleans, Louisiana**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended October 31, 1996  
With Supplemental Information Schedules**

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

April 30, 1997

CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
DEBT SERVICE FUNDS

Combining Balance Sheet, October 31, 1996

	RESERVE FUND	SINKING FUND	INTEREST FUND	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents		\$1,179,614	\$1,024,656	\$2,204,270
Investments	\$2,983,731			2,983,731
Receivables	96,969	4,764	4,138	105,871
<b>TOTAL ASSETS</b>	<b>\$3,080,700</b>	<b>\$1,184,378</b>	<b>\$1,028,794</b>	<b>\$5,293,872</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accrued interest			\$970,415	\$970,415
Accrued principal		\$1,040,000		1,040,000
Due to other funds			58,379	58,379
<b>Total Liabilities</b>	<b>NONE</b>	<b>1,040,000</b>	<b>1,028,794</b>	<b>2,068,794</b>
Fund Equity - fund balance - reserved for debt service	\$3,080,700	144,378	NONE	3,225,078
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$3,080,700</b>	<b>\$1,184,378</b>	<b>\$1,028,794</b>	<b>\$5,293,872</b>

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

- Changes in General Fixed Assets Account Group as it relates to the majority of the approaches to Bridge No. 2 (a portion of the cost of the approaches is paid directly by DOTD which is subsidized by a Federal Transit Administration grant), ferries, and capital projects of the division.
- Capital projects funds financed by Federal Transit Administration (FTA) grants.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

Except for the omissions of those activities described in the introductory section, the accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

**B. REPORTING ENTITY**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The division is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the secretary, and the State of Louisiana has the ability to impose its will on the division. The accompanying general purpose financial statements present information only as to the transactions of the Crescent City Connection Division, a component unit of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

**C. FUND ACCOUNTING**

The division uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Contents, October 31, 1996**

**CONTENTS (CONT.)**

**Exhibit**

**Other Reports Required by *Government Auditing Standards*:**

**Report on Internal Control Structure Based Solely on an  
Audit of the General Purpose Financial Statements**

**A**

**Report on Compliance With Laws and Regulations**

**B**



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

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

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (504) 339-3800  
FACSIMILE: (504) 339-3870

February 27, 1997

Independent Auditor's Report on  
the Financial Statements

**CRESCENT CITY CONNECTION DIVISION**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Crescent City Connection Division, a component unit of the State of Louisiana, as of and for the year ended October 31, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of management of the Crescent City Connection Division. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the introduction to the notes to the financial statements, these financial statements do not include all of the activity of the Crescent City Connection Division. Activities relating to such items as movable property, compensated absences, and postemployment benefits are reported with the Department of Transportation and Development, State of Louisiana. These financial statements include only those activities as outlined in the introduction to the notes to the financial statements.

As described in note 1 to the financial statements, the Crescent City Connection Division adopts program budgets for all of its funds, except as noted. However, the Crescent City Connection Division did not prepare actual and budget comparisons at October 31, 1996, for the *General Fund*, and a comparison of revenues and expenditures to budget is not included in the accompanying financial statements. The budget of the General Fund is included with the budget of the Department of Transportation and Development, State of Louisiana.

LEGISLATIVE AUDITOR

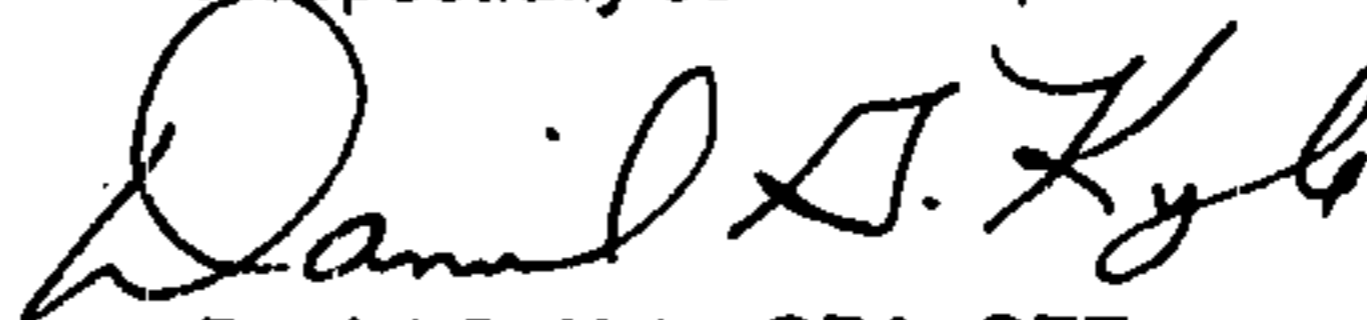
**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Audit Report, October 31, 1996**

In our opinion, except for the effects of the omissions described in the third and fourth paragraphs of this report, which result in an incomplete presentation, the general purpose financial statements referred to previously present fairly, in all material respects, the financial position of the Crescent City Connection Division as of October 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 1997, on our consideration of the Crescent City Connection Division's internal control structure and a report dated February 27, 1997, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Crescent City Connection Division. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effects of the omissions described in the third and fourth paragraphs of this report, which result in an incomplete presentation, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DJL:JR:dl

[CCCD]

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
ALL FUND TYPES AND ACCOUNT GROUPS**

**Combined Balance Sheet, October 31, 1996**

	GOVERNMENTAL FUND TYPES			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUND
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash and cash equivalents (note 2)		\$26,885,090	\$2,204,270	\$36,754,628
Investments (note 3)			2,983,731	
Receivables (note 4)		87,444	105,871	163,453
Due from other funds (note 10)	\$1,221,945	58,379		
Bridge construction (note 5)				
Ferry acquisitions (note 5)				
Bridge approaches and related structures (note 5)				
Other Debits:				
Amount available for debt service funds				
Amount to be provided for retirement of general long-term debt (note 7)				
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$1,221,945</b>	<b>\$27,030,913</b>	<b>\$5,293,872</b>	<b>\$36,918,081</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable				\$463,153
Due to Department of Transportation and Development	\$1,221,945			
Tag deposits		\$672,515		
Accrued interest			\$970,415	
Accrued principal			1,040,000	
Due to other funds (note 10)		1,221,945	58,379	
Deferred revenues		956,098		
Unexpended advances				33,996
General obligation bonds payable (note 7)				
<b>Total Liabilities</b>	<b>1,221,945</b>	<b>2,850,558</b>	<b>2,068,794</b>	<b>497,149</b>
Fund Equity and Other Credits:				
Investment in general fixed assets				
Fund balances:				
Unreserved		57,405		
Reserved (note 8)		9,602,150	3,225,078	6,585,140
Designated for projects (note 8)		14,520,800		29,835,792
<b>Total Fund Equity</b>	<b>NONE</b>	<b>24,180,355</b>	<b>3,225,078</b>	<b>36,420,932</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$1,221,945</b>	<b>\$27,030,913</b>	<b>\$5,293,872</b>	<b>\$36,918,081</b>

The accompanying notes are an integral part of this statement.

ACCOUNT GROUPS		
GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
		\$65,843,988
		2,983,731
		356,768
		1,280,324
\$58,428,173		58,428,173
369,886		369,886
117,246,661		117,246,661
	\$3,225,078	3,225,078
	25,604,922	25,604,922
<u>\$176,044,720</u>	<u>\$28,830,000</u>	<u>\$275,339,531</u>
		\$463,153
		1,221,945
		672,515
		970,415
		1,040,000
		1,280,324
		956,098
		33,996
	\$28,830,000	28,830,000
NONE	28,830,000	35,468,446
\$176,044,720		176,044,720
		57,405
		19,412,368
		44,356,592
<u>176,044,720</u>	<u>NONE</u>	<u>239,871,085</u>
<u>\$176,044,720</u>	<u>\$28,830,000</u>	<u>\$275,339,531</u>



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
GOVERNMENTAL FUND TYPES**

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended October 31, 1996**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>REVENUES</b>					
Interest on investments		\$383,675	\$319,329	\$2,340,831	\$3,043,835
Toll revenue		18,908,419			18,908,419
Scrip revenue - bridge and ferry		221,828			221,828
Ferry revenue		451,351			451,351
Highway Fund No. 2		4,836,597			4,836,597
Rental income and other income		62,534		11	62,545
Federal grants		660,000			660,000
Total revenues	<u>NONE</u>	<u>25,524,404</u>	<u>319,329</u>	<u>2,340,842</u>	<u>28,184,575</u>
<b>EXPENDITURES</b>					
Operational expenditures	\$10,949,764	3,200			10,952,964
Local project disbursements				5,120,104	5,120,104
Debt service - interest			1,940,830		1,940,830
Debt service - principal			1,040,000		1,040,000
Bank charges		100,551	13,565	242,153	356,269
Total expenditures	<u>10,949,764</u>	<u>103,751</u>	<u>2,994,395</u>	<u>5,362,257</u>	<u>19,410,167</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(10,949,764)</u>	<u>25,420,653</u>	<u>(2,675,066)</u>	<u>(3,021,415)</u>	<u>8,774,408</u>
<b>OTHER FINANCING SOURCES (Uses)</b>					
Operating transfers in	10,949,764	19,455,247	3,021,588	8,644,265	42,070,864
Operating transfers out		(25,109,428)	(453,903)	(16,507,533)	(42,070,864)
Total financing sources (uses)	<u>10,949,764</u>	<u>(5,654,181)</u>	<u>2,567,685</u>	<u>(7,863,268)</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>NONE</u>	<u>19,766,472</u>	<u>(107,381)</u>	<u>(10,884,683)</u>	<u>8,774,408</u>
<b>FUND BALANCES AT BEGINNING OF YEAR AS RESTATED (note 8)</b>	<u>NONE</u>	<u>4,413,883</u>	<u>3,353,434</u>	<u>47,284,640</u>	<u>55,051,957</u>
<b>Residual Equity Transfer</b>	<u>NONE</u>	<u>NONE</u>	<u>(20,975)</u>	<u>20,975</u>	<u>NONE</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>NONE</u>	<u>\$24,180,355</u>	<u>\$3,225,078</u>	<u>\$36,420,932</u>	<u>\$63,826,365</u>

The accompanying notes are an integral part of this statement.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Concluded)**

The following is a summary of the operating transfers in and out for the year ended October 31, 1996:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$10,949,764	
Special Revenue Funds:		
Revenue Fund	196,729	\$14,021,314
Operating and Maintenance Fund	19,124,398	10,949,764
Toll Tag Deposit Fund	134,120	138,350
Debt Service Funds:		
Reserve Fund		395,524
Sinking Fund	1,086,942	
Interest Fund	1,934,646	58,379
Capital Projects Fund	<u>8,644,265</u>	<u>16,507,533</u>
 Total	 <u>\$42,070,864</u>	 <u>\$42,070,864</u>

**12. SUBSEQUENT EVENTS**

On January 30, 1997, a judgment was rendered against the division in a case in the amount of \$1,837,263 plus interest and attorney fees. A motion for a new trial has been made and is scheduled to be heard on March 7, 1997. No provisions for this liability has been made in these financial statements. The liability for this judgment is the responsibility of the Office of Risk Management under the state's self-insurance program.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA**

**Notes to the Financial Statements  
As of and for the Year Ended October 31, 1996**

**INTRODUCTION**

The Crescent City Connection Division (the division), formerly known as the Mississippi River Bridge Authority, is a body politic and corporate of the State of Louisiana, incorporated under the authority of Act No. 7 of 1952, with power to acquire by purchase, lease, or otherwise, and to construct, improve, maintain, repair, and operate bridges and ferries across the Mississippi River in the City of New Orleans. Pursuant to the terms of the Reorganization Act of 1976, as amended, the Louisiana Department of Transportation and Development (DOTD), on July 1, 1977, assumed control of the operations of the then Mississippi River Bridge Authority. All of the functions of the authority's General Fund, including maintaining accounting records, issuance of all checks for payroll, operations, routine maintenance expenses and contractual obligations were transferred to DOTD on that date. In July 1988, the payment of the operating expenses of the then Mississippi River Bridge Authority again became the responsibility of the authority. However, except for collecting and depositing toll revenues, the accounting records are maintained by DOTD. In April 1992, the division issued \$30,860,000 of bonds under a Second Supplemental Agreement to the 1954 Indenture and Deed of Trust to construct additional Mississippi River crossings and to make additions or improvements to the bridge and its approaches. The division, domiciled in New Orleans, employed 238 people as of October 31, 1996.

The financial statements do not reflect the total activities of the division. Many of the activities of the division such as movable property, compensated absences, and postemployment benefits are reported with DOTD, State of Louisiana, and are not readily separable from the records and accounts of DOTD. These financial statements reflect only the following activities:

- Debt service funds for the approaches to Mississippi River Bridge No. 2, administered by the Trustee, The First National Bank of Commerce in New Orleans, in accordance with the Indenture and Deed of Trust dated as of November 1, 1954, as subsequently amended June 23, 1989, and April 1, 1992.
- Collection of all tolls, Highway Fund No. 2 moneys and miscellaneous income.
- Direct and allocated operating expenses incurred.
- Changes in General Long-Term Debt Account Group as it relates to payments on bonds issued to finance the approaches to Mississippi River Bridge No. 2.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended October 31, 1996**

**CONTENT'S**

	<b>Statement</b>	<b>Page No.</b>
Independent Auditor's Report on the Financial Statements		3
<b>General Purpose Financial Statements:</b>		
Combined Balance Sheet - All Fund Types and Account Groups	A	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	7
Notes to the Financial Statements		8
	<b>Schedule</b>	<b>Page No.</b>
<b>Supplemental Information Schedules:</b>		
<b>Special Revenue Funds:</b>		
Combining Balance Sheet	1	21
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	2	22
<b>Debt Service Funds:</b>		
Combining Balance Sheet	3	24
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	4	25



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

Funds of the division are classified as governmental funds. Governmental funds account for the division's general activities, including the collection and disbursement of specific or legally restricted moneys, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the division include:

1. The General Fund is used for the purpose of accounting for the operating expenses of the bridge and ferries and the administrative expenses of the division. Transfers from special revenue funds provide the funds for these expenses.
2. Special revenue funds are used to account for the proceeds of specific revenue sources which by law are designated to finance particular functions or activities of the division.
3. Debt service funds account for the accumulation of resources for, and transactions relating to the payment of long-term debt, principal, interest and related costs.
4. The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**D. BASIS OF ACCOUNTING**

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

**Revenues**

Tolls paid at the toll booth and all scrip revenue are recorded when received. Prepaid tolls used in conjunction with a toll tag are recorded when measurable and available. Federal and state grants are recorded when the division is entitled to the funds. Highway Fund No. 2 revenues are recorded when due. Interest earnings are recorded when the income is earned. Other revenues are recognized when they become measurable and available as current assets.



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are not recognized until due.

**E. BUDGET PRACTICES**

Budgets are prepared for all FTA projects (Capital Projects Fund) based on estimated costs and are included in DOTD's budget for capital outlays. The budget for the General Fund is included with the budget of DOTD. Debt service funds are not subject to budget because all amounts are paid according to the trust agreement. Special revenue funds are also not subject to budget because most revenues are transferred to other funds. Therefore, a Statement of Revenue, Expenditures and Changes in Fund Balances - Actual and Budget is not included in these financial statements.

**F. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS**

Cash includes petty cash, cash with paying agent, and cash on deposit in the First National Bank of Commerce. Cash equivalents include amounts in money market accounts. Under state law, the division 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.

The Second Supplemental Indenture dated April 1, 1992, authorizes the division to invest in direct United States obligations, United States government agency obligations, the principal and interest of which are fully guaranteed by the government of the United States, direct and general obligations of the State of Louisiana, certificates of deposit of any state bank or national association whose headquarters are in the State of Louisiana, repurchase agreements, money market funds registered under the Federal Investment Company Act of 1940, as amended whose shares are registered under the Federal Securities Act of 1933, and shares of an investment company organized under the Investment Company Act of 1940, as amended. Investments include United States Treasury bills and are stated at cost.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

**G. FIXED ASSETS AND GENERAL  
LONG-TERM OBLIGATIONS**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

**H. COMPENSATED ABSENCES**

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 300 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 300 hours plus unused sick leave are used to compute retirement benefits.

The cost of current leave privileges are included in the operational expenditures on Statement A. The cost of leave privileges not requiring current resources are included in the notes of the annual fiscal report of DOTD.

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

The division provides certain continuing health care and life insurance benefits for its retired employees. The current costs of providing these retiree benefits are included in the operational expenditures on Statement A.

**J. FUND EQUITY - RESERVES AND  
DESIGNATED FUND BALANCES**

Reserves represent those portions of fund equity not appropriable for expenditure and are legally segregated for a specific future use. Designated fund balances are those portions of fund equity set aside by the division for specific future use.

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

**K. FEDERAL FUNDS**

The Crescent City Connection Division follows the same guidelines as DOTD concerning general and specific compliance with federal laws and regulations. The Federal Transit Administration (FTA) grants require 80 percent federal funding with 20 percent local funding for the capital assistance portion and up to 50 percent federal funding for the operating assistance portion. For the capital assistance portion of the grants, the project expenditures are paid by DOTD, which then receives the 80 percent reimbursement from the FTA and the 20 percent portion from the division. Therefore, no federal grant income is recorded by the division for capital assistance. For the operating assistance portion of the grant, the operating expenditures are paid by the division, and the reimbursement from the FTA is received by DOTD and transferred to the division's operating account. Therefore, federal grant income is recorded by the division in the Special Revenue Operating and Maintenance Fund for the operating assistance received.

**L. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**M. TOTAL COLUMNS ON STATEMENTS**

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

**2. CASH AND CASH EQUIVALENTS**

At October 31, 1996, the division has cash and cash equivalents (book balances) totaling \$65,843,988 as follows:

**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

Cash (petty cash and demand accounts)	\$193,642
Money market accounts	<u>65,650,346</u>
<b>Total</b>	<b><u>\$65,843,988</u></b>

These deposits 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. At October 31, 1996, the division has \$65,786,552 in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of federal deposit insurance and \$36,206 in pledged securities held by the fiscal agent in the name of the division (GASB Risk Category 1). In addition, \$65,650,346 of pledged securities are held by the pledging financial institution's trust department or agent but not in the division's name (GASB Risk Category 3).

**3. INVESTMENTS**

At October 31, 1996, investments of the division total \$2,983,731, which consist of United States Treasury bills. Investments are stated at cost, which approximates market value. These investments are direct obligations of the United States Department of Treasury. These investments are considered uninsured and unregistered for which the securities are not in the name of the division and are held by the fiscal agents and/or their trust departments. They are classified in Category 3 in applying the credit risk of GASB Codification Section 150.164.

**4. RECEIVABLES**

The following is a summary of receivables at October 31, 1996:

<u>Class of Receivable</u>	<u>Governmental Fund Types</u>			<u>Total</u>
	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	
Accounts receivable	\$2,730			\$2,730
Use of money and property - interest earnings	<u>84,714</u>	<u>\$105,871</u>	<u>\$163,453</u>	<u>354,038</u>
<b>Total</b>	<b><u>\$87,444</u></b>	<b><u>\$105,871</u></b>	<b><u>\$163,453</u></b>	<b><u>\$356,768</u></b>



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

**5. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance October 31, 1995	Additions	Deletions	Balance October 31, 1996
Bridge No. 1 construction	\$58,428,173			\$58,428,173
Ferry acquisitions	369,886			369,886
Bridge approaches and related structures	112,126,557	\$5,120,104		117,246,661
<b>Total</b>	<b>\$170,924,616</b>	<b>\$5,120,104</b>	<b>NONE</b>	<b>\$176,044,720</b>

In 1992, bonds were issued to construct approaches, ramps, lighting, landscaping, and related structures connecting the bridges to expressways and highways developed since the original design. These costs are shown as bridge approaches and related structures.

Changes in furniture, fixtures, automobiles and operating equipment are not reflected in these statements because they are included with DOTD's annual report.

**6. RETIREMENT SYSTEM**

The Crescent City Connection Division has elected early implementation of GASB Statement 27, "Accounting for Pensions by State and Local Governmental Employers" for fiscal year ended October 31, 1996.

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

All full-time division employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5 percent of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may



**CRESCENT CITY CONNECTION DIVISION  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)**

be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5 percent of gross salary, and the division is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. The contribution rate for the fiscal year ended October 31, 1996, increased to 12.4 percent, of annual covered payroll, from the 12.0 percent required in fiscal year ended October 31, 1995 and 1994. The division's contributions to the system for the years ending October 31, 1996, 1995, and 1994, were \$888,771, \$811,779, and \$855,986, respectively, equal to the required contributions for each year.

**7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended October 31, 1996:

	Bonded Indebtedness Payable at <u>November 1, 1995</u>	Additions	Retirements	Bonded Indebtedness Payable at <u>October 31, 1996</u>
Bridge Revenue Bonds - Series 1992	\$29,870,000	NONE	\$1,040,000	\$28,830,000

The bonds mature November 1, 2012, and accrue interest at rates of 5.25 percent to 6.75 percent. The bonds were issued to complete the approaches to Bridges No. 1 and No. 2. Maturities of long-term debt including interest payments of \$18,862,081 are as follows:

1997	\$2,978,630
1998	2,981,215
1999	2,983,355
2000	2,979,555
2001	2,980,255
Thereafter	<u>32,789,071</u>
Total	<u>\$47,692,081</u>

The division has accumulated a balance of \$3,225,078 dedicated to payment of bonds. Another \$25,604,922 is to be provided from future years' revenues dedicated to the payment of the bonds.