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GREATER NEW ORLEANS EXPRESSWAY COMMISSION
Metairie, Louisiana

Annual Financial Report
For the Year Ended October 31, 2012

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, 2012
With Supplemental Information Schedules

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GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
October 31, 2012

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GREATER NEW ORLEANS EXPRESSWAY COMMISSION
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April 19, 2013

To Members of the Greater New Orleans Expressway Commission

The Annual Financial Report of the Greater New Orleans Expressway Commission for the fiscal year ended October 31, 2012 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Commission's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

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

PROFILE

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

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

SAFETY

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

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

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

Basis of Accounting

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

Accounting Systems and Budgetary Control

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

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

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

All internal control evaluations occur within this framework. We believe the Commission's accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The Commission has formally established budgetary accounting controls for its operating funds. Budgetary control is maintained by category within the departments for each account group.

Account Description

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

The costs of providing the services to the general public are recovered, in whole or in part, through user charges. The Commission's operations comprise the operation of the Expressway Bridge in which tolls are charged. Results of operations for the year ended October 31, 2012 can be found in the Management's Discussion & Analysis.

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

For the year ended October 31, 2012, a breakdown of the revenues is as follows:

Dedicated for Major Repairs & Capital Improvements	$ 5,943,693
Undedicated to be Used for General Operations	9,867,332
	$15,811,025

Long-term Debt

The Commission had the following principal outstanding long-term debt at October 31, 2012:

Revenue Bonds:

Refunding, Series 2009	$ 5,795,000
Refunding, Series 2003	45,260,000
	$51,055,000

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

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

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

CASH MANAGEMENT POLICIES AND PROCEDURES

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

RISK MANAGEMENT

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

INDEPENDENT AUDIT

The financial records, books of account, and transactions of the Commission for the fiscal year ended October 31, 2012 have been audited by J. Aaron Cooper, CPA, LLC, and the opinion is included in the Finance Section of this report.

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

Respectfully submitted,

Cheryl H. Lambert
Director of Finance

J. Aaron Cooper , CPA, LLC

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Member of the American Institute of Certified Public Accountants and the Society of Lousiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Greater New Orleans Expressway Commission
State of Louisiana
Metairie, Louisiana

I have audited the accompanying financial statements of Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of October 31, 2012, and for the year then ended as listed in the foregoing table of contents. These financial statements are the responsibility of the management of Greater New Orleans Expressway Commission. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Greater New Orleans Expressway Commission as of October 31, 2012, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* I have also issued a report dated April 19, 2013, on my consideration of the Greater New Orleans Expressway Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 9 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

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

J. Aaron Cooper, CPA, LLC

DeRidder, Louisiana
April 19, 2013

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
Management's Discussion and Analysis as of October 31, 2012

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, 2012. 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 – 6 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 2012 by $88,960,133, which represents a 1.39% increase from last fiscal year.

The Commission's toll revenue decreased $207,828 (1.29%) compared to the prior fiscal year.

The State Highway Fund No. 2 (Vehicular License Tax), which is dedicated to debt service, increased by $1,376,880 (26.5%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY

	Total	
	2012	2011
Current and other assets	$ 43,178,317	$ 41,043,982
Capital assets	109,670,038	110,072,762
Total assets	152,848,355	151,116,744
Other liabilities	14,801,243	11,895,812
Long-term debt outstanding	49,086,979	51,483,659
Total liabilities	63,888,222	63,379,471
Net assets:		
Invested in capital assets, net of debt	56,873,697	56,254,296
Restricted	30,853,116	26,006,205
Unrestricted	1,233,320	5,476,772
Total net assets	$ 88,960,133	$ 87,737,273

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 how these amounts may be spent.

Net assets of the Commission increased by $1,222,860, or 1.39%, from October 31, 2011 to October 31, 2012. The primary reason is due to the reduction of liabilities. Other causes include that capital improvements are not charged 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 Net Assets
as of October 31, 2012

	Total	
	2012	2011
Operating revenues	$ 16,097,632	$ 16,272,612
Operating expenses	18,399,963	18,588,672
Operating income (loss)	(2,302,331)	(2,316,060)
Non-operating revenues	6,572,416	5,900,445
Non-operating expenses	3,047,225	2,915,032
Non-operating income (loss)	3,525,191	2,985,413
Net increase (decrease) in net assets	1,222,860	669,353

The Commission's total revenues increased by $496,991 or 2.24%. The total cost of all programs and services decreased by $56,516 or 0.26%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended October 31, 2012, the Commission had $108,357,356 invested in a broad range of capital assets, including the expressway bridge, building, vehicles, furniture, fixtures and equipment. This amount represents a net decrease (including additions and deductions) of $1,715,406, or 1.56% over last year.

This year's major additions included:

Bridge improvements	$ 1,920,536
Furniture, fixtures, and equipment	1,165,588
Building	100
Total	$ 3,086,224

Capital Assets at Year-end
(Net of Depreciation)

	2012	2011
Building and improvements	$ 3,047,541	$ 3,139,761
Furniture, fixtures, and equipment	2,768,318	2,609,054
Infrastructure	102,541,498	104,323,947
Total	$ 108,357,356	$ 110,072,762

LONG-TERM DEBT

The Commission had $51,055,000 in current and non-current bonds outstanding at year-end, compared to $53,320,000 last year, a decrease of 4.25%.

Outstanding Debt at Year-end

	2012	2011
Revenue Bonds (net of premium/discount)	$ 51,055,000	$ 53,320,000

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

The Commission has estimated claims of $323,558 outstanding at year-end compared with $628,357 last year. Other obligations include accrued vacation pay and sick leave.

BUDGET

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Toll Revenue Forecast, which is provided by the Traffic Engineers in accordance with the Trust Indenture.
- State Highway Fund No. 2 Forecasts by the Revenue Estimating Conference and the Legislative Fiscal Office. The Commission's share of Highway Fund No. 2 is designated for Debt Service first, and then bridge maintenance and rehabilitation.
- Prior year's expenses.

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

- The overall economy in the area looks stable.
- Increase in State Highway Fund No. based on the forecasts for 2014.
- Reduction in expenses.
- U.S. Corps of Engineers Hurricane Protection Project is scheduled to be completed by the end of June 2013.

CONTACTING THE COMMISSION'S MANAGEMENT

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

Statement A

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Statement of Net Assets
As of October 31, 2012

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 8,759,542
Investments	845,147
Receivables	296,369
Prepaid items	526,424
Inventory	909,892
Restricted assets:	
Cash and cash equivalents	19,249,812
Investments	6,934,788
Receivables	5,656,343
Total current assets	43,178,317
NONCURRENT ASSETS:	
Property, plant, and equipment (net)	108,357,356
Deferred bond issuance costs, net of amortization of $656,571	1,312,682
Total noncurrent assets	109,670,038
TOTAL ASSETS	152,848,355
LIABILITIES	
AMOUNTS DUE WITHIN ONE YEAR:	
Payables	698,983
Deferred revenue	1,045,600
Other post-employment benefits	130,646
Liabilities payable from restricted assets:	
Capital projects payables	1,224,739
Bonds payable	2,396,680
Accrued interest	1,167,616
Total amounts due within one year	6,664,264
AMOUNTS DUE IN MORE THAN ONE YEAR:	
Tag deposits	1,211,345
Estimated liability for claims	323,558
Disaster claims liability	1,420,243
Accrued compensated absences	1,382,444
Other post-employment benefits, net of current portion	3,788,406
Bonds payable, net of current portion	49,086,979
Other deposits	10,983
Total amounts due in more than one year	57,223,958
TOTAL LIABILITIES	63,888,222
NET ASSETS	
Investments in capital assets, net of related debt	56,873,697
Restricted net assets	30,853,116
Unrestricted net assets	1,233,320
TOTAL NET ASSETS	$88,960,133

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 Net Assets
For the Year Ended October 31, 2012

OPERATING REVENUES	
Tolls	$15,811,025
Other miscellaneous revenue	286,607
Total operating revenues	16,097,632
OPERATING EXPENSES	
Personal services	7,137,188
Contractual services	32,300
Operating services	4,189,772
Supplies and maintenance	1,641,881
Professional services	168,097
Administrative	477,048
Depreciation	4,769,035
Claims expense	(15,358)
Total operating expenses	18,399,963
OPERATING INCOME (LOSS)	(2,302,331)
NON-OPERATING REVENUES (EXPENSES)	
Vehicular license tax	6,572,416
Payments to parishes	(700,000)
Investment income:	
Interest income	70,660
Net increase in fair value of investments	5,794
Interest expense	(2,335,231)
Amortization of bond premium/discount	69,807
Amortization of cost of issuance of bonds	(98,363)
Gain of disposal of fixed assets	(59,892)
Total non-operating revenues	3,525,191
CHANGE IN NET ASSETS	1,222,860
NET ASSETS AT BEGINNING OF YEAR	87,737,273
NET ASSETS AT END OF YEAR	$88,960,133

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, 2012

Cash flows from operating activities	
Cash received from customers, including cash deposits	$ 15,826,045
Cash received from other deposits	198,838
Cash paid to suppliers for goods and services	(5,398,288)
Cash paid to employees for services	(6,992,567)
Cash paid to outsiders for claims	(240,544)
Net cash provided by operating activities	3,393,484
Cash flows from non-capital financing activities	
Vehicular license tax	6,694,898
Subsidy to local governments	(700,000)
Net cash flows from non-capital financing activities	5,994,898
Cash flows from capital and related financing activities	
Purchase of capital assets	(3,124,769)
Principal payments made on bonds	(2,265,000)
Interest paid	(2,370,125)
Net cash used for capital and related financing activities	(7,759,894)
Cash flows from investing activities	
Net purchases of investment securities	4,421,774
Interest and dividends earned on investment securities	69,502
Net cash provided by investing activities	4,491,276
Net increase (decrease) in cash and cash equivalents	6,119,764
Cash and cash equivalents at beginning of year	21,889,590
Cash and cash equivalents at end of year	$ 28,009,354

(Continued)

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Statement of Cash Flows
For the Year Ended October 31, 2012

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Cash flows from operating activities:	
Operating income (loss)	($2,302,331)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,769,035
Changes in current asssets and liabilities:	
(Increase) Decrease in prepaid items	147,138
(Increase) Decrease in operating receivables	138,092
Increase (Decrease) in operating payables	66,624
Increase in other post-employment benefits	855,232
Increase (Decrease) in compensated absences	9,473
Increase (Decrease) in claims liabilities	(304,799)
Increase in unearned revenue and deposits	15,020
Net cash provided by operating activities	$3,393,484
Non-cash investing, capital, and financing activities:	
Decrease in fair value of investments	$59,892

(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, 2012

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 Statements-and Management's Discussion and Analysis-for State and Local Governments* and related standards. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses, and Changes in Net Assets, inclusion of a management discussion and analysis as required 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 of the State of Louisiana. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

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

D. BASIS OF ACCOUNTING

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

E. BUDGET PRACTICES

The general manager submits proposed operating budgets to the 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 July 17, 2011. At the Commission meeting on August 10, 2011, the 2012 budget was formally adopted by the Commission. Annually, in July, the original budget is amended by management and is ratified by the Commission during October.

F. CASH AND INVESTMENTS

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

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

G. PREPAID ITEMS

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

H. INVENTORY

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

I. PROPERTY, PLANT, AND EQUIPMENT

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

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

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

J. RESTRICTED ASSETS

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

K. COMPENSATED ABSENCES

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

L. LONG-TERM OBLIGATIONS

Long-term obligations are reported at face value.

M. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

N. DEFERRED COMPENSATION PLAN

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

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

Participants may contribute up to 20% of their salary with the Commission matching up to $72 per month, but total contributions may not exceed $22,000 annually. All contributions are immediately vested. The Commission contributed $86,076 to the plan during the year ended October 31, 2012.

O. NET ASSETS

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

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

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

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

2. CASH AND INVESTMENTS

At October 31, 2012, the Commission had cash (book balances) and cash equivalents totaling $28,009,354. A summary of the Commission's cash and cash equivalents are as follows:

Toll Collectors' Bank	$ 800
Demand Accounts:	
Non-interest-bearing	808,884
Interest-bearing	1,051,101
Money Market	26,148,569
Total	$ 28,009,354

At October 31, 2012, the Commission had investments totaling $7,779,935. Investments of government securities reflected in Statement A are stated at fair value as required by GASB Statement 31. The Commission used quoted market values to determine the fair value of the investments. A summary of the Commission's investments consists of the following:

Federal agency securities	$ 7,779,935
	$ 7,779,935

Federal agency securities are securities, usually bonds, issued by a U.S. Government-sponsored agency. The offerings of these agencies are backed by the government, but not guaranteed by the government since the agencies are private entities. Such agencies have been set up in order to allow certain groups of people to access low cost financing, e.g. students and home buyers. The Commission invested in three federal agencies' securities in the 2012 fiscal year - Federal Home Loan Mortgage (FHLMC or "Freddie Mac"), Federal National Mortgage Association (FNMA or "Fannie Mae"), and Federal Home Loan Banks (FHLB). U.S. Treasury securities are debt obligations issued and guaranteed full faith and credit of the U.S. Government.

Interest Rate Risk

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

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

Investment Type	12 mths or <	13 to 24 mths	25 to 60 mths	> 60 mths	Total
Federal agency securities	$ 7,779,935	$ -	$ -	$ -	$ 7,779,935
Total	$ 7,779,935	$ -	$ -	$ -	$ 7,779,935

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. The Commission's above described investments maintained an "A" credit rating during the 2012 fiscal year. GNOEC has no formal policy addressing credit risk.

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Investments by issuer are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Banks	Federal agency security	$ 7,079,954
Federal National Mortgage Association	Federal agency security	400,142
Federal Home Loan Mortgage Corp.	Federal agency security	299,839
		$ 7,779,935

Custodial Credit Risk

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

Investments can be exposed to custodial credit risk if the securities underlying the investments are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department, but not in the entity's name. All of the Commission's investments are held by the counterparty's trust department and are registered in the name of the Commission.

At October 31, 2012, all Commission deposits (collected bank balances) of $1,808,886 were fully insured or collateralized as follows:

Insured through FDIC	$ 1,052,969
Collateralized with securities held by the pledging institution's trust department or agent in the Commission's name	755,917
Total secured bank balances	$ 1,808,886

3. RECEIVABLES

At October 31, 2012, the Commission has receivable balances totaling $5,952,712 as follows:

	Unrestricted	Restricted	Total
Vehicular License Tax	$ -	$ 1,979,766	$ 1,979,766
Interest	-	1,404	1,404
Other	296,369	3,675,173	3,971,542
Total receivables	$ 296,369	$ 5,656,343	$ 5,952,712

Reimbursement of Relocation Costs

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

The Commission has recorded a receivable of $2,254,930 due from the Corps related to the relocation of these departments and systems. Management feels that the receivables are proper reimburseables in accordance with the agreements, however, such reimbursement requests are subject to adjustment by the Corps. As such, the final reimbursed amount could differ significantly from the amount recorded.

Reimbursement of Repair Costs from Hurricane Isaac

As a result of an insurance claim, the Commission has recorded a receivable of $1,446,264 approved for repairs to damages caused by Hurricane Isaac during the audit period. Furthermore, management believes there is the potential to receive an additional reimbursement of $850,068. There is also a related liability for future repairs.

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance November 1, 2011	Additions	Deletions	Balance October 31, 2012
Business type activities:				
Capital assets being depreciated:				
Building	$ 3,692,794	$ 100	$ -	$ 3,692,894
Furniture, fixtures and equipment	9,483,155	1,165,588	592,764	10,055,978
Infrastructure	226,750,052	1,920,536	-	228,670,588
Total capital assets being depreciated	239,926,001	3,086,223	592,764	242,419,460
Less accumulated depreciation for:				
Building	553,033	92,320	-	645,353
Furniture, fixtures, and equipment	6,874,101	989,519	575,959	7,287,662
Infrastructure	122,426,105	3,702,985	-	126,129,090
Total accumulated depreciation	129,853,239	4,784,824	575,959	134,062,104
Total capital assets being depreciated, net	$ 110,072,762	$(1,698,601)	$ 16,805	$ 108,357,356

5. RETIREMENT SYSTEM

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

All Commission employees working at least 28 hours per week are eligible to participate in the System. Benefits vest with 7 years of service. At retirement age, employees hired prior to January 1, 2007 are entitled to annual benefits equal to 3% of their highest consecutive 36 months' average salary multiplied by their years of credited service. At retirement age, employees hired January 1, 2007 and later are entitled to annual benefits equal to 3% of their highest consecutive 60 months' average salary multiplied by their years of credited service. Vested employees hired prior to January 1, 2007 are entitled to a retirement benefit payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, (c) age 60 with 10 years of service, or (d) age 65 with 7 years of service. Vested employees hired January 1, 2007 and later are entitled to a retirement benefit payable monthly for life at (a) age 55 with 30 years of service, (b) age 62 with 10 years of service, or (c) age 67 with 7 years of service. In addition, effective August 15, 1995, any employee who on January 1, 1982, had earned 10 years of service credit shall be eligible for early retirement at a reduced benefit regardless of age. The System also provides death and disability benefits. Benefits are established or amended by state statute. Act 996 of 2010 allows the Board of Trustees to set the employee contribution rate at any level between 8% and 11%. 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, calling (225) 928-1361, or website persla.org. Members are required by state statute to contribute 9.50% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The employer contribution rate was 15.75% of annual covered payroll in fiscal year ending October 31, 2012 and October 31, 2011, and October 31, 2010. The Commission's contributions to the System for the years ending October 31, 2012, 2011, and 2010 were $776,259, $795,143, and $740,724, respectively, equal to the required contributions for each year.

6. RISK MANAGEMENT

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

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

At October 31, 2012, the claims liability of $323,558 is based on the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information before the issuance of the financial statements indicates it is probably that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the claims liability in fiscal year 2012 were as follows:

Estimated liability for claims at beginning of year	$ 628,357
Current year:	
Claims	224,288
Changes in estimates	(304,799)
Claims payment and expenses thereon	(224,288)
Estimated liability for claims at end of year	$ 323,558

7. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all Commission employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Commission. The Commission pays 70% of the retirees' total premium. The Commission and the retirees pay their respective share of the premiums on a "pay-as-you-go" basis. The Commission contributed $130,646 for 25 retirees.

The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability (UAL) over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2012 is $1,033,691 which consists of normal cost of $561,742 and amortization of UAL of $421,949.

The following table presents the Commission's OPEB obligation for the year ended October 31, 2012:

Beginning OPEB obligation at November 1, 2011	$ 3,063,820
Interest on prior year obligation	122,553
Annual Required Contribution	1,033,691
Less: Adjustment to ARC	170,366
Less: Current year premiums paid	130,646
Increase in net OPEB obligation	855,232
Ending net OPEB obligation at October 31, 2012	$ 3,919,052

Utilizing the pay-as-you-go method, the Commission contributed 14.1% of the annual OPEB cost during 2012.

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

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

In the October 31, 2012 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.2% initially, reduced by decrements to an ultimate rate of 5.5% after ten years. The RP2000 Mortality Table was used in the actuarial calculation. Withdrawal rates for employees ranged from 23% for less than one year of service to1% after 17 years of service. Disability rates for employees ranged from .05% for employees aged 30 years to 1.71% for employees over the age of 60. Retirement rates ranged from 22% for age 55 to 100% for age 67+. Unfunded actuarial accrued liability (UAAL) is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB 45 of 30years (open amortization) as a level dollar amortization.

Funded Status

The funded status of the plan as of October 31, 2012 and prior years was as follows:

	2012	2011	2010	2009
Actuarial Accrued Liability (AAL)	$ 7,421,638	$ 7,421,638	$ 7,001,346	$ 7,001,346
Actuarial value of plan assets				
Unfunded Actuarial Accrued Liability (UAAL)	7,421,638	7,421,638	7,001,346	7,001,346
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%	0.00%
Covered payroll (active plan members)	4,943,566	4,943,566	4,850,944	4,729,958
UAAL as a percentage of covered payroll	150.13%	150.13%	144.33%	148.02%

8. COMPENSATED ABSENCES

As of October 31, 2012, employees of the Commission have accumulated and vested $1,382,444 of employee annual and sick leave benefits, which was computed in accordance with GASB Codification Section C60.

9. LEASE AND RENTAL COMMITMENTS

On May 1, 2006, the Commission entered into a five-year lease with Edgewater Ventures with the option to renew for an additional period of five years. On September 1, 2010, the Commission entered into a lease with 3812 Ridgelake Drive, L.L.C. for two years with the option to renew an additional period of two years. The rental payments for 2012 were $151,989. Future minimum rental payments are as follows:

Fiscal year ending October 31, 2012:

2012	$142,136
2013	$142,136
2014	$142,136
2015	$142,136
2016	$142,136
2017	91,078
	$801,758

10. PAYABLES

The following is a summary of payables at October 31, 2012:

Accounts payable	$ 1,651,042
Payroll deductions and employer's payable	91,487
Retainage Payable	181,193
Total	$ 1,923,722

11. LONG-TERM DEBT

The following is a summary of the long-term obligation transactions for the year ended October 31, 2012:

	Debt Payable at November 1, 2011	Additions	Deductions and Retirement	Debt Payable at October 31, 2012	Due within One Year
Revenue Bonds:					
Refunding, Series 2003	$ 46,460,000	$ -	$ 1,200,000	$ 45,260,000	$ 1,240,000
Refunding, Series 2009	6,860,000	-	1,065,000	5,795,000	1,095,000
Total Revenue Bonds Payable	53,320,000	-	2,265,000	51,055,000	2,335,000
Bond Premium	498,466	-	69,807	428,659	61,680
Total Bond Indebtedness	53,818,466	-	2,334,807	51,483,659	2,396,680
Other post-employment benefits	3,063,820	1,156,244	301,012	3,919,052	130,646
Compensated Absences	1,372,971	9,473	-	1,382,444	-
Total	$ 58,255,257	$ 1,165,717	$ 2,635,819	$ 56,785,155	$ 2,527,326

The additions and reductions to compensated absences during the 2011 - 2012 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

A. REFUNDING REVENUE BONDS, SERIES 2003

On April 15, 2003, the Commission issued $54,605,000 in Refunding Revenue Bonds, Series 2003. The Series 2003 Bonds were issued to provide funds to (i) refund all of the Commission's outstanding Series 1992 Bonds, (ii) finance a portion of the costs of projects, and (iii) pay costs of issuance of the Series 2003 Bonds, including acquisition of the Series 2009 Bond Insurance Policy and the Reserve Fund Insurance Policy.

Principal due November 1, 2010, that was accrued and paid to the paying agent amounted to $1,240,000 and reduced the outstanding bonds payable to $45,260,000 at October 31, 2012. The Refunding Revenue Bonds, Series 2003, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of $1,240,000 to $3,210,000 beginning November 1, 2012 through November 1, 2033. The bonds carry interest rates from 2% to 5% and interest to maturity amounts to $29,515,128 through November 1, 2033.

B. REFUNDING REVENUE BONDS, SERIES 2009

On October 28, 2009, the Commission issued $7,900,000 of Refunding Revenue Bonds, Series 2009. The proceeds of this issue were used to refund all of the Commission's outstanding Series 1999-A Bonds and pay costs of issuance of the Series 2009 Bonds including the cost of the Bond Insurance Policy. The 1999-A Bonds were redeemed in full on November 5, 2009 in the amount of $7,645,000 principal and $4,420 of accrued interest. The Refunding Revenue Bonds, Series 2009, are secured by user fees, expressway bridge tolls, and other revenues. These bonds require future annual debt service installments of $1,095,000 to $1,252,812 beginning November 1, 2012 through November 1, 2017. The bonds carry interest rates from 2.75% to 3.25% and interest to maturity amounts to $445,181 through November 1, 2017.

The annual requirements to amortize all bonds outstanding at October 31, 2012, including total interest to maturity of $29,960,309 are as follows:

	Refunding Series 2003		Refunding Series 2009		
Fiscal Year:	Principal	Interest	Principal	Interest	Total
2013	$ 1,240,000	$ 2,166,769	$ 1,095,000	$ 153,406	$ 4,655,175
2014	1,285,000	2,123,369	1,130,000	122,813	4,661,182
2015	1,330,000	2,076,788	1,155,000	91,394	4,653,182
2016 - 2020	7,640,000	9,393,689	2,415,000	77,569	19,526,258
2021 - 2025	9,640,000	7,391,913	-	-	17,031,913
2026 - 2030	12,165,000	4,831,350	-	-	16,996,350
2031 - 2034	11,960,000	1,531,250	-	-	13,491,250
Total	$ 45,260,000	$ 29,515,128	$ 5,795,000	$ 445,181	$ 81,015,309

12. NET ASSETS

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

Invested in capital assets, net of related debt:	
Net property, plant and equipment (net of depreciation)	$ 108,357,356
Less: Bonds payable	(51,483,659)
	56,873,697
Net assets restricted for debt service:	
Assets held in trust	15,282,117
Restricted receivables	1,979,766
Less: Accrued interest on bonds	(1,167,616)
	16,094,267
Net assets restricted for capital projects and major repairs:	
Assets held in trust	10,902,483
Restricted receivable in Extraordinary Maintenance	3,675,173
Less: Capital Contracts Payable	181,193
	14,758,849
Unrestricted net assets	1,233,320
Total net assets	$ 88,960,133

13. SUBSEQUENT EVENTS

The Commission's management has evaluated its October 31, 2012 financial statements for subsequent events through April 19, 2013, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION SCHEDULES

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

GREATER NEW ORLEANS EXPRESSWAY COMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended October 31, 2012

GENERAL FUND ACCOUNTS

Revenue Account

All revenues collected by the Commission are deposited into 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 the accrual aggregate debt service through the end of the next succeeding month, then the funds in the Collateral Undisbursed Debt Service Account are returned to the accounts from which they were transferred.

Operation and Maintenance Account

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

Extraordinary Maintenance and Repair Reserve Account

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

Excess Revenue Account

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

Huey P. Long Bridge Account

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

Asset Forfeiture Account

This account maintains assets seized by the expressway police.

SPECIAL REVENUE ACCOUNTS

Vehicular License Tax

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

DEBT SERVICE ACCOUNTS

Debt Service Account

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

Debt Service Reserve Account

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

CAPITAL PROJECTS ACCOUNT

Construction – Series 2003

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

INTERNAL SERVICE ACCOUNT

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

Schedule 1

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Cash Receipts and Disbursements
For the Year Ended October 31, 2012

	GENERAL ACCOUNTS		
	REVENUE	OPERATIONS AND MAINTENANCE	EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE
BALANCES AT NOVEMBER 1, 2011	$ 282,219	$ 482,183	$ 171,367
RECEIPTS			
Tolls	15,826,045		
Vehicular license tax			
Use of money and property:			
Investment income	966	716	9,043
Other	5,651	228,855	
Investment sales and maturities			
Transfers in	98,750	10,709,591	5,896,584
Total Receipts	15,931,412	10,939,162	5,905,627
DISBURSEMENTS			
Personal services		5,915,031	
Contractual services		31,780	
Operating services		3,012,140	
Supplies and maintenance		663,835	(234,730)
Professional services		168,097	
Administrative	207,341	264,998	
Capital outlay		245,838	2,823,780
Debt services:			
Principal retirement			
Interest			
Intergovernmental expenditures - parishes			
Insurance settlements		16,256	
Investment purchases			84,574
Transfers out	15,794,179	273,077	89,495
Total Disbursements	16,001,520	10,591,052	2,763,119
BALANCES AT OCTOBER 31, 2012	$ 212,111	$ 830,293	$ 3,313,875

(Continued)

GENERAL ACCOUNTS			SPECIAL REVENUE ACCOUNT	DEBT SERVICE ACCOUNTS	
EXCESS REVENUE	HUEY P. LONG BRIDGE	ASSETS FORFEITURE	VEHICULAR LICENSE TAX	DEBT SERVICE	DEBT SERVICE RESERVE
$ 6,636,414	$ 1,736,288	$ 17,325	$ 8,561,107	$ 3,451,397	$ -
			6,694,898		
334	194		292	836	1,753
		4,835			
					4,865
5,084,588	1,455,740			4,686,344	
5,084,922	1,455,934	4,835	6,695,190	4,687,180	6,618
	1,077,536				
	520				
	54,319	74			
	77,416				
	-				
	4,706				
	2,651				
				2,265,000	
				2,370,125	
700,000					
5,355,773	115	-	4,670,231	6,806	2,334
6,055,773	1,217,263	74	4,670,231	4,641,931	2,334
$ 5,665,563	$ 1,974,959	$ 22,086	$ 10,586,066	$ 3,496,646	$ 4,284

(Continued)

Schedule 1

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Cash Receipts and Disbursements
For the Year Ended October 31, 2012

	CAPITAL PROJECT ACCOUNTS		
	CONSTRUCTION SERIES 2003	INTERNAL SERVICE	TOTAL
BALANCES AT NOVEMBER 1, 2011	$ 551,136	$ 154	$ 211,889,590
RECEIPTS			
Tolls			15,826,045
Vehicular license tax			6,694,898
Use of money and property:			
Investment income	53,832	1,536	69,502
Other	(40,503)		198,838
Investment sales and maturities	4,448,642	52,841	4,506,348
Transfers in		273,185	28,204,782
Total Receipts	4,461,971	327,562	55,500,413
DISBURSEMENTS			
Personal services			6,992,567
Contractual services			32,300
Operating services			3,066,533
Supplies and maintenance	1,098,895		1,605,416
Professional services			168,097
Administrative		48,897	525,942
Capital outlay	52,500		3,124,769
Debt services:			
Principal retirement			2,265,000
Interest			2,370,125
Intergovernmental expenditures - parishes			700,000
Insurance settlements		224,288	240,544
Investment purchases			84,574
Transfers out	2,012,772		28,204,782
Total Disbursements	3,164,167	273,185	49,380,649
BALANCES AT OCTOBER 31, 2012	$ 1,848,940	$ 54,531	$ 218,009,354

(Concluded)

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended October 31, 2012

COMPENSATION PAID COMMISSIONERS

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

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

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Compensaation Paid Commissioners
For the Year Ended October 31, 2012

Patricia P. Brister	$	38
Peter F. Egan		6,779
Lawrence K. Katz		6,836
Michael R. Lorino, Jr.		6,798
Lawrence M. Rase		6,836
James E. Ravannack		38
Stephen G. Romig		6,836
Total	**$**	**34,161**

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended October 31, 2012
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)

Schedule 3

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Investments
For the Year Ended October 31, 2012

	FAIR VALUE	CARRYING VALUE	PAR VALUE
GENERAL:			
Extraordinary Maintenance and Repair Reserve Account:			
Federal Home Loan Bank			
Due March 8, 2013	$ 1,005,250	$ 1,005,250	$ 1,000,000
Due March 27, 2013	1,003,400	1,003,400	1,000,000
Due April 26, 2013	650,609	650,609	650,000
Due May 30, 2013	630,588	630,588	625,000
Due February 14, 2014	799,832	799,832	800,000
Due February 1, 2013	999,910	999,910	1,000,000
Federal Farm Credit Banks:			
Due December 21, 2012 *	619,919	619,919	620,000
Money Market - Dreyfus - Governmental Cash Management*	2,694,002	2,694,002	2,694,002
Excess Revenue Account - Money Market			
Money Market - Dreyfus - Government Cash Management*	4,965,564	4,965,564	4,965,564
Huey P. Long Bridge Account - Money Market			
Money Market - Dreyfus - Government Cash Management*	1,878,664	1,878,664	1,878,664
DEBT SERVICE:			
Debt Service Fund Account:			
Money Market - Dreyfus - Government Cash Management*	3,496,646	3,496,646	3,496,646
Debt Service Reserve Account:			
Federal Home Loan Bank:	1,195,120	1,195,120	1,195,000
Due April 30, 2013			
Money Market - Dreyfus - Governmental Cash Management*	4,284	4,284	4,284
CAPITAL PROJECTS:			
2003 Account:			
Revenue Bonds:			
Federal Home Loan Bank:			
Due Janaury 14, 2013	150,009	150,009	150,000
Due Janaury 3, 2013 *	230,021	230,021	230,000
Due November 7, 2012	499,995	499,995	500,000
Federal Home Loan Mortgage Corporation Discount Note:			
Due December 10, 2012 *	658,934	658,934	659,000
Federal Farm Credit Banks:			
Due November 2, 2012 *	400,004	400,004	400,000
Money Market - Dreyfus - Government Cash Management*	560,010	560,010	560,010

(Continued)

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Investments
For the Year Ended October 31, 2012

	FAIR VALUE	CARRYING VALUE	PAR VALUE
SPECIAL REVENUE:			
Vehicular License Tax Fund - Money Market			
Money Market - Dreyfus - Government Cash Management*	10,586,067	10,586,067	10,586,067
INTERNAL SERVICE FUND:			
Self-Insurance Account:			
Federal Home Loan Mortgage Corporation Discount Note:			
Due December 10, 2012 *	53,995	53,995	54,000
Due November 2, 2012	150,000	150,000	150,000
Due January 7, 2013	149,967	149,967	150,000
Federal National Mortgage Association Discount Note:			
Due February 26, 2013	150,281	150,281	150,000
Due February 13, 2013	249,913	249,913	250,000
Federal Home Loan Bank:			
Due December 17, 2012	144,983	144,983	145,000
Money Market - Dreyfus - Government Cash Management *	540	540	540
Total	$ 33,928,505	$ 33,928,505	$ 33,913,777
Less: Cash equivalents	26,148,570	26,148,571	26,148,699
	$ 7,779,935	$ 7,779,935	$ 7,765,078

*Cash Equivalents

(Concluded)

Schedule 4

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Revenue from Tolls
For the Year Ended October 31, 2012

	NORTH SHORE
2011:	
November	$ 1,283,528
December	1,357,850
2012:	
January	1,299,324
February	1,225,001
March	1,355,263
April	1,331,626
May	1,407,488
June	1,340,513
July	1,313,770
August	1,164,384
September	1,277,161
October	1,455,117
Total	$ 15,811,025

UNAUDITED

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of North Shore Traffic - Number of Crossings
For the Year Ended October 31, 2012

	AXLES UNDER 7'5" HEIGHT				AXLES OVER 7'5" HEIGHT			
	2	3	4	5 OR MORE	2	3	4	5 OR MORE
2011:								
November	191,546	891	294	12	3,411	510	621	581
December	213,011	647	627	47	3,167	490	592	631
2012:								
January	189,679	746	352	30	3,127	417	593	649
February	179,576	642	274	12	3,144	358	570	538
March	199,124	735	334	8	3,425	443	604	656
April	199,113	842	299	5	3,384	440	644	640
May	210,170	1,042	473	4	3,561	464	679	716
June	203,564	999	431	3	3,244	434	676	690
July	199,563	1,020	372	6	3,185	480	642	610
August	177,659	922	471	4	2,726	413	556	622
September	192,539	1,021	344	5	3,248	527	647	691
October	207,390	1,083	394	8	3,244	529	667	766
Total	2,362,934	10,590	4,665	144	38,866	5,505	7,491	7,790

UNAUDITED

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of North Shore Traffic - Number of Crossings
For the Year Ended October 31, 2012

NON-REVENUE VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION NON-REVENUE (BRIDGE VEHICLES)	AUTOMATIC VEHICLE IDENTIFICATION RECREATIONAL VEHICLES	AUTOMATIC VEHICLE IDENTIFICATION FULL TOLL VEHICLES	TOTAL VEHICLES
14,894	3,976	216	297,056	514,008
13,478	3,885	264	308,348	545,187
13,655	4,302	208	313,641	527,399
13,018	4,105	221	291,834	494,292
14,501	3,959	211	321,791	545,791
14,747	3,566	235	310,314	534,229
14,403	3,817	255	327,719	563,303
13,601	3,471	256	307,429	534,798
12,849	3,680	217	297,786	520,410
23,008	3,553	191	280,823	490,948
20,595	3,725	218	298,134	521,694
14,193	4,063	261	340,089	572,687
182,942	46,102	2,753	3,694,964	6,364,746

UNAUDITED

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Insurance
For the Year Ended October 31, 2012

COVERAGE	UNDERWRITER	POLICY NUMBER	POLICY PERIOD	LIMITS
BRIDGE PROPERTY DAMAGE	Illinois Union	IMC108632844004	1/24/12-1/24/13	$ 55,500,000 Part of $111,000,000
Including:				
Bridge Structure	Starr Surplus Lines Ins.	SLSTPTY10523912	1/24/12-1/24/13	$ 55,500,000 Part of $111,000,000
Spare Parts and Crossovers				
Variable Messages Signs				
Hazard Incident Lights, if part of Bridge				
Call Boxes and Control Consoles				
Building and Contents, sub-limits part of $111,000,000 Total Limit				
BRIDGE USE AND OCCUPANCY				
15-Day Deductible				
Named Windstorm				$ 1,000,000
$1,000,000 Deductible Bridge Property				
Flood				$ 1,000,000
$1,000,000 Deductible Bridge Property				
Bridge Property				$ 500,000
Non-Bridge Property				$ 25,000
$25,000 Deductible Non-Bridge Property				
Bascule Electrical and Mechanical System				
Fenders				
Various Deductibles				
CCTV and Radar				
CONTRACTORS EQUIPMENT	Lloyds of London	IPSI12332	1/24/12-1/24/13	
Leased or Rented Mobile Equipment				$ 500,000
Catastrophe				$ 2,500,000
Unscheduled Contractor's Equipment				$ 2,500,000
Special Perils, Flood & Earthquake - Deductible				$ 25,000
ELECTRONIC DATA PROCESSING	Lloyds of London	IPSI12333	1/24/12-1/24/13	$ 2,500,000
Equipment - Schedule on file with company				
$25,000 or 15 days for Loss of Income				$ 25,000

(Continued)

UNAUDITED

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Insurance
For the Year Ended October 31, 2012

COVERAGE	UNDERWRITER	POLICY NUMBER	POLICY PERIOD	LIMITS
EMPLOYEE DISHONESTY BOND	Travelers	105692078	11/01/12-11/01/13	$ 300,000
Blanket limit with $5,000 deductible				
Blanket limit with $2,500 deductible				$ 200,000
Forgery and Alterations				$ 50,000
Money In/Out with $500 deductible				
RETAINED LIMITS LIABILITY	Ironshore Specialty Ins. Co.	1272100	1/24/12-1/24/13	
Comprehensive General Liability retention applicable to each loss is $500,000	Ironshore Specialty Ins. Co.	1272100	1/24/12-1/24/13	$ 9,500,000 Per Occurrence and Aggregate
Law Enforcement Liability retention applicable to each loss is $500,000	Ironshore Specialty Ins. Co.	1272100	1/24/12-1/24/13	$ 9,500,000 Per Occurrence and Aggregate $500,000 SIR
Excess Automobile Liability retention applicable to each loss is $500,000	Ironshore Specialty Ins. Co.	1272100	1/24/12-1/24/13	$ 9,500,000 Each Accident
Garagekeepers				$ 500,000 Excess of $500,000
Public Officials Liability retention applicable to each loss is $500,000	Ironshore Specialty Ins. Co.	1272100	1/24/12-1/24/13	$ 9,500,000 Excess of $5,000,000 Per Occurrence and Aggregate $500,000 SIR
Sub-limits - not in addition to part of total limit				
Wrongful Acts				$ 9,500,000 Excess of $500,000
Sexual Harassment				$ 2,000,000 Excess of $500,000
Employment Practices				$ 5,000,000 Excess of $500,000
STAND ALONE EXCESS LIABILITY	Axis Specialty Ins. Co.	EAU765342012012	1/24/12-1/24/13	$ 10,000,000 Excess of $10M Primary
STAND ALONE EXCESS LIABILITY	RSUI Indemnity	NHA058956	1/24/12-1/24/13	$ 10,000,000 Excess of $20,000,000

(Continued)

UNAUDITED

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA

Schedule of Insurance
For the Year Ended October 31, 2012

COVERAGE	UNDERWRITER	POLICY NUMBER	POLICY PERIOD	LIMITS
WORKERS' COMPENSATION	LWCC	83403-D	11/01/12-11/01/13	Statutory
Employer's Liability				$ 1,000,000
Each accident disease limit				$ 1,000,000
Disease each person				$ 1,000,000
MARITIME EMPLOYERS LIABILITY	Underwriters at Lloyds	TRC404377	1/24/12-1/24/13	$ 5,000,000
$2,500 Deductible Any 1 Accident or Illness				Any 1 Person
				Any 1 Accident
EXCESS MARITIME EMPLOYERS LIABILITY	Northern Assurance Co of America	TRC404378	1/24/12-1/24/13	$ 6,000,000
				Excess of Primary
No deductible				$5M Any Person
BOILER AND MACHINERY	Hartford Steam Boiler	FBP2241054	6/14/12-6/14/13	$ 100,000,000
$10,000 deductible per claim - Direct				$19,800,000
48-hour deductible - Indirect				Business Income
POLICE OFFICERS FAITHFUL PERFORMANCE BOND	C.N.A. Surety	69006850	5/12/00 Until Cancelled	$ 10,000 Per Officer
POLLUTION LEGAL LIABILITY	American International Spec	PLS1579363	12/18/10-12/18/13	$ 5,000,000
$100,000 deductible applicable to each incident				Each Occurrence
				$100,000,00
				General Aggregate

(Concluded)

OTHER REPORTS REQUIRED BY

GOVERNMENT AUDITING STANDARDS

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

J. Aaron Cooper, CPA, LLC

P.O. Box 967 • 768 Parish Line Road • DeRidder, Louisiana 70634

(337) 794-2470 • aaron@acoopercpa.com

Member of the American Institute of Certified Public Accountants and the Society of Lousiana Certified Public Accountants

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

Greater New Orleans Expressway Commission
State of Louisiana
Metairie, Louisiana

I have audited the financial statements of the Greater New Orleans Expressway Commission, a component unit of the State of Louisiana, as of and for the years ended October 31, 2012, and have issued my report thereon dated April 19, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

J. Aaron Cooper, CPA, LLC

DeRidder, Louisiana
April 19, 2013

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 2012

Summary of Auditor's Results

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

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

Current Year Findings

No findings were noted in the current year.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED OCTOBER 31, 2012

There were no findings in the prior year.

EXHIBIT A

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
October 31, 2012

CONTENTS

Schedules

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended October 31, 2012

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

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

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

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

LLAFileroom@lla.la.gov.

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Cheryl H. Lambert, Director of Finance of the Greater New Orleans Expressway Commission, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater New Orleans Expressway Commission at October 31, 2012 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 19th day of April, 2013.

Signature of Agency Official

NOTARY PUBLIC

Burgess E. McCranie Jr.
Bar Roll # 9172

Prepared by: J. Aaron Cooper, CPA

Title: Auditor

Telephone No.: (337) 794-2470

Date: April 19, 2013

Email Address: aaron@acoopercpa.com

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, 2012. 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 – 6 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 2012 by $88,960,133, which represents a 1.39% increase from last fiscal year.

The Commission's toll revenue decreased $207,828 (1.29%) compared to the prior fiscal year.

The State Highway Fund No. 2 (Vehicular License Tax), which is dedicated to debt service, increased by $1,376,880 (26.5%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE ENTITY

	Total	
	2012	2011
Current and other assets	$ 43,178,317	$ 41,043,982
Capital assets	109,670,038	110,072,762
Total assets	152,848,355	151,116,744
Other liabilities	14,801,243	11,895,812
Long-term debt outstanding	49,086,979	51,483,659
Total liabilities	63,888,222	63,379,471
Net assets:		
Invested in capital assets, net of debt	56,873,697	56,254,296
Restricted	30,853,116	26,006,205
Unrestricted	1,233,320	5,476,772
Total net assets	$ 88,960,133	$ 87,737,273

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 how these amounts may be spent.

Net assets of the Commission increased by $1,222,860, or 1.39%, from October 31, 2011 to October 31, 2012. The primary reason is due to the reduction of liabilities. Other causes include that capital improvements are not charged 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 Net Assets
as of October 31, 2012

	Total	
	2012	2011
Operating revenues	$ 16,097,632	$ 16,272,612
Operating expenses	18,399,963	18,588,672
Operating income (loss)	(2,302,331)	(2,316,060)
Non-operating revenues	6,572,416	5,900,445
Non-operating expenses	3,047,225	2,915,032
Non-operating income (loss)	3,525,191	2,985,413
Net increase (decrease) in net assets	1,222,860	669,353

The Commission's total revenues increased by $496,991 or 2.24%. The total cost of all programs and services decreased by $56,516 or 0.26%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended October 31, 2012, the Commission had $108,357,356 invested in a broad range of capital assets, including the expressway bridge, building, vehicles, furniture, fixtures and equipment. This amount represents a net decrease (including additions and deductions) of $1,715,406, or 1.56% over last year.

This year's major additions included:

Bridge improvements	$ 1,920,536
Furniture, fixtures, and equipment	1,165,588
Building	100
Total	$ 3,086,224

Capital Assets at Year-end
(Net of Depreciation)

	2012	2011
Building and improvements	$ 3,047,541	$ 3,139,761
Furniture, fixtures, and equipment	2,768,318	2,609,054
Infrastructure	102,541,498	104,323,947
Total	$ 108,357,356	$ 110,072,762

LONG-TERM DEBT

The Commission had $51,055,000 in current and non-current bonds outstanding at year-end, compared to $53,320,000 last year, a decrease of 4.25%.

Outstanding Debt at Year-end

	2012	2011
Revenue Bonds (net of premium/discount)	$ 51,055,000	$ 53,320,000

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

The Commission has estimated claims of $323,558 outstanding at year-end compared with $628,357 last year. Other obligations include accrued vacation pay and sick leave.

BUDGET

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Toll Revenue Forecast, which is provided by the Traffic Engineers in accordance with the Trust Indenture.
- State Highway Fund No. 2 Forecasts by the Revenue Estimating Conference and the Legislative Fiscal Office. The Commission's share of Highway Fund No. 2 is designated for Debt Service first, and then bridge maintenance and rehabilitation.
- Prior year's expenses.

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

- The overall economy in the area looks stable.
- Increase in State Highway Fund No. based on the forecasts for 2014.
- Reduction in expenses.
- U.S. Corps of Engineers Hurricane Protection Project is scheduled to be completed by the end of June 2013.

CONTACTING THE COMMISSION'S MANAGEMENT

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

STATE OF LOUISIANA **Statement A**
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
BALANCE SHEET
AS OF OCTOBER 31, 2012

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	8,759,542
Restricted Cash and Cash Equivalents		
Investments		845,147
Restricted Investments		
Deferred outlflow of resources		
Receivables (net of allowance for doubtful accounts)(Note U)		296,369
Due from other funds (Note Y)		
Due from federal government		
Inventories		909,892
Prepayments		526,424
Notes receivable		
Other current assets		
Total current assets		11,337,374
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		19,249,812
Investments		6,934,788
Receivables		5,656,343
Investments		
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		
Buildings and improvements		3,047,541
Machinery and equipment		2,768,316
Infrastructure		102,541,499
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		1,312,682
Total noncurrent assets		141,510,981
Total assets	$	152,848,355
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	3,091,338
Derivative instrument		
Deferred inflow of resources		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		1,045,600
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable (payable from restricted assets)		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
OPEB payable		130,646
Bonds payable (payable from restricted assets)		2,396,680
Other long-term liabilities		
Total current liabilities		6,664,264
NONCURRENT LIABILITIES: (Note K)		
Contracts payable		
Compensated absences payable		1,382,444
Capital lease obligations		
Claims and litigation payable		1,743,801
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		49,086,979
OPEB payable		3,788,406
Other long-term liabilities		1,222,328
Total noncurrent liabilities		57,223,958
Total liabilities		63,888,222
NET ASSETS		
Invested in capital assets, net of related debt		56,873,697
Restricted for:		
Capital projects		14,758,849
Debt Service		16,094,267
Unemployment compensation		
Other specific purposes		
Unrestricted		1,233,320
Total net assets		88,960,133
Total liabilities and net assets	$	152,848,355

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

STATE OF LOUISIANA **Statement B**
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED OCTOBER 31, 2012

OPERATING REVENUE	
Sales of commodities and services	$
Assessments	
Use of money and property	15,811,025
Licenses, permits, and fees	
Other	286,607
Total operating revenues	16,097,632
OPERATING EXPENSES	
Cost of sales and services	13,153,880
Administrative	477,048
Depreciation	4,769,035
Amortization	
Total operating expenses	18,399,963
Operating income(loss)	(2,302,331)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	
Taxes	6,572,416
Use of money and property	70,660
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	(59,892)
Federal grants	
Interest expense	(2,363,787)
Other revenue	5,794
Other expense	(700,000)
Total non-operating revenues(expenses)	3,525,191
Income(loss) before contributions, extraordinary items, & transfers	1,222,860
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	1,222,860
Total net assets – beginning	87,737,273
Total net assets – ending	$ 88,960,133

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

STATE OF LOUISIANA **Statement C**
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2012

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	$ 21,523,642	$ 15,811,025	$	$	$ (5,712,617)
General revenues:					
Taxes					6,572,416
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					76,454
Miscellaneous					286,607
Special items					
Extraordinary item- Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					6,935,477
Change in net assets					1,222,860
Net assets - beginning as restated					87,737,273
Net assets - ending					$ 88,960,133

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2012

Statement D
(continued)

Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any	(240,544)	
Net cash provided(used) by operating activities		3,393,484
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	5,994,898	
Net cash provided(used) by non-capital financing activities		5,994,898
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds	(2,265,000)	
Interest paid on bond maturities	(2,370,125)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(3,124,769)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(7,759,894)
Cash flows from investing activities		
Purchases of investment securities	4,421,774	
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	69,502	
Net cash provided(used) by investing activities		4,491,276
Net increase(decrease) in cash and cash equivalents		6,119,764
Cash and cash equivalents at beginning of year		21,889,590
Cash and cash equivalents at end of year		$ 28,009,354

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2012

Statement D
(concluded)

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

Operating income(loss)		$	(2,302,331)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:			
Depreciation/amortization	4,769,035		
Provision for uncollectible accounts			
Other			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	138,092		
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments	147,138		
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	66,624		
Increase(decrease) in compensated absences payable	9,473		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues	15,020		
Increase(decrease) in OPEB payable	855,232		
Increase(decrease) in other liabilities	(304,799)		
Net cash provided(used) by operating activities		$	3,393,484

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Decrease in fair value of investments		59,892
Total noncash investing, capital, and financing activities:	$	59,892

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
Notes to the Financial Statement
As of and for the year ended October 31, 2012

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.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

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

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

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

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

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Commission 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 Committee on the Budget, 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 includes the original appropriation plus subsequent amendments as follows:

		APPROPRIATIONS
Original approved budget	$	20,755,000
Amendments:		
Final approved budget	$	20,755,000

C. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 13-01, Appendix A, for information related to 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 Commission 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 in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) 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 required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

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

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
Notes to the Financial Statement
As of and for the year ended October 31, 2012

The deposits at October 31, 2012, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	$ 1,859,985	$	$	$
Deposits in bank accounts per bank	$ 1,808,886	$	$	$
Bank balances exposed to custodial credit risk:	$	$	$	$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but	755,917			

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

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

Banking Institution	Program	Amount
1. Chase Bank	Toll bridge operations	$ 1,808,886
2.		
3.		
4.		
Total		$ 1,808,886

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

Cash in State Treasury $

Petty cash $ 800

2. INVESTMENTS

The Greater New Orleans Expressway Commission maintains its investment accounts as authorized by R.S. 33:2955.

Custodial Credit Risk

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

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

Type of Investment	Investments Exposed to Custodial Credit Risk: Uninsured, *Unregistered, and Held by Counterparty	Investments Exposed to Custodial Credit Risk: Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	All Investments Regardless of Custodial Credit Risk Exposure: Reported Amount Per Balance Sheet	All Investments Regardless of Custodial Credit Risk Exposure: Fair Value
Negotiable CDs	$	$	$	$
Repurchase agreements				
U.S. Government Obligations **				
U.S. Agency Obligations***			7,779,935	7,779,935
Common & preferred stock				
Mortgages (including CMOs & MBSs)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ****				
External Investment Pool (Other)				
Other: (identify)				
Total investments	$ -	$ -	$ 7,779,935	$ 7,779,935

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

A. Credit Risk of Debt Investments

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

Rating Agency	Rating	Fair Value
Standard & Poors	AA+	$ 7,779,935
	Total	$ 7,779,935

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments, **unless you have an external investment pool as discussed in OSRAP Memo 11-22**.)

		Investment Maturities (in Years)			
Type ofDebt Investment	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	$	$	$	$	$
U.S. Agency obligations	7,779,935	7,779,935			
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	$ 7,779,935	$ 7,779,935	$ -	$ -	$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See OSRAP Memo 13-01, Appendix A, for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment	Fair Value	Terms
	$	
Total	$ -	

C. Concentration of Credit Risk

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

Issuer		Amount	% of Total Investments
Federal Home Loan Banks	$	7,079,954	91.00%
Federal National Mort. Assoc		400,142	5.14%
Total	$	7,480,096	

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

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

5. POLICIES

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

No policy exists

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS - **N/A**

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

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

Schedule of Capital Assets (includes capital leases)

Agency	Balance 10/31/2011	Prior Period Adjustments	Restated Balance 10/31/2011	Additions	* Reclassification of CIP	** Retirements	Balance 10/31/2012
Capital assets not depreciated:							
Land	$	$	$ -	$	$	$	$ -
Non-depreciable land improvements			-				-
Non-depreciable easements			-				-
Capitalized collections			-				-
Software - development in progress			-				-
Construction in progress			-				-
Total capital assets not depreciated	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other capital assets:							
Depreciable land improvements	$	$	$ -	$	$	$	$ -
** Accumulated depreciation			-				-
Total land improvements	-	-	-	-	-	-	-
Buildings	3,692,794		3,692,794	100			3,692,894
** Accumulated depreciation	(553,033)		(553,033)	(92,320)			(645,353)
Total buildings	3,139,761	-	3,139,761	(92,220)	-	-	3,047,541
Machinery & equipment	9,483,155		9,483,155	1,165,588		(592,764)	10,055,979
** Accumulated depreciation	(6,874,101)		(6,874,101)	(989,520)		575,959	(7,287,662)
Total machinery & equipment	2,609,054	-	2,609,054	176,068	-	(16,805)	2,768,317
Infrastructure	226,750,052		226,750,052	1,920,536			228,670,588
** Accumulated depreciation	(122,426,105)		(122,426,105)	(3,702,985)			(126,129,090)
Total infrastructure	104,323,947	-	104,323,947	(1,782,449)	-	-	102,541,498
Software (internally generated & purchased)			-				-
Other intangibles			-				-
** Accumulated amortization - software			-				-
** Accumulated amortization - other intangibles			-				-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 110,072,762	$ -	$ 110,072,762	$ (1,698,601)	$ -	$ (16,805)	$ 108,357,356
Capital asset summary:							
Capital assets not depreciated	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other capital assets, book value	239,926,001	-	239,926,001	3,086,224	-	(592,764)	242,419,461
Total cost of capital assets	239,926,001	-	239,926,001	3,086,224	-	(592,764)	242,419,461
Accumulated depreciation/amortization	(129,853,239)	-	(129,853,239)	(4,784,825)	-	575,959	(134,062,105)
Capital assets, net	$ 110,072,762	$ -	$ 110,072,762	$ (1,698,601)	$ -	$ (16,805)	$ 108,357,356

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

** Enter a negative number except for accumulated depreciation in the retirement column

E. INVENTORIES

The Commission's inventories are valued using the specific identification method. These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the Greater New Orleans Expressway Commission at October 31, 2012, reflected at $31,840,943 in the non-current assets section on Statement A, consist of $19,249,812 in cash with fiscal agent, $5,656,343 in receivables, and $6,934,788 investment in federal agency securities. Such assets are restricted for debt service and capital projects purposes in accordance with debt covenants.

G. LEAVE

1. COMPENSATED ABSENCES

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

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

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 - N/A

H. RETIREMENT SYSTEM

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

All Commission employees working at least 28 hours per week are eligible to participate in the System. Benefits vest with 7 years of service. At retirement age, employees hired prior to January 1, 2007 are entitled to annual benefits equal to 3% of their highest consecutive 36 months' average salary multiplied by their years of credited service. At retirement age, employees hired January 1, 2007 and later are entitled to annual benefits equal to 3% of their highest consecutive 60 months' average salary multiplied by their years of credited service. Vested employees hired prior to January 1, 2007 are entitled to a retirement benefit payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, (c) age 60 with 10 years of service, or (d) age 65 with 7 years of service. Vested employees hired January 1, 2007 and later are entitled to a retirement benefit payable monthly for life at (a) age 55 with 30 years of service, (b) age 62 with 10 years of service, or (c) age 67 with 7 years of service. In addition, effective August 15, 1995, any employee who on January 1, 1982, had earned 10 years of service credit shall be eligible for early retirement at a reduced benefit regardless of age. The System also provides death and disability benefits. Benefits are established or amended by state statute. Act 996 of 2010 allows the Board of Trustees to set the employee contribution rate at any level between 8% and 11%. 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, calling (225) 928-1361, or website persla.org. Members are required by state statute to contribute 9.50% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:62. The employer contribution rate was 15.75% of annual covered payroll in fiscal year ending October 31, 2012 and October 31, 2011, and October 31, 2010. The Commission's contributions to the System for the years ending October 31, 2012, 2011, and 2010 were $776,259, $795,143, and $740,724, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Substantially all Commission employees become eligible for post-employment health care and life insurance benefits if they reach normal retirement age while working for the Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Commission. The Commission pays 70% of the retirees' total premium. The Commission and the retirees pay their respective share of the premiums on a "pay-as-you-go" basis. The Commission contributed $130,646 for 25 retirees.

The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability (UAL) over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2012 is $1,033,691 which consists of normal cost of $561,742 and amortization of UAL of $421,949.

The following table presents the Commission's OPEB obligation for the year ended October 31, 2012:

Beginning OPEB obligation at November 1, 2011	$ 3,063,820
Interest on proior year obligation	122,553
Annual Required Contribution	1,033,691
Less: Adjustment to ARC	170,366
Less: Current year premiums paid	130,646
Increase in net OPEB obligation	855,232
Ending net OPEB obligation at October 31, 2012	$ 3,919,052

Utilizing the pay-as-you-go method, the Commission contributed 14.1% of the annual OPEB cost during 2012.

Actuarial Methods and Assumptions

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

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

In the October 31, 2012 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.2% initially, reduced by decrements to an ultimate rate of 5.5% after ten years. The RP2000 Mortality Table was used in the actuarial calculation. Withdrawal rates for employees ranged from 23% for less than one year of service to1% after 17 years of service. Disability rates for employees ranged from .05% for employees aged 30 years to 1.71% for employees over the age of 60. Retirement rates ranged from 22% for age 55 to 100% for age 67+. Unfunded actuarial accrued liability (UAAL) is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB 45 of 30years (open amortization) as a level dollar amortization.

Funded Status

The funded status of the plan as of October 31, 2012 and prior years was as follows:

	2012	2011	2010	2009
Actuarial Accrued Liability (AAL)	$ 7,421,638	$ 7,421,638	$ 7,001,346	$ 7,001,346
Actuarial value of plan assets				
Unfunded Actuarial Accrued Liability (UAAL)	7,421,638	7,421,638	7,001,346	7,001,346
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%	0.00%
Covered payroll (active plan members)	4,943,566	4,943,566	4,850,944	4,729,958
UAAL as a percentage of covered payroll	150.13%	150.13%	144.33%	148.02%

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2012 amounted to $151,989. A schedule of payments for operating leases follows:

Nature of lease	FY2013	FY 2014	FY 2015	FY2016	FY 2017	FY 2018-2022	FY 2023-2027
Office Space	$ 142,136	$ 142,136	$ 142,136	$ 142,136	$ 91,078	$	$
Equipment							
Land							
Other							
Total	$ 142,136	$ 142,136	$ 142,136	$ 142,136	$ 91,078	$ -	$ -

2. CAPITAL LEASES - N/A

3. LESSOR DIRECT FINANCING LEASES - N/A

4. LESSOR – OPERATING LEASE - N/A

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended October 31, 2012:

Year ended October 31, 2012

	Balance October 31, 2011	Additions	Reductions	Balance October 31, 2012	Amounts due within one year
Notes and bonds payable:					
Notes payable	$	$	$	$ -	$
Bonds payable	53,818,466	-	2,334,807	51,483,659	2,396,680
Total notes and bonds	53,818,466	-	2,334,807	51,483,659	2,396,680
Other liabilities:					
Contracts payable				-	
Compensated absences payable	1,372,971	9,473		1,382,444	-
Capital lease obligations				-	
Claims and litigation	628,357		304,799	323,558	-
Pollution remediation obligation				-	
OPEB payable	3,063,820	985,878	130,646	3,919,052	130,646
Other long-term liabilities	1,184,127	1,458,444		2,642,571	
Total other liabilities	6,249,275	2,453,795	435,445	8,267,625	130,646
Total long-term liabilities	$ 60,067,741	$ 2,453,795	$ 2,770,252	$ 59,751,284	$ 2,527,326

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. The State has a Self-Insurance Fund administered by the Office of Risk Management and it negotiates, and settles certain tort claims against the State or State agencies. Those claims against the State not handled through the Office of Risk Management should be reported in the following note. Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in the impairment note.

The "probable outcome" of litigation can be described as probable, reasonably possible, or remote. Probable means the future event is likely to occur; reasonably possible means the future event is more than remote but less than likely to occur; remote means the future event has a slight chance to occur. Losses or ending litigation that is probable in nature should be accrued in the financial statements and reflected on the account line, Claims and Litigation Payable.

The Commission is a defendant in litigation seeking damages as follows: (List only litigation not being handled by the Office of Risk Management.

Date of Action	* Check (✓) if handled by AG's Office	Description of Litigation and Probable outcome (probable, reasonably possible or remote)	Estimated Amount for Claims & Litigation (opinion of legal counsel)	Insurance Coverage
7/10/2009		Probable	$ 75,000	$ -
			$ 75,000	$ -

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

(a) Purchase of commercial insurance,

(b) ~~Participation in a public entity risk pool (e.g., Office of Risk Management claims)~~

(c) Risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)

(d) Other (explain) ____________________

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

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

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

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. ______ N/A ____________________

Disallowed Cost: - N/A

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

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

* Reasonably possible, probable, or remote

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

M. RELATED PARTY TRANSACTIONS - N/A

N. ACCOUNTING CHANGES - N/A

O. IN-KIND CONTRIBUTIONS - N/A

P. DEFEASED ISSUES - N/A

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

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

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

T. SHORT-TERM DEBT - N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at October 31, 2012, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	$	$ 1,979,766	$ 2,254,930	$ 1,718,016	$ 5,952,712
Gross receivables	$ -	$ 1,979,766	$ 2,254,930	$ 1,718,016	$ 5,952,712
Less allowance for uncollectible accounts					
Receivables, net	$ -	$ 1,979,766	$ 2,254,930	$ 1,718,016	$ 5,952,712
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at October 31, 2012, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$ 1,832,235	$ 91,487	$ 1,167,616	$	$ 3,091,338
					-
Total payables	$ 1,832,235	$ 91,487	$ 1,167,616	$ -	$ 3,091,338

W. SUBSEQUENT EVENTS - N/A

X. SEGMENT INFORMATION - N/A

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in Commission at October 31, 2012, reflected at $4,789,035 in the liabilities section on Statement A, consist of $2,392,355 in accounts payable and $2,396,680 in bonds payable.

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

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

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See OSRAP Memo 13-01, Appendix B, for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 11-12: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in OSRAP Memo 13-01, Appendix B, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

Type of asset	Amount of Impairment Loss	Insurance Recovery in the same FY	Net Impairment Loss per Financial Stmts	Financial Statement Classification	Indicator of Impairment	Reason for Impairment (e.g. hurricane, fire)
Buildings	$	$	$			
Movable Property						
Infrastructure	1,446,264	1,446,264	-	N/A	Damage	Hurricane

Insurance recoveries received in FY 11-12 related to impairment losses occurring in previous years, and insurance recoveries received in FY 11-12 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

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

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

Type of asset	Carrying Value of Idle Impaired Assets	Reason for Impairment
Buildings - permanently impaired	$	
Buildings - temporarily impaired		
Movable Property - permanently impaired		
Movable Property - temporarily impaired		
Infrastructure - permanently impaired		
Infrastructure - temporarily impaired		

DD. EMPLOYEE TERMINATION BENEFITS - N/A

EE. POLLUTION REMEDIATION OBLIGATIONS - N/A

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

GG. RESTRICTED NET ASSETS – OTHER SPECIFIC PURPOSES

Per GASB Statement 34, paragraph 34, net assets are reported as restricted when constraints on net asset use are either; externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation. Restricted Net Assets are reported on the balance sheet as restricted by Capital Projects, Debt Service, Unemployment Compensation, and Other Specific Purposes. The balance sheet amount for Restricted Net Assets - Other Specific Purposes should be further defined by function as follows:

	Restricted Net Assets
Conservation and Environment	$
Corrections	
Culture, Recreation, and Tourism	
Education	
General Government	
Health and Welfare	
Public Safety	
Transportation and Development	30,853,116
Youth Services	
Total	$ 30,853,116

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
OCTOBER 31, 2012

Name		Amount
Patricia Brister	$	38
Peter Egan		6,779
Lawrence Katz		6,836
Michael Lorino, Jr.		6,798
Lawrence Rase		6,836
James Ravannack		38
Stephen Romig		6,836
Total	$	34,161

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF NOTES PAYABLE - N/A
OCTOBER 31, 2012

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

SCHEDULE 3-A

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF BONDS PAYABLE
OCTOBER 31, 2012

Issue	Date of Issue	Original Issue	Principal Outstanding 10/31/11	Redeemed (Issued)	Principal Outstanding 10/31/12	Interest Rates	Interest Outstanding 10/31/12
Series:							
2003	4/15/03	54,605,000	46,460,000	1,200,000	45,260,000	2.0-5.0%	1,083,385
2009	10/28/09	7,900,000	6,860,000	1,065,000	5,795,000	2.75-3.25%	84,231
Unamortized Discounts and Premiums Series:							
2003	4/15/03	992,807	463,318	52,993	410,325		
2009	10/28/09	104,761	35,148	16,814	18,334		
Total		63,602,568	53,818,466	2,334,807	51,483,659		1,167,616

***Note: Principal outstanding (bond series minus unamortized costs) at 6/30/12 should agree to bonds payable on the Statement of Net Assets.**

Send copies of new amortization schedules for bonds and unamortized costs.

SCHEDULE 3-B

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF CAPITAL LEASE AMORTIZATION - N/A
For The Year Ended October 31, 2012

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2013	$	$	$	$ --
2014				--
2015				--
2016				--
2017				--
2018-2022				--
2023-2027				--
2028-2032				--
2033-2037				--
Total	$ --	$ -	$ --	$ --

SCHEDULE 4-A

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF NOTES PAYABLE AMORTIZATION - N/A
For the Year Ended October 31, 2012

Fiscal Year Ending:	Principal	Interest
2013	$	$
2014		
2015		
2016		
2017		
2018-2022		
2023-2027		
2028-2032		
2033-2037		
Total	$ --	$ --

SCHEDULE 4-B

STATE OF LOUISIANA
GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended October 31, 2012

Fiscal Year Ending:	Principal	Interest
2013	$ 2,335,000	$ 2,251,000
2014	2,415,000	2,192,544
2015	2,485,000	2,130,426
2016	2,565,000	2,067,994
2017	2,675,000	1,977,956
2018	1,525,000	1,881,925
2019	1,605,000	1,801,863
2020	1,685,000	1,721,613
2021	1,770,000	1,637,363
2022	1,840,000	1,564,350
2023	1,920,000	1,486,150
2024	2,005,000	1,402,150
2025	2,105,000	1,301,900
2026	2,210,000	1,196,650
2027	2,320,000	1,086,150
2028	2,435,000	970,150
2029	2,560,000	848,400
2030	2,640,000	730,000
2031	2,775,000	598,000
2032	2,915,000	459,250
2033	3,060,000	313,500
2034	3,210,000	160,500
2035		
2036		
2037		
Subtotal	51,055,000	29,779,834
Unamortized Discounts/Premiums	428,659	
Total	$ 51,483,659	$ 29,779,834

***Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/12 should agree to bonds payable on the Statement of Net Assets.**

SCHEDULE 4-C

STATE OF LOUISIANA

GREATER NEW ORLEANS EXPRESSWAY COMMISSION

COMPARISON FIGURES

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

	2012	2011	Difference	Percentage Change
1) Revenues	$ 16,097,632	$ 16,272,612	$ -174,980	-1.1%
Expenses	18,399,963	18,588,672	-188,709	-1.0%
2) Capital assets	108,357,356	110,072,762	-1,715,406	-1.6%
Long-term debt	56,785,155	58,255,257	-1,470,102	-2.5%
Net Assets	88,960,133	87,737,273	1,222,860	1.4%

Explanation for change:

SCHEDULE 16 – COOPERATIVE ENDEAVORS - N/A
FOR THE YEAR ENDED JUNE 30, 2012

AGENCY NUMBER________
AGENCY NAME______________________

Contract Financial Management System #	Parties to the Coop	Brief Description of the Coop	Multi-year, One-Time, or Other Appropriation	Original Amount of Coop, Plus Amendments, if any	Date of Original Coop was Effective	End Date of Coop, as Amended, if Applicable	Funding Source per Coop Agreement based on Net Liability for the year ended June 30, 2012							Paid - Inception to Date for the year ended 6/30/2012	Net Liability for the year ended 6/30/2012
							100% State	100% SGR	100% Stat. Ded.	100% G.O. Bonds	100% Federal	100% IAT	100% Combination		
															0.00
															0.00
															0.00
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															0.00
															0.00
															0.00
															0.00
															0.00
															0.00
															0.00
		TOTAL		0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

J. Aaron Cooper , CPA, LLC

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Member of the American Institute of Certified Public Accountants and the Society of Lousiana Certified Public Accountants

To the Management of
Greater New Orleans Expressway Commission

In planning and performing my audit of the financial statements of the Greater New Orleans Expressway Commission as of and for the year ended October 31, 2012, in accordance with auditing standards generally accepted in the United States of America, I considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control.

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

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

During the course of my audit, I did become aware of the following matter that is an opportunity to strengthen internal controls and enhance operating efficiency:

Item 2012-1 Cash Counts by Toll Collectors. At the end of his/her shift, each toll collector counts cash received during the shift and prepares a deposit. It was noted that the bank was making adjustments for a number of these deposits because the cash counts were incorrect resulting in an error on the deposit slip. The errors were ultimately reconciled by the Toll Auditor. Bank fees resulting from these adjustments totaled approximately $1,300. I recommend that management emphasize the necessity for accurate counts as well as consider additional training for the toll collectors.

Management Response. Since the audit, management has had three meetings with the toll supervisor and senior toll personnel regarding this situation. Management has told them that the number of counting errors is unacceptable and has instructed the supervisors to meet with each of toll collector; inform them that it is imperative that all calculations be correct; and to daily double check their figures. The toll supervisor is keeping written summaries of meetings with each collector. Management is monitoring the situation and expects improvements within 60 days.

This communication is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

J. Aaron Cooper, CPA, LLC

DeRidder, Louisiana
April 19, 2013