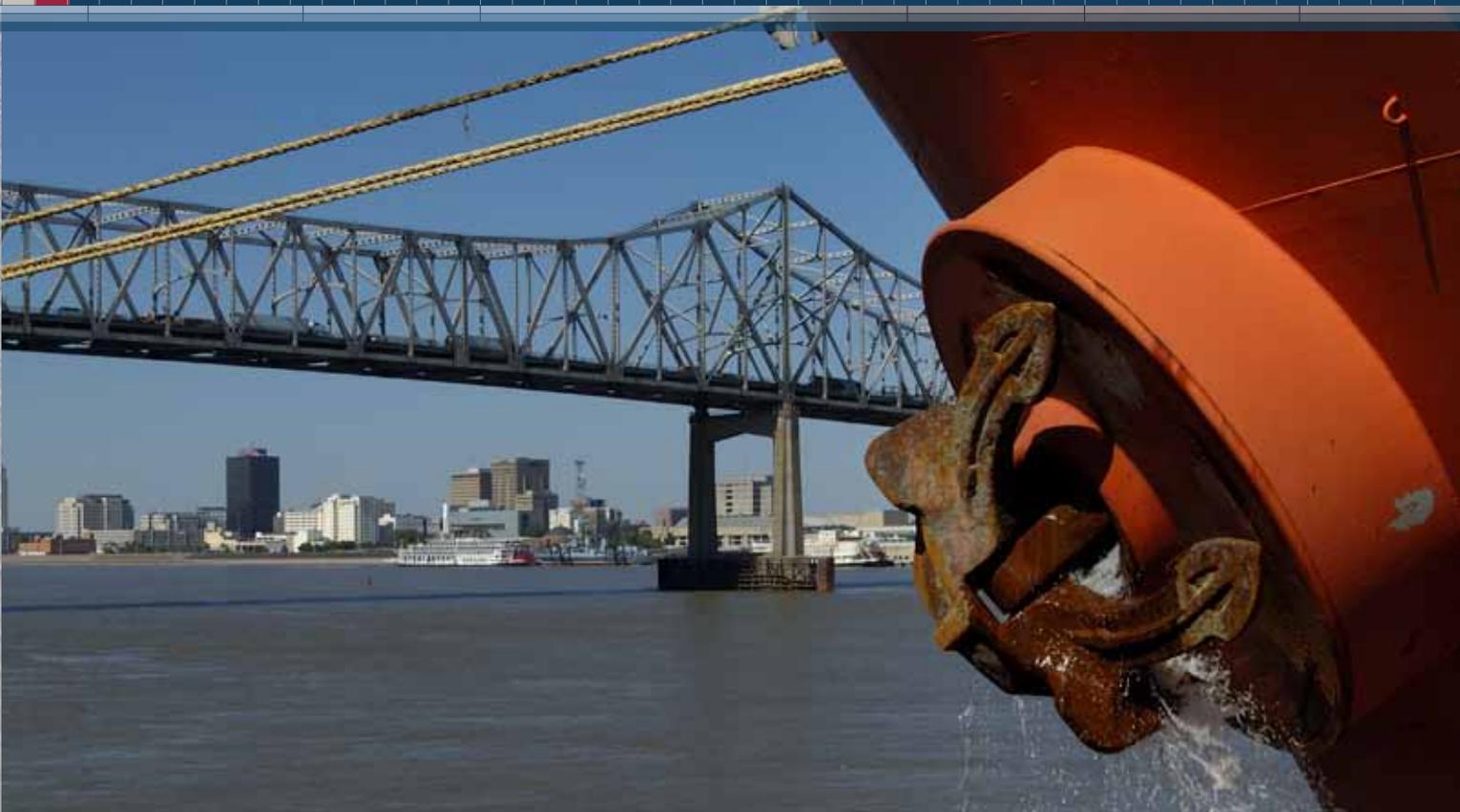


2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of Louisiana For the Twelve-Month Period Ended December 31, 2010



Prepared by the Department of Finance and Administration
Katie G. LeBlanc, Interim Director of Finance and Administration

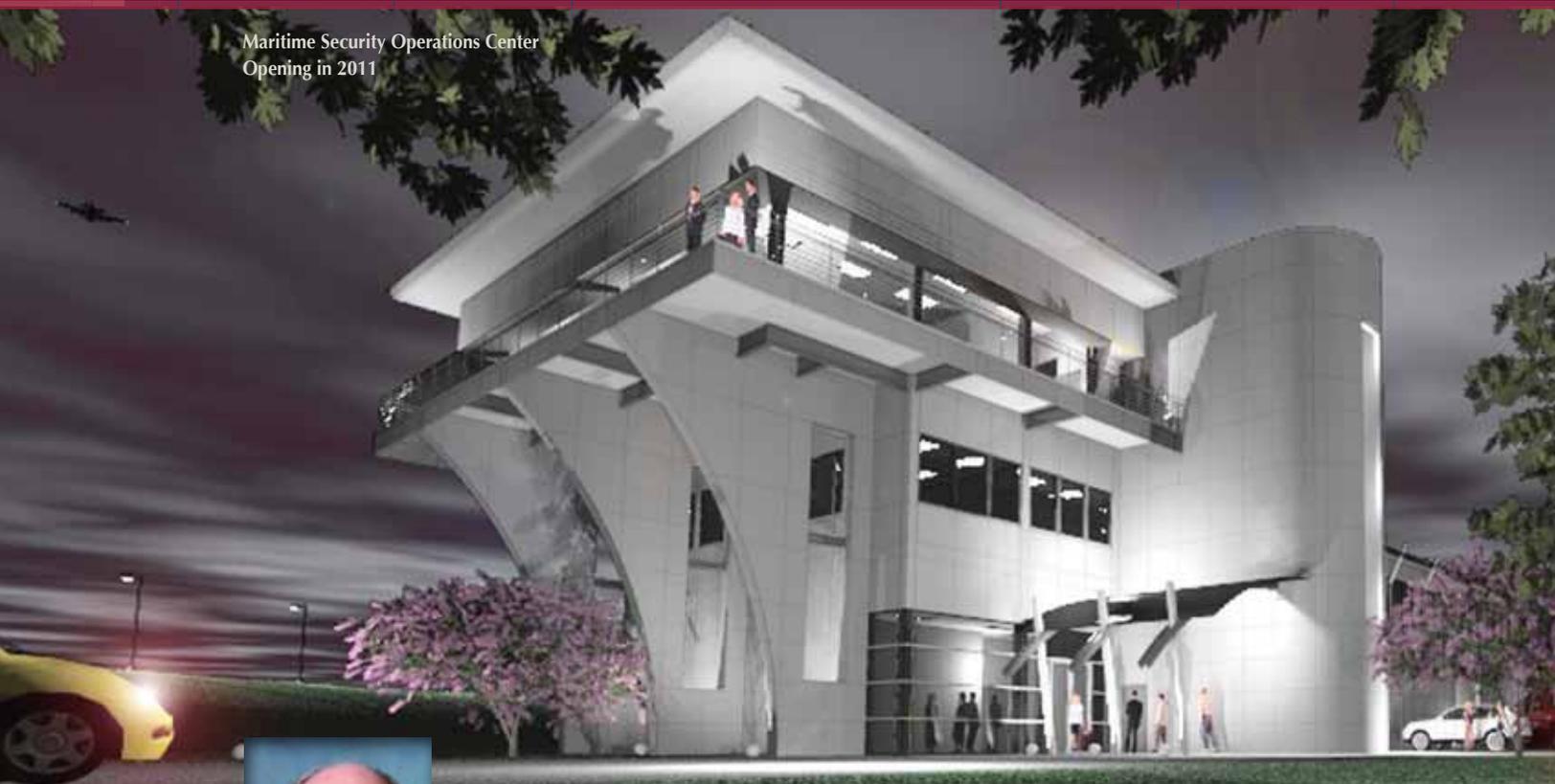
2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of Louisiana For the Twelve-Month Period Ended December 31, 2010

Maritime Security Operations Center
Opening in 2011



IN MEMORIAM

Bradley L. Stueber, Director of Finance and Administration

The 2010 Comprehensive Annual Financial Report is dedicated in memory of Brad L. Stueber. Mr. Stueber served as a member of the port staff in the Finance and Administration Department for 13 years. The Port Commission and staff are appreciative of his years of service and his contributions to the port's progress and oversight of the financial and administrative management of the Port of Greater Baton Rouge.

Prepared by the Department of Finance and Administration
Katie G. LeBlanc, Interim Director of Finance and Administration

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory

Introductory



2010



Post Office Box 380 • Port Allen, Louisiana 70767-0380 • Phone (225) 342-1660 • Fax (225) 342-1666 • www.portgbr.com

June 23, 2011

The Board of Commissioners
Greater Baton Rouge Port Commission
2425 Ernest Wilson Drive
Port Allen, Louisiana 70767

Dear Board of Commissioners:

Companies located at the port indicate positive projections for 2011 in terms of shipping, planned expansion, additional capital investment and job creation. These companies operating at the Port of Greater Baton Rouge, as well as several plants in the petrochemical corridor along the port's 85-mile jurisdiction of the Mississippi River, have taken the opportunity over the past two years to expand or add new facilities in anticipation of future growth. This is very good news for the capital region and is certainly reason to be optimistic about the economic viability and future potential for this area of Louisiana.

The Port of Greater Baton Rouge and the Baton Rouge region continued to outpace the regional, national and global economies in 2010. The Baton Rouge area maintained its ranking as one of the top 10 mid-markets of the decade, based on the amount of new and expanded projects primarily generated by the petrochemical sector and jobs created within the last 10 years. This strong business growth within the State of Louisiana and the port region results in increased business activity and continues to be a benefit to the port by creating new job opportunities and economic development.

In 2010, the Port of Greater Baton Rouge improved its ranking as the 13th largest port in the nation handling over 51.8 million short tons of cargo through its 85-mile port area located on the Mississippi River. Port tonnage activity improved with an overall increase of 14 percent over the previous year, and four of the existing public facilities, operated by companies located at the port, increased their tonnage substantially due to business growth and expansions. Also, the port's existing tenants reported positive growth during 2010 and the port benefited from the completed projects in 2010 in the form of increased tonnage, jobs, terminal capacity and revenue. Port revenues continue to be sustainable and the port leadership continues to provide guidance and strategic planning to continue the port's rehabilitation and capital improvements plans for the public facilities. In addition, two of the port's existing tenants have indicated they will undertake planned expansions to increase capacity in 2011.

General cargo tonnage was up in 2010, due to shipments of pipe which were imported for use in the pipeline for the Haynesville Shale project in North Louisiana, and from increased raw sugar shipped out from the port's Bulk Sugar Distribution Facility.

Westway Terminal Company recently completed a \$6 million expansion, increasing the terminal's capacity by one third to a total capacity of 22.5 million gallons for liquid bulk storage. The demand for liquid bulk products is projected to grow.

Center Point Terminal, operators of the petroleum fuel terminal at the port, has leased an additional 15 acres for a future expansion and announced plans to expand beginning in 2011. The estimated cost of the expansion project is between \$8 million and \$10 million and is expected to double the liquid bulk capacity at the oil terminal when completed.

The port recently purchased an additional 24 acres adjacent to the Inland Rivers Marine Terminal (IRMT) for future expansion. This additional land increases the acreage at the terminal to 84 acres.

Katoen Natie, Louisiana continues to expand their value-added services and capabilities for local manufactures and has invested an additional \$1 million in equipment for a second line for their bagging commodities at the Inland Rivers Marine Terminal. The company also leased additional warehouse space at the port for its new chemical bulk storage division.

Point Bio Energy, LLC, a biofuels company, is currently in the development and construction planning stage of a biofuels project on port property. This wood pellet plant is a capital improvements project estimated at over \$100 million and will be a tremendous benefit to the Louisiana forest industry while also bringing additional deep-draft shipping to the port.

Construction is underway on the three-story Maritime Security Operations Center overlooking the Mississippi River. This project is made possible through a cooperative effort among the port's other security partners, legislators, port commissioners, Louisiana's congressional representatives, U.S. Department of Homeland Security, and the U.S. Coast Guard.

In 2010, the port solicited requests for proposals for the public grain elevator. In February 2011, port commissioners selected and approved a proposal by Louis Dreyfus Commodities, LLC to lease the port's public grain elevator and export facility. Dreyfus expects to invest more than \$75 million to upgrade the grain dock, elevator and storage facilities at the Port and anticipates that Baton Rouge will become the base of the company's Mississippi River operations.

According to Dreyfus officials, there is potential to bring in more than 5 million metric tons of grain a year at the upgraded facilities, which is the equivalent of 100 Panamax vessels or 3,600 barges. These improvements and capital investments to the public grain elevator create the opportunity to significantly benefit Louisiana's agricultural interest and farmers well into the future. The upgrade to the facility will allow for more competitiveness in the marketplace. Plans to upgrade the facilities landside and on the river are underway to accommodate projected increases in grain throughput volumes and higher shipping traffic at the grain elevator. It is anticipated that there will be an indirect positive effect of jobs creation for longshoremen, stevedores, tugboat operators and other stakeholders in the maritime industry.

One of the port's strategic goals is to expand and improve on facility utilization of the public maritime assets. Through the port's maintenance and rehabilitation programs, state and federal grants, and private sector funding, our maritime infrastructure continues to be upgraded for maximum utilization and diversification of the cargo and revenue streams. The port will continue to build upon these public assets.

Major port projects for 2010 included:

- Maritime Security Operations Center (MSOC) - On November 23, 2009, the Port received public bids for the construction of the MSOC in the amount of \$2,740,000 and the contract was awarded to Block Construction, L.L.C. located in Baton Rouge, Louisiana. The award of the contract for the construction of the new multi-purpose facility was executed on December 17, 2009. Construction of this facility began in February 2010 and the facility will be completed and operational in the fall of 2011. When completed, the facility is designed to function continuously as a Maritime Command Center during either landside or maritime emergencies and have interoperable capabilities with other command centers on the lower Mississippi River. This project is funded through a \$1 million grant from the U.S. Department of Homeland Security, and a \$2 million state appropriation through the State of Louisiana Capital Outlay Program.
- Grain Elevator Silo Improvements Project was advertised and bid for the rehabilitation of ten of the silos on the grain elevator. The rehabilitation of the grain silos was awarded to C-Tech, Inc., of York Nebraska. This rehabilitation project will occur in 2011 at a cost of \$1,236,260.
- Baton Rouge Barge Terminal Road, East Baton Rouge Parish - The Port has planned improvements scheduled for the Bulk Handling Terminal at the Baton Rouge Barge Terminal. Plans include construction of a limestone road and rail improvements. Plans are in the design phase and the cost of the project is estimated to be \$2 million. The Port Commission continues to seek funding for the project through grants and the Louisiana Department of Transportation Port Priority Program.
- Transit Shed Roof and Siding Repairs - In February 2009, the Port Commission approved and accepted the bid of \$1,275,470 on State Project No. 578-61-0022 for roof rehabilitation to Transit Sheds 1 & 3. The roof rehabilitation project is 95 percent complete by J. Reed Constructors of Baton Rouge. The project is awaiting final completion and approval by the engineering staff.
- 2009 Louisiana State Capital Outlay Appropriation - Through the support and efforts of the port's legislative delegation, the port received a \$6 million appropriation from the 2009 Capital Outlay Budget. These funds will be used for port improvements and rehabilitations to the public grain elevator and other rehabilitation projects scheduled to start in 2011.
- Grain Dock Rehabilitation, \$2.7 million - This project includes the repair and rehabilitation to the port's grain elevator dock structure, substructure and painting of the storage facilities. The project is funded through the Louisiana Port Construction and Development Priority Program, and funds from the 2006 Capital Outlay Program of \$2,416,050. State funding was authorized for the project in April 2007. The project is 80% complete and has been delayed due to the persistent high water levels of the Mississippi River. Completion of the project should occur in 2011 when the Mississippi River water levels are low enough to permit resumption of construction activities.

- Port-wide security grant, \$11.5 million - This federal grant was awarded in 2007 with a 25% percent state match of \$3.8 million from the FY 2008 State Appropriation from the Capital Outlay budget and will fund extensive emergency response vessel launching and mooring facilities at locations along the Mississippi River. Port staff and engineers are working with local government and municipalities in the 4-parish jurisdiction of the port to site and construct these important access improvements to the Mississippi River. These security improvements are designed to provide all maritime security components, with easier access to the Mississippi River during marine incidents requiring rapid response. Two of the projects are in the construction phase but work on the project has been stopped due to the flood stages of the Mississippi River. Engineering plans and right-of-ways are complete on several projects and these improvements are scheduled to begin construction in the fall of 2011.

Port business development efforts focus closely on our existing customers and shippers and we continually evaluate market conditions, shipping trends, and the future needs of port users. As a public port commission, one of our strategic objectives is to work closely with all private/public partnerships, port stakeholders and maritime interests along the Mississippi River to promote international commerce and trade. The port maintains close working relationships with federal, state, local, and regional authorities and private sector stakeholders within the port jurisdiction to ensure a vertically integrated approach to port growth and sustainability and to ensure port security.

Our Board of Commissioners and staff are committed to this mission of the Port of Greater Baton Rouge, which has been a cornerstone of the port's success as it develops policy and sets a future direction for the growth and betterment of the public port facilities. The port's emphasis for the year ahead will continue to be directed at strategic planning for future port growth and fostering domestic and international trade so as to create jobs and investment opportunities for industries within the port region.

The maritime business environment is constantly changing, dynamic, and is an ultra-competitive global industry so the port is continually evaluating future business opportunities, and planning for future port needs. The diversification of port cargo and revenue streams continue to be the focal point of the port's overall success and sustainability as a market leader among U.S. Gulf of Mexico ports well into the future. Continuing to build on past accomplishments, the port's outlook for 2011 and beyond is optimistic and poised for growth.

The Port Board of Commissioners appreciates the effort and support of the local and state legislative delegations, existing companies located at the port and on the Mississippi River and the cooperative effort of all of the port's stakeholders. My thanks to the port's Board of Commissioners and to the talented and professional port staff for their leadership, guidance and support focusing and assuring that the public Port of Greater Baton Rouge continues as a driving economic engine and significant asset to this region and state for the present and for the future.

Sincerely,



Jay Hardman, P.E.
Executive Director



Post Office Box 380 • Port Allen, Louisiana 70767-0380 • Phone (225) 342-1660 • Fax (225) 342-1666 • www.portgbr.com

June 23, 2011

Board of Commissioners and Executive Director
Greater Baton Rouge Port Commission
Port Allen, Louisiana 70767

The Comprehensive Annual Financial Report of the Greater Baton Rouge Port Commission (the Commission), for the twelve-month period ending December 31, 2010, as prepared by the Finance Department, is hereby submitted for your review.

This report was prepared under the guidance of the Executive Director and by the Administration and Finance Department. Responsibility for the completeness, accuracy and fairness of the presentation rests with the Finance Director and administrative staff. To the best of our knowledge, all data is accurate with regard to all material aspects and is reported in a manner that is designed to fairly present the financial position of the Commission. Disclosures necessary to enable the reader to understand the Commission's financial activities have been included.

A Management's Discussion and Analysis (MD&A) that is designed to complement this letter of transmittal and the basic financial statements can be found in the financial section immediately following the report of the independent auditors.

ECONOMIC OUTLOOK

Louisiana's economy is outperforming the nation. Unemployment rates have remained relatively low. In November 2010, the unemployment national average was 9.8 percent. Louisiana's rate was 8.2 percent, a 1.6 percent below even the southern average. In 2010, Louisiana continued to rank near the top of the nation in new jobs created, lower unemployment and the attraction of new businesses and investment capital. This strong business growth within the State of Louisiana and the port region provided opportunities to increase business activity and continues to be a benefit to the port by creating new jobs and economic development. The Port improvements will provide increased revenue activities in 2011 and well into the future.

The Baton Rouge area maintained its ranking as one of the top 10 mid-markets of the decade, based on the amount of new and expanded projects primarily generated by the petrochemical sector and job growth that has been created within the last 10 years.

The Port of Greater Baton Rouge ranked 13th in the nation and 46th worldwide in total tonnage with over 51.8 million short tons moving through the port jurisdiction which continues to make the lower Mississippi River corridor a highway of commerce and strategic location to the national and international economy. Typically within the port industry, factors related to the local, national and international economies contribute significantly to the port's level of success. The goal is to continue current efforts to grow the port as opportunities for cargo movement expand and to foster economic development within the port's jurisdiction when possible. It is expected that changes, such as the strengthening or weakening of the dollar against foreign currencies, world energy demand, a focus on the need to be less fossil fuel dependent, and an overall population growth in the southern region of the United States, will all have a significant impact on the port's future.

As the global economy continues to recover, Louisiana's 2010 worldwide merchandise exports increased by 26.7 percent in value to \$41.3 billion compared to 2009, according to a report issued by the World Trade Center of New Orleans. The amount of Louisiana's exports in the fourth quarter of 2010 rose to \$13.9 billion, the highest fourth quarter on record, up \$4 billion over the same period in 2009.

Total U.S. exports were up 21 percent for all of 2010, with Louisiana placing 9th in state rankings. Louisiana growth rate ranked 9th among the top 10 exporting states and was behind only Michigan and Texas. Louisiana's principal export markets for 2010 were China (\$6.45 billion), Japan (\$3.1 billion), and Mexico (\$2.77 billion), followed by the Netherlands, Canada, Singapore, and Korea.

Louisiana exporters are reporting an increase in sales for oil and gas equipment, machinery parts, consumer goods, agriculture and food products. Louisiana companies are in the perfect position to take advantage of sales opportunities in Central and South America. The increase in total for Louisiana's exports for the year 2010 was 18.6 percent compared to 2009, while total U.S. exports registered a 15.4 percent gain.

The state legislature budgeted \$6 million from 2009 Capital Outlay funds for infrastructure improvements at the port. A portion of these funds will be allocated for upgrades and improvements to the grain elevator facility. The current grain elevator operator's lease expired on June 15, 2011. The Port Commission selected Louis Dreyfus Commodities, LLC as the new grain elevator operator and the company anticipates upgrades to the grain elevator to be \$75 to \$100 million in capital improvements by upgrading the grain dock, elevator and storage facilities at the Port and anticipates that Baton Rouge will become the base of the company's Mississippi River operations. According to Dreyfus officials, there is potential to bring in more than 5 million metric tons of grain a year at the upgraded facilities, which is the equivalent of 100 Panamax vessels or 3,600 barges which will greatly enhance shipping activity through the port.

Operating revenues for 2010 increased from 2009. It changed from \$4,985,751 in 2009 to \$5,714,048, an increase of 14.6 percent. Combined operating and non-operating revenues were recorded at \$6,318,766, which was up by \$898,452 over the same period in 2009. There was an increase in rentals, wharfage and investment income for 2010. Net assets increased by \$858,507 including the effects of the Governmental Standards Accounting Board (GASB) 45 which increased expenses by \$437,863. Total net assets were \$64,692,484 at year-end, as compared to \$63,833,977 in the previous year.

The port's leadership and management staff continue to build upon the strategic direction that maintaining diversified operations and maximizing facility use at the port provides real business strength for the present as well as for the future. The port continues to increase its efforts to produce an economic buffer against changes in market conditions that might otherwise produce a severe negative impact on its revenue stream.

As staff continues to focus on diversification and future growth, it will work to provide opportunities and incentives so that our business community has the ability to expand or to entice new business to locate and operate within the port's jurisdiction. As this is accomplished, there will be opportunities to increase the port's revenue base as well as to stimulate new benefits for our local, state, and national economies.

MAJOR INITIATIVES

The Board of Commissioners purchased an additional 24 acres of land in 2010 adjacent to the Port's Inland Rivers Marine Terminal expanding the terminal to 84 acres for future expansion. The Port Commission continues to have interest in obtaining additional tracts along the Mississippi River and Gulf Intracoastal Waterway as future port expansion continues.

Rehabilitation of the grain dock remained at 95 percent complete through 2010 due to the high level of the Mississippi River. This project is funded through state and port funding.

As part of the national U.S. Homeland Security initiative, the port, with funding from federal and state grants, continued to move forward with studies and plans for locating and constructing eleven emergency boat launch ramps along the Mississippi River within the port jurisdiction for security vessels to access the river at various points. Construction of the new security command center began in 2010. This project is also funded by federal and state grants and port funds. When completed, these facilities will enhance response time for maritime related emergencies which occur within the port's four parish jurisdiction.

FINANCIAL CONDITION

As demonstrated by the statements and schedules included in the financial section of this report, the Commission continues to be in sound financial condition.

REPORTING ENTITY

The Greater Baton Rouge Port Commission was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and has charge of and administers public wharves, docks, sheds, landings and other structures useful for the commerce of the port area.

FINANCIAL REPORTING

The Commission is a component unit of the State of Louisiana and includes only the financial information of this component unit.

The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles applicable to governments and to the guidelines set forth in the industry audit guide, *Audits of State and Local Governmental Units*. The Greater Baton Rouge Port Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. Governmental Accounting Standards Board's Statement No. 45 for Other Post-Retirement Employee Benefits was implemented as required in 2008.

FUND DESCRIPTION

The Greater Baton Rouge Port Commission has only one fund to which all accounts are organized and accounted for as a single entity. This fund is operated as an Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

INTERNAL CONTROLS

The management of the Commission is responsible for establishing and maintaining internal controls over its operations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures.

The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the evaluation of the costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL

The Commission staff prepares an annual Operations and Maintenance Budget that is based on expected collections and expenditures for the fiscal year. The Board of Commissioners approves and adopts the budget, which constitutes the authority of the Commission to incur liabilities and authorize projected expenditures from the respective budgeted categories.

In addition, the Commission approves certain expenses from the general fund account for maintenance of existing facilities and for new construction, on an as needed basis.

Monthly financial statements, which compare actual performance with budget, are presented to the Commission for review of the financial status and to measure the effectiveness of the budgetary controls.

DEBT ADMINISTRATION

The Commission is authorized by the state legislature to have outstanding indebtedness of up to \$100,000,000 evidenced by negotiable bonds or notes.

The Greater Baton Rouge Port Commission has outstanding Bond indebtedness of \$5,308,008 through a 1999A and 1999B Series issue. These bonds mature serially to the year 2019. The bonds are limited and special obligations payable solely from lawfully available funds and certain funds held by the Trustee pursuant to the Trust Indenture. No other assets are available for payment of the principal or interest on the Bonds.

INDEPENDENT AUDIT

State statutes require an annual audit by either an independent certified public accountant or the Legislative Auditor. The Louisiana Legislative Auditor elected to contract this service to the independent Certified Public Accounting firm, Duplantier, Hrapmann, Hogan & Maher, L.L.P, for the audit years 2008-2010. The auditor's report on the component unit financial statements is included in the financial section of this report.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Commission for its comprehensive annual financial report for the year ended December 31, 2009. This was the 16th consecutive year the Port Commission received this prestigious award. To be awarded a Certificate of Achievement, the Port Commission must publish an easily readable and efficiently organized comprehensive annual financial report. This report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement from the GFOA is valid for a period of one year only. The port's finance department's evaluation concluded that this current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. This report will be submitted to the GFOA for evaluation and to determine its eligibility for another Certificate of Achievement.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the finance/administration department, support of the executive department and the personnel of the professional accounting firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. Special recognition is given to the port finance and accounting staff, for their extraordinary efforts in maintaining and preserving the port's financial department and records throughout the year and the design and preparation of the 2010 Annual Financial Report.

Respectfully Submitted,



Katie G. LeBlanc
Interim Director of Finance and Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Baton Rouge
Port Commission, Louisiana

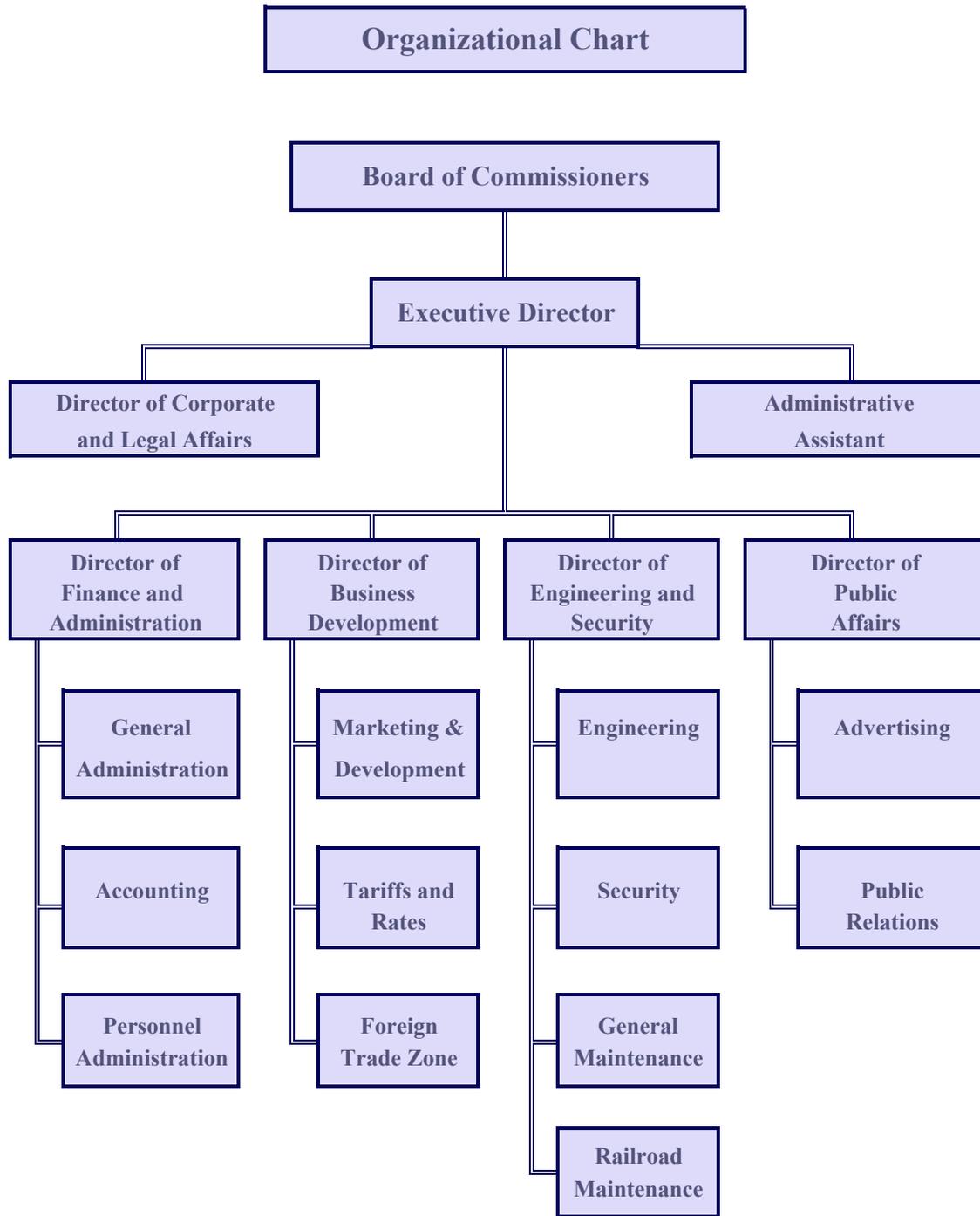
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



*Greater Baton Rouge Port Commission
(A Political Subdivision of the State of Louisiana)*

BOARD OF COMMISSIONERS

Larry Johnson

President

Jerald Juneau

Vice President

Timothy W. Hardy

Secretary

Blaine Sheets

Treasurer



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Brenda Hurst, CPA

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Angela Machen, PhD

Roy Pickren, Jr.

Randy Poche

Corey Sarullo

Clint Seneca

John Tilton

PORT STAFF

Jay Hardman, P.E.

Executive Director

T. Barry Wilkinson

Director of Corporate and Legal Affairs

Greg Johnson

Director of Business Development

Cortney White, P.E.

Director of Engineering and Security

Karen K. St. Cyr

Director of Public Affairs

Katie G. LeBlanc

Interim Director of Finance and Administration



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Financial



Financial

2010

FINANCIAL REPORT

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

Submitted by:

Department of Finance





DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

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CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.
HENRY L. SILVIA, C.P.A.

MICHAEL J. O'ROURKE, C.P.A.

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., CPA
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

INDEPENDENT AUDITOR'S REPORT

April 25, 2011

To the Board of Commissioners
Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the accompanying financial statements of the Greater Baton Rouge Port Commission, a component unit of the State of Louisiana, as of and for the years ended December 31, 2010 and 2009, as listed in the foregoing table of contents. These financial statements are the responsibility of the Greater Baton Rouge Port Commission's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Baton Rouge Port Commission as of December 31, 2010 and 2009, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2011, on our consideration of the Greater Baton Rouge Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Greater Baton Rouge Port Commission as a whole. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The required supplementary information other than MD&A, as required by the Government Accounting Standards Board, the accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and other supplementary information are presented for purposes of additional analysis and are not required parts of the financial statements. The schedule of expenditures of federal awards, the required supplementary information other than MD&A and the other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Annual Financial Report, presented as supplementary information in the Compliance Section, is not a required part of the basic financial statements, but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. The Annual Financial Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Annual Financial Report is fairly stated in all material respects in relation to the financial statements as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

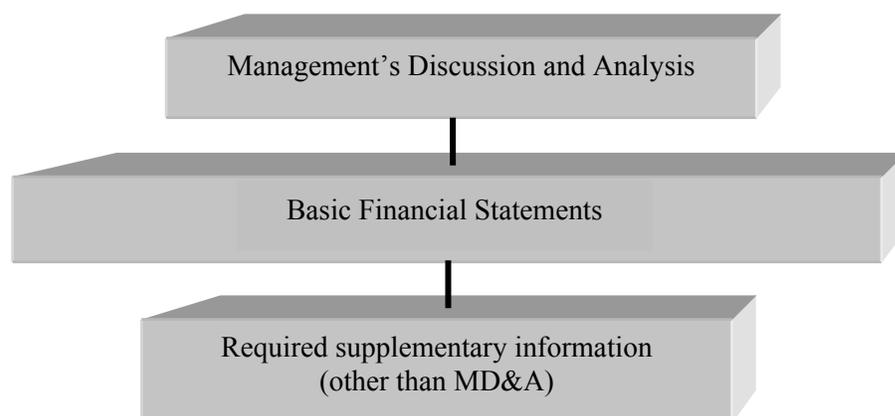
The Management's Discussion and Analysis of the Greater Baton Rouge Port Commission's performance presents a narrative overview and analysis of the Port Commission's financial activities for the years ended December 31, 2010 and 2009. The report is based on twelve months activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Port's financial statements, beginning on page 24.

The report contains comparative analysis for 2010 and 2009.

FINANCIAL HIGHLIGHTS

- The Greater Baton Rouge Port Commission's assets exceeded its liabilities at the close of fiscal year 2010 by \$64,692,484, which represents an increase from last fiscal year of \$858,507 (or 1.3%).
- During the twelve-month period, operating expenses exceeded operating revenues by \$1,614,217. Total net non-operating revenue was \$298,757. When combined, operating, non-operating and capital contributions performance measures indicate an increase in net assets of \$858,507.
- The unrestricted investment portfolio was valued at \$11,456,792 at December 31, 2010.

OVERVIEW OF THE FINANCIAL STATEMENTS



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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

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

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Greater Baton Rouge Port 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 Statements of Net Assets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statements of Cash Flows.

The Statements of Net Assets present 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 Port Commission is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Assets present information as to how the Port 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 Cash Flow Statements present information showing how the Port Commission's cash changed as a result of current year operations. The cash flow statements are prepared using the direct method and include 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

The following contains condensed Statement of Net Assets information at December 31, 2010, 2009 and 2008 (amounts in thousands).

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assets:			
Current and other assets	\$ 20,404	\$ 19,759	\$ 19,958
Capital assets	<u>54,057</u>	<u>52,963</u>	<u>53,614</u>
Total assets	<u>74,461</u>	<u>72,722</u>	<u>73,572</u>
Liabilities:			
Current and other liabilities	2,844	1,923	1,961
Long-term obligations	<u>6,925</u>	<u>6,965</u>	<u>6,708</u>
Total liabilities	<u>9,769</u>	<u>8,888</u>	<u>8,669</u>
Net assets:			
Invested in capital assets, net of debt	48,749	47,206	47,428
Restricted	181	199	213
Unrestricted	<u>15,762</u>	<u>16,429</u>	<u>17,262</u>
Total net assets	<u>\$ 64,692</u>	<u>\$ 63,834</u>	<u>\$ 64,904</u>

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

Net assets of the Greater Baton Rouge Port Commission increased by \$858,507 from December 31, 2009 to December 31, 2010. This increase was a result of increases in rental income, mid-river activity, and investment income and a decrease in the net annual OPEB cost. Net assets decreased by \$1,069,755 from December 31, 2008 to December 31, 2009. This decrease was a result of decreases in rental income, grain elevator activity, mi-river activity, and the recording of the post employment benefits liability required by GASB 45.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the years ended December 31, 2010, 2009 and 2008 (amounts in thousands).

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Dockage & Wharfage	\$ 2,168	\$ 1,504	\$ 1,970
Rentals	2,220	1,961	2,423
Other	<u>1,325</u>	<u>1,521</u>	<u>1,685</u>
Operating revenues	5,713	4,986	6,078
Direct	(2,146)	(2,171)	(2,226)
Administrative	(2,241)	(2,021)	(2,036)
Post Retirement Benefits	(438)	(693)	(674)
Depreciation	<u>(2,503)</u>	<u>(2,538)</u>	<u>(2,538)</u>
Operating expenses	<u>(7,328)</u>	<u>(7,423)</u>	<u>(7,474)</u>
Operating income (loss)	<u>(1,615)</u>	<u>(2,437)</u>	<u>(1,396)</u>
Non-operating revenues	605	435	1,196
Non-operating expenses	<u>(306)</u>	<u>(317)</u>	<u>(342)</u>
Non-operating income (expenses)	<u>299</u>	<u>117</u>	<u>854</u>
Income (loss) before contributions	<u>(1,316)</u>	<u>(2,320)</u>	<u>(542)</u>
Capital contributions	<u>2,174</u>	<u>1,250</u>	<u>597</u>
Change in net assets	858	(1,070)	55
Total Net Assets – Beginning of Year	<u>63,834</u>	<u>64,904</u>	<u>64,849</u>
Total Net Assets – End of Year	<u>\$ 64,692</u>	<u>\$ 63,834</u>	<u>\$ 64,904</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

The Greater Baton Rouge Port Commission's operating revenues increased by \$728,297 and the total operating expenses decreased by \$94,631 from 2009 to 2010. The increase in operating revenues resulted from more stable rental revenues and increases in mid-river activity. Decreased operating expenses resulted from decreases in direct expenses and the net annual OPEB expense more than offsetting the increase in administrative expenses. The Port's operating revenues decreased by \$1,092,372 in 2009 over 2008 due to lease expirations and terminations in 2009. Operating expenses decreased by \$53,179 from 2008 to 2009. Decreased operating expenses were due to decreased direct expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010 and 2009, the Port Commission had \$115,600,637 and \$112,009,061, respectively, invested in a broad range of capital assets, including land, railroad tracks and yards, roadways and structures, buildings and structures, equipment, furnishings and transportation equipment. This amount represents a net increase (including additions and deductions) of \$3,591,576 over last period. Accumulated depreciation at the end of 2010 and 2009 was \$61,543,577 and \$59,046,308, respectively. For additional information on capital asset activity see note 5 in the Notes to the Financial Statements section. Capital assets at December 31, net of accumulated depreciation, are as follows:

Capital Assets (in Thousands)		
	2010	2009
Land	\$ 8,109	\$ 7,380
Construction in progress	7,502	5,065
Building and improvements	29,450	30,819
Equipment	1,133	1,435
Infrastructure	7,863	8,264
Totals	\$ 54,057	\$ 52,963

Debt

The Greater Baton Rouge Port Commission had \$5,308,008 in loans payable outstanding at year-end, compared to \$5,756,857 last year, a decrease of 7.8%.

No new debt was issued during the year ended December 31, 2010.

The Greater Baton Rouge Port Commission carries a BBB- debt rating on its debt.

Additional information concerning Long Term Debt is disclosed in Note 6 in the Notes to the Financial Statements.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

**CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS EXPECTED TO
HAVE SIGNIFICANT EFFECT ON THE FUTURE**

In accordance with the requirements of GASB 34, we are not aware of any known facts, decisions or conditions that are expected to have a significant effect on the Port's financial position or results of operations.

**CONTACTING THE GREATER BATON ROUGE PORT COMMISSION'S
MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Greater Baton Rouge Port Commission's finances and to show the Port Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Katie LeBlanc, Accountant II at (225) 342-1660.

STATEMENT A

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
DECEMBER 31, 2010 AND 2009

ASSETS:	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash	\$ 6,499,370	\$ 6,863,859
Investments	11,456,792	10,848,618
Receivables:		
Trade Accounts (Net of Allowance for Uncollectible Accounts of \$2,100 at December 31, 2010 and 2009)	914,043	862,852
Due From Other Governments	447,430	44,471
Accrued Interest Receivable	95,101	105,852
Prepaid Expenses	68,698	84,929
Restricted Assets:		
Restricted Investments	787,954	797,288
Restricted Accrued Interest Receivable	<u>198</u>	<u>198</u>
Total Current Assets	20,269,586	19,608,067
Noncurrent Assets:		
Capital Assets:		
Land and Construction in Progress	15,610,389	12,444,929
Other Capital Assets, Net of Accumulated Depreciation	<u>38,446,671</u>	<u>40,517,824</u>
Total Capital Assets	54,057,060	52,962,753
Other Assets:		
Unamortized Debt Issue Costs	<u>134,651</u>	<u>150,973</u>
Total Other Assets	<u>134,651</u>	<u>150,973</u>
Total Noncurrent Assets	<u>54,191,711</u>	<u>53,113,726</u>
TOTAL ASSETS	<u>\$ 74,461,297</u>	<u>\$ 72,721,793</u>

See accompanying notes to the financial statements.

STATEMENT A

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
DECEMBER 31, 2010 AND 2009

LIABILITIES:	<u>2010</u>	<u>2009</u>
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	\$ 676,009	\$ 453,603
Construction Contracts Payable	305,108	174,476
Other Accrued Liabilities	237,313	215,574
Revenues Received in Advance	<u>1,018,882</u>	<u>481,126</u>
Total Current Liabilities - Payable from Unrestricted Assets	2,237,312	1,324,779
Payable from Restricted Assets:		
Loans Payable - Current Portion	465,000	440,000
Accrued Interest Payable	93,300	100,745
Unredeemed Bonds and Coupons	<u>48,405</u>	<u>57,750</u>
Total Current Liabilities - Payable from Restricted Assets	<u>606,705</u>	<u>598,495</u>
Total Current Liabilities	2,844,017	1,923,274
Noncurrent Liabilities:		
Other Accrued Liabilities	181,584	155,344
Environmental Remediation Liability	95,048	125,048
OPEB Payable	1,805,156	1,367,293
Long-term Debt	<u>4,843,008</u>	<u>5,316,857</u>
Total Noncurrent Liabilities	<u>6,924,796</u>	<u>6,964,542</u>
Total Liabilities	9,768,813	8,887,816
Net Assets:		
Invested in Capital Assets, Net of Related Debt	48,749,053	47,205,897
Restricted for:		
Debt Service	181,447	198,991
Unrestricted	<u>15,761,984</u>	<u>16,429,089</u>
Total Net Assets	<u>64,692,484</u>	<u>63,833,977</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 74,461,297</u>	<u>\$ 72,721,793</u>

See accompanying notes to the financial statements.



STATEMENT B

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues:		
Dockage and Wharfage	\$ 2,168,410	\$ 1,503,534
Rentals	2,220,062	1,961,004
Other	<u>1,325,576</u>	<u>1,521,213</u>
 Total Operating Revenues	 5,714,048	 4,985,751
Operating Expenses:		
Direct	2,146,452	2,171,447
Administrative	2,240,991	2,020,577
Postemployment Benefits	437,863	693,006
Depreciation	<u>2,502,959</u>	<u>2,537,866</u>
 Total Operating Expenses	 <u>7,328,265</u>	 <u>7,422,896</u>
 Operating Loss	 (1,614,217)	 (2,437,145)
Nonoperating Revenues (Expenses):		
Investment Income	585,198	279,707
Insurance Recoveries	19,487	152,846
Intergovernmental Revenues	33	1,635
Interest Expense	(283,436)	(306,282)
Gain (loss) on Sale of Capital Assets	(52)	375
Amortization of Debt Issue, Premium and Deferred Refunding, Net	(7,473)	(7,473)
Trustee's Fees	<u>(15,000)</u>	<u>(3,535)</u>
 Total Nonoperating Revenues (Expenses)	 <u>298,757</u>	 <u>117,273</u>
 Loss Before Contributions	 (1,315,460)	 (2,319,872)
 Capital Contributions	 <u>2,173,967</u>	 <u>1,250,117</u>
 Change in Net Assets	 858,507	 (1,069,755)
 Total Net Assets - Beginning of Year	 <u>63,833,977</u>	 <u>64,903,732</u>
 TOTAL NET ASSETS - END OF YEAR	 <u>\$ 64,692,484</u>	 <u>\$ 63,833,977</u>

See accompanying notes to the financial statements.

STATEMENT C

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 5,740,858	\$ 4,932,785
Cash Payments to Suppliers for Goods and Services	(2,528,491)	(2,452,311)
Cash Payments to Employees for Services	<u>(1,870,565)</u>	<u>(1,760,835)</u>
Net Cash Provided by Operating Activities	1,341,802	719,639
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayment of Loans	(449,345)	(420,002)
Interest Paid on Loans	(290,881)	(314,376)
Acquisition/Construction of Capital Assets	(3,198,405)	(2,015,577)
Proceeds from Sale of Capital Assets	(52)	375
Loan Trustee Fees	(15,000)	(3,535)
Capital Contributions	2,230,763	1,499,801
Intergovernmental Revenues	33	1,635
Insurance Recoveries	<u>19,487</u>	<u>152,846</u>
Net Cash Used in Capital and Related Financing Activities	(1,703,400)	(1,098,833)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(3,643,884)	(10,756,518)
Proceeds from Calls and Maturities of Investment Securities	3,093,306	15,111,028
Interest and Dividends Earned on Investment Securities	<u>547,687</u>	<u>331,539</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,891)</u>	<u>4,686,049</u>
NET INCREASE (DECREASE) IN CASH	(364,489)	4,306,855
CASH AT BEGINNING OF YEAR	<u>6,863,859</u>	<u>2,557,004</u>
CASH AT END OF YEAR	<u>\$ 6,499,370</u>	<u>\$ 6,863,859</u>

See accompanying notes to the financial statements.

STATEMENT C

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (1,614,217)	\$ (2,437,145)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:		
Depreciation	2,502,959	2,537,866
Changes in Unrestricted Assets and Liabilities:		
(Increase) Decrease in Trade Accounts Receivable	(51,191)	(168,357)
(Increase) Decrease in Prepaid Expenses	16,231	2,188
Increase (Decrease) in Accounts Payable	(45,823)	(72,914)
Increase (Decrease) in Other Accrued Liabilities	47,979	64,604
Increase (Decrease) in Revenue Received in Advance	78,001	115,391
Increase (Decrease) in Other Liabilities	(30,000)	(15,000)
Increase (Decrease) in Accrued OPEB Benefits	437,863	693,006
	<u>\$ 1,341,802</u>	<u>\$ 719,639</u>
 SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
 Change in Unrealized Loss on Investments	<u>\$ (183,934)</u>	<u>\$ 50,329</u>
Change in Accrual of Capital Contributions	<u>\$ 402,959</u>	<u>\$ (249,684)</u>
Change in Investment Premiums and Discounts	<u>\$ 31,453</u>	<u>\$ 319,512</u>

See accompanying notes to the financial statements.



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NATURE OF OPERATIONS:

The Greater Baton Rouge Port Commission (the Port Commission) was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI, thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Port Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and have charge of and administer public wharves, docks, sheds, and landings and other structures useful for the commerce of the port area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. The Port Commission applies all GASB pronouncements as well as Financial Accounting Standards (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. All activities of the Port Commission are accounted for within a single proprietary (enterprise) fund. This fund type is used to report any activity for which a fee is charged to external users for goods and services.

Reporting Entity

As the governing authority of the state, for reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of: (1) the primary government (state), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Port Commission is considered a component unit of the State of Louisiana because the state has financial accountability over the Port Commission in that the governor appoints all the commission members and can impose his will on the Port Commission. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus

The Port Commission applies the provisions of Statement No. 34 (“Statement 34”) of the GASB *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Government*. Statement 34 establishes standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows.

The accounts of the Port Commission are organized and operated as an enterprise fund. Enterprise funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Fund equity is classified as net assets.

Budgets and Budgetary Accounting

The Port Commission prepares the annual Operations and Maintenance budget for internal management purposes, and the budget is based on what is expected to be collected during the fiscal year. The budget is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Port Commission to incur liabilities and authorize expenses from the respective budgeted funds. In addition, certain expenses are approved monthly by the Board before payment from the General Fund budget. The Port Commission is not required to present a budget comparison in its financial statements.

Cash and Investments

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. The Port Commission is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33.2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Investments (Continued)

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. All known uncollectible accounts have been removed from receivables and an allowance has been made for doubtful accounts based on a periodic aging of accounts receivable. The majority of receivables consist of dockage/wharfage and rentals.

Capital Assets

Property and equipment are stated at cost. Public domain (infrastructure) assets including roads, surface drainage, railroad tracks and yards are capitalized along with other capital assets. The Port Commission generally capitalizes assets with a cost of \$500 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as shown below:

	<u>Years</u>
Railroad tracks and yards	20 to 40
Roadways and surface drainage	5 to 33
Buildings and structures	5 to 40
Equipment	5 to 25
Office furniture and fixtures	3 to 10
Transportation equipment	3 to 5

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are for loan repayment and debt service.

Lease Revenue Recognition

Lease rentals, as further explained in Note 9, are accounted for under the operating method whereby revenue is recognized currently as rentals become due.

Unamortized Debt Issue Expenses and Premium

Debt expense and premium, incurred in connection with obtaining loan financing, are amortized using the balance outstanding method over the term of the loans.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences

Employees accrue and accumulate annual and sick leave at varying rates in accordance with state law based on full-time service. The leave is accumulated without limitation. Upon separation of employment, employees or their heirs are compensated for accumulated annual leave not to exceed 300 hours at their current rate of pay. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned. Accrued compensated absences are included in Other Accrued Liabilities on the Statement of Net Assets.

Equity Classifications

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Port Commission. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the Port Commission’s policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

2. DEPOSITS AND INVESTMENTS:

Deposits

At December 31, 2010 and 2009, the Port Commission has cash (book balances) totaling \$6,499,370 and \$ 6,863,859, respectively, as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$ 6,498,370	\$ 6,863,359
Petty cash	<u>1,000</u>	<u>500</u>
Total	<u>\$ 6,499,370</u>	<u>\$ 6,863,859</u>

Custodial credit risk is the risk that, in the event of a bank failure, the Port Commission’s deposits might not be recovered. The Port Commission’s deposit policy for custodial credit risk conforms to state law, as described in Note 1 to the financial statements. At December 31, 2010, the Port Commission’s total demand deposit bank balance of \$6,690,959 was entirely secured by federal deposit insurance or pledged securities held by the Port Commission’s agent in the Port Commission’s name. At December 31, 2009, the Port Commission’s total demand deposit bank balance of \$6,954,846 was entirely secured by federal deposit insurance or pledged securities held by the Port Commission’s agent in the Port Commission’s name.

Investments

At December 31, 2010 and 2009, investments of the Port Commission consisted of the following:

	<u>2010</u>	<u>2009</u>
Obligations of Federally Sponsored Entities	\$ 11,232,216	\$ 10,649,921
Government Money Market Fund	739,549	739,538
Louisiana Asset Management Pool	247,927	247,499
Stock	<u>25,054</u>	<u>8,948</u>
	<u>\$ 12,244,746</u>	<u>\$ 11,645,906</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Port Commission will not be able to recover the value of its investment. The Port Commission is not exposed to custodial credit risk since the investments are held in the name of the Port Commission or held by the Port Commission. The Port Commission’s investment policy conforms to state law, as described in Note 1, which has no provision for custodial credit risk.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

2. DEPOSITS AND INVESTMENTS: (Continued)

Concentration of credit risk relates to the amount of investments in any one entity. The following presents investments that represent five percent or more of the Port Commission's total investments.

<u>Description</u>	<u>CUSIP</u>	<u>Market Value</u>
FHLMC	3128X23A1	\$655,656
Federal Farm Credit Bank	31331VGU4	1,118,150
FHLB	3133XQM74	1,023,680
Federal Home Loan Bank	3133XWNB1	739,160
FNMA	31398AXJ6	862,806
FNMA Series 1	31398AME9	1,518,870
Federal Farm Credit Bank	31331GCS6	1,012,977
FFCB	31331X3S9	971,862
FNMA	3136F92P7	908,280
FNMA	3137EACH0	633,284

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Port Commission's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2010 and 2009, the Port Commission had the following investment in debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	2010			
		<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
Obligations of Federally Sponsored Entities	\$ 11,232,216	\$ 1,900,000	\$ 9,332,216	\$ -	\$ -
Government Money Market Fund	739,549	739,549	-	-	-
Louisiana Asset Management Pool	247,927	247,927	-	-	-
Total	<u>\$ 12,219,692</u>	<u>\$ 2,887,476</u>	<u>\$ 9,332,216</u>	<u>\$ -</u>	<u>\$ -</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

2. DEPOSITS AND INVESTMENTS: (Continued)

Investment Type	Fair Value	2009			
		Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
Obligations of Federally Sponsored Entities	\$ 10,649,921	\$ -	\$ 10,649,921	\$ -	\$ -
Government Money Market Fund	739,538	739,538	-	-	-
Louisiana Asset Management Pool	247,499	247,499	-	-	-
Total	\$ 11,636,958	\$ 987,037	\$ 10,649,921	\$ -	\$ -

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. At December 31, 2010 and 2009, the Port Commission invested in obligations of federally sponsored entities in the amounts of \$11,232,216 and \$10,649,921, respectively, which are not rated. The investment in Louisiana Asset Management Pool is rated AAAM by Standard and Poors. The Port Commission’s investment in Hancock Horizon Government Money Market Fund is rated AAAM by Standard and Poors. The type of investment allowed by the state law ensures that the Port Commission is not exposed to credit risk. At December 31, 2010, the Port Commission had an investment of stock of Ormet Corporation in the amount of \$25,054 (see Note 4).

The investment in LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

A separate financial report for the Louisiana Asset Management Pool is prepared by the Louisiana Legislative Auditor in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from LAMP’s website at www.lamppool.com.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

3. RESTRICTED ASSETS:

At December 31, 2010 and 2009, assets restricted for debt service consist of the following:

	<u>2010</u>	<u>2009</u>
Investments	\$ 787,954	\$ 797,288
Accrued interest receivable	<u>198</u>	<u>198</u>
Total	<u>\$ 788,152</u>	<u>\$ 797,486</u>

The mortgage indentures associated with the outstanding loans require certain amounts to be transferred at certain intervals and carried in restricted asset accounts. At December 31, 2010 and 2009, the net balance of these accounts was sufficient to meet all requirements.

4. CONTRACT RECEIVABLE:

At December 31, 2010 and 2009, the Port Commission owned 4,474 and 4,162 shares, respectively, of stock of Ormet Primary Aluminum Corporation. The stock was received in 2008 and 2010 as a result of bankruptcy court proceedings related to a prior contract receivable from a lease termination agreement with Ormet Primary Aluminum Corporation dated May 3, 1999. In 2005 and 2006, the Port Commission received a partial settlement of the receivable and wrote off the remainder which was deemed uncollectible due to the bankruptcy. At December 31, 2010 and 2009 the stock was valued at \$25,054 and \$8,948, respectively.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

5. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance <u>January 1, 2010</u>	<u>Additions</u>	Disposals/ <u>Transfers</u>	Balance <u>December 31, 2010</u>
Capital Assets Not Depreciated:				
Land	\$ 7,380,052	\$ 728,505	\$ --	\$ 8,108,557
Other Construction in Progress	5,019,586	2,632,840	(161,359)	7,491,067
Other Assets in Process	<u>45,291</u>	<u>10,765</u>	<u>(45,291)</u>	<u>10,765</u>
Total Capital Assets Not Depreciated	12,444,929	3,372,110	(206,650)	15,610,389
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	4,278,601	--	--	4,278,601
Roadways and Surface Drainage	10,301,528	--	--	10,301,528
Buildings and Structures	78,532,659	376,055	--	78,908,714
Equipment	5,415,098	53,016	(1,172)	5,466,942
Office Furniture and Fixtures	652,558	3,093	(4,876)	650,775
Transportation Equipment	<u>383,688</u>	<u>--</u>	<u>--</u>	<u>383,688</u>
Total Capital Assets Being Depreciated	99,564,132	432,164	(6,048)	99,990,248
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	(2,624,005)	(60,545)	--	(2,684,550)
Roadways and Surface Drainage	(3,692,424)	(340,239)	--	(4,032,663)
Buildings and Structures	(47,713,451)	(1,744,917)	--	(49,458,368)
Equipment	(4,208,753)	(274,401)	1,172	(4,481,982)
Office Furniture and Fixtures	(551,644)	(43,506)	4,518	(590,632)
Transportation Equipment	<u>(256,031)</u>	<u>(39,351)</u>	<u>--</u>	<u>(295,382)</u>
Total Accumulated Depreciation	<u>(59,046,308)</u>	<u>(2,502,959)</u>	<u>5,690</u>	<u>(61,543,577)</u>
Total Capital Assets Less Depreciation	<u>40,517,824</u>	<u>(2,070,795)</u>	<u>(358)</u>	<u>38,446,671</u>
Net Capital Assets	<u>\$ 52,962,753</u>	<u>\$ 1,301,315</u>	<u>\$ (207,008)</u>	<u>\$ 54,057,060</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

5. CAPITAL ASSETS: (Continued)

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance <u>January 1, 2009</u>	<u>Additions</u>	Disposals/ <u>Transfers</u>	Balance <u>December 31, 2009</u>
Capital Assets Not Depreciated:				
Land	\$ 7,380,052	\$ --	\$ --	\$ 7,380,052
Other Construction in Progress	4,272,215	1,636,215	(888,844)	5,019,586
Other Assets in Process	<u>--</u>	<u>328,464</u>	<u>(283,173)</u>	<u>45,291</u>
Total Capital Assets Not Depreciated	11,652,267	1,964,679	(1,172,017)	12,444,929
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	3,662,636	615,965	--	4,278,601
Roadways and Surface Drainage	10,296,554	4,974	--	10,301,528
Buildings and Structures	78,525,558	7,101	--	78,532,659
Equipment	4,963,312	452,120	(334)	5,415,098
Office Furniture and Fixtures	698,510	13,636	(59,588)	652,558
Transportation Equipment	<u>383,688</u>	<u>--</u>	<u>--</u>	<u>383,688</u>
Total Capital Assets Being Depreciated	98,530,258	1,093,796	(59,922)	99,564,132
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	(2,570,305)	(53,701)	--	(2,624,005)
Roadways and Surface Drainage	(3,352,278)	(340,146)	--	(3,692,424)
Buildings and Structures	(45,932,579)	(1,780,872)	--	(47,713,451)
Equipment	(3,931,582)	(276,505)	334	(4,208,753)
Office Furniture and Fixtures	(556,662)	(55,570)	59,588	(551,644)
Transportation Equipment	<u>(224,959)</u>	<u>(31,071)</u>	<u>--</u>	<u>(256,031)</u>
Total Accumulated Depreciation	<u>(56,568,365)</u>	<u>(2,537,865)</u>	<u>59,922</u>	<u>(59,046,308)</u>
Total Capital Assets Less Depreciation	<u>41,961,893</u>	<u>(1,444,069)</u>	<u>--</u>	<u>40,517,824</u>
Net Capital Assets	<u>\$ 53,614,160</u>	<u>\$ 520,610</u>	<u>\$ (1,172,017)</u>	<u>\$ 52,962,753</u>

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

6. LONG-TERM DEBT:

Loans Payable

The Port Commission is authorized by the State of Louisiana to have outstanding indebtedness up to \$100,000,000 evidenced by negotiable bonds or notes.

On March 1, 1999, the Port Commission entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority). Under the agreement, the Authority issued \$5,700,000 Series 1999A Revenue and Refunding Bonds and \$3,300,000 Series 1999B Revenue Bonds and loaned the proceeds to the Port Commission. From the proceeds of the loan, the Port Commission was required to fund a reserve fund to receive the bond proceeds and make loan payments, and a construction fund to receive bond proceeds and make payments on private activity and governmental projects for which the bond proceeds were lent. The Bonds were issued for the purpose of 1) with respect to the proceeds of the Series 1999A Bonds, currently refunding certain prior bonds and paying the costs of certain private activity projects, 2) with respect to the proceeds of the Series 1999B Bonds, paying the costs of certain governmental projects, and 3) paying the costs of issuance of the bonds.

Under the loan agreement, the Port Commission is required to repay the loan by making the debt service payments, including principal, interest, and reserve requirements for the Authority's two bond issues. At December 31, 2010 and 2009 the outstanding indebtedness consisted of the following:

<u>2010</u>							
<u>Bonds</u>	<u>Maturing</u>	<u>Call</u>	<u>Interest</u>	<u>Payable at</u>	<u>Additions</u>	<u>Reductions</u>	<u>Payable at</u>
<u>Series</u>	<u>Serially To</u>	<u>Prices (%)</u>	<u>Rate</u>	<u>01/01/10</u>			<u>12/31/10</u>
1999A	2019	100-102	8% - 5.5%	\$3,595,000	\$ -	\$ (280,000)	\$ 3,315,000
1999B	2019	100-102	8% - 5.25%	2,080,000	-	(160,000)	1,920,000
Unamortized Premium on Loans Payable				<u>81,857</u>	-	<u>(8,849)</u>	<u>73,008</u>
				<u>\$5,756,857</u>	\$ -	<u>\$ (448,849)</u>	5,308,008
Less: Amounts Due Within One Year							
Payable from Restricted Assets							<u>(465,000)</u>
Amounts Due After One Year							<u>\$ 4,843,008</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

6. LONG-TERM DEBT: (Continued)

<u>2009</u> Bonds Series	Maturing Serially To	Call Prices (%)	Interest Rate	Payable at 01/01/09	Additions	Reductions	Payable at 12/31/09
1999A	2019	100-102	8% - 5.5%	\$3,860,000	\$ -	\$ (265,000)	\$ 3,595,000
1999B	2019	100-102	8% - 5.25%	2,235,000	-	(155,000)	2,080,000
Unamortized Premium on Loans Payable				<u>90,707</u>	-	(8,850)	<u>81,857</u>
				<u>\$6,185,707</u>	<u>\$ -</u>	<u>\$ (428,850)</u>	5,756,857
Less: Amounts Due Within One Year Payable from Restricted Assets							<u>(440,000)</u>
Amounts Due After One Year							<u>\$ 5,316,857</u>

The bonds maturing March 1, 2010 and thereafter are subject to optional redemption on or after March 1, 2009, in whole on any date or in part, as selected by the trustee by lot at the discretion of the Authority, on any interest payment date.

Debt service requirements to maturity, including interest requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 465,000	\$ 267,682	\$ 732,682
2012	490,000	242,960	732,960
2013	520,000	216,619	736,619
2014	545,000	188,441	733,441
2015	575,000	158,324	733,324
2016-2019	<u>2,640,000</u>	<u>294,750</u>	<u>2,934,750</u>
Total	<u>\$ 5,235,000</u>	<u>\$ 1,368,776</u>	<u>\$ 6,603,776</u>

Compensated Absences

The following is a summary of the changes in compensated absences for the years ended December 31, 2010 and 2009:

<u>2010</u>	Balance 01/01/10	Additions	Reductions	Balance 12/31/10	Amount Due in One Year
Compensated Absences	<u>\$ 250,933</u>	<u>\$ 128,871</u>	<u>\$ 102,631</u>	<u>\$ 277,173</u>	<u>\$ 95,589</u>
<u>2009</u>	Balance 01/01/09	Additions	Reductions	Balance 12/31/09	
Compensated Absences	<u>\$ 223,428</u>	<u>\$ 124,094</u>	<u>\$ 96,589</u>	<u>\$ 250,933</u>	

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

6. LONG-TERM DEBT: (Continued)

The balance of compensated absences is included as other accrued liabilities in the statements of net assets.

7. CHANGES IN AMOUNTS INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT:

The change in amounts invested in capital assets, net of related debt is summarized as follows:

	<u>2010</u>	<u>2009</u>
Balance at January 1	\$ 47,205,897	\$ 47,428,455
Change in Capital Assets	1,094,307	(651,408)
Change in Related Debt	<u>448,849</u>	<u>428,850</u>
Balance at December 31	<u>\$ 48,749,053</u>	<u>\$ 47,205,897</u>

8. RESTRICTED NET ASSETS:

Restricted net assets at December 31, 2010 and 2009, consist of \$181,447 and 198,991, respectively, restricted for debt service.

The requirements for the debt service, at December 31, 2010 and 2009 were computed as follows:

	<u>2010</u>	<u>2009</u>
Assets Restricted for Loan Repayment and Debt Service	\$ 788,152	\$ 797,486
Current Liabilities Payable from Restricted Assets	<u>(606,705)</u>	<u>(598,495)</u>
	<u>\$ 181,447</u>	<u>\$ 198,991</u>

9. LEASES:

Various facilities, terminals and other properties of the Port Commission have been leased to tenants for various terms. The lessees bear substantially all ordinary operating and maintenance expenses of the leased properties and have the option of renewing the leases at the end of the original term.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

9. LEASES: (Continued)

The carrying values and depreciation expense of the properties leased under long-term leases by the Port Commission are as follows as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Railroad Tracks and Yards	\$ 562,680	\$ 562,680
Roadways and Surface Drainage	4,733,640	4,733,640
Buildings and Structures	39,993,116	39,993,116
Equipment	2,308,409	2,308,409
Total Leased Property	<u>47,597,845</u>	<u>47,597,845</u>
Less: Accumulated Depreciation	<u>(31,995,109)</u>	<u>(30,901,373)</u>
 Net Leased Property	 <u>\$ 15,602,736</u>	 <u>\$ 16,696,472</u>
 Depreciation Expense	 <u>\$ 1,093,736</u>	 <u>\$ 1,143,578</u>

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2010:

<u>Year Ended</u> <u>December 31</u>	<u>Future</u> <u>Rental</u> <u>Revenues</u>
2011	\$ 1,398,387
2012	1,200,901
2013	984,280
2014	842,743
2015	819,308
Later Years	<u>3,599,621</u>
 Total Minimum Future Rentals	 <u>\$ 8,845,240</u>

For the purpose of these statements, the lease amount as set forth in the original lease agreement or set by the most recent appraisal was used in the determination of the minimum future rentals on long-term leases and thus is subject to change.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

10. RETIREMENT SYSTEM:

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

All full-time Port Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) at age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members hired before July 1, 2006 are required by state statute to contribute 7.5% of gross salary and members hired July 1, 2006 or after are required by state statute to contribute 8.0% of gross salary. The Port Commission is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. The contribution rates for the years ended December 31, 2010, 2009 and 2008 were 22.0%, 18.6% and 18.5%, respectively, of annual covered payroll. The Port Commission's contributions to the System for the years ended December 31, 2010, 2009 and 2008 were \$275,757, \$246,670, and \$259,129, respectively, and were equal to the required contributions for each year.

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Port Commission employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Port 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 Port Commission. At December 31, 2010 and 2009, thirty-two retirees were receiving postemployment benefits.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Plan Description

The Port Commission's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for fiscal year 2008) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The contribution requirements of plan members and the Port Commission are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (PFFS) plan. Depending upon the plan selected, during the year ended December 31, 2010, employee premiums for a single member receiving benefits range from \$36 to \$85 per month for retiree-only coverage with Medicare or from \$132 to \$140 per month for retiree-only coverage without Medicare. The premiums for a retiree and spouse for the year ended December 31, 2010 range from \$71 to \$152 per month for those with Medicare or from \$428 to \$454 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Port Commission contributing anywhere from \$106 to \$253 per month for retiree-only coverage with Medicare or from \$853 to \$900 per month for retiree-only coverage without Medicare during the year ended December 31, 2010. Also, the Port Commission's contributions range from \$213 to \$456 per month for retiree and spouse with Medicare or \$1,310 to \$1,381 for retiree and spouse without Medicare.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Annual OPEB Cost

The Port 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 any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the Plan’s fiscal year beginning July 1, 2009 and 2008 is \$585,000 and \$853,800.

The following table presents the Port Commission’s OPEB Obligation for the years ended December 31, 2010 and 2009, the amount actually contributed to the plan, and changes in the Plan’s net OPEB obligation:

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 585,000	\$ 853,800
Interest on net OPEB obligation	54,692	26,972
ARC adjustment	<u>(52,247)</u>	<u>(25,766)</u>
Annual OPEB cost	587,445	855,006
Contributions made	-	-
Claim costs	<u>149,582</u>	<u>162,000</u>
Increase in Net OPEB Obligation	437,863	693,006
Beginning Net OPEB Obligation	<u>1,367,293</u>	<u>674,287</u>
Ending Net OPEB Obligation	\$ <u>1,805,156</u>	\$ <u>1,367,293</u>

Utilizing the pay-as-you-go method, the Port Commission contributed 25.46% and 18.95% of the annual post employment benefits cost during the years ended December 31, 2010 and 2009, respectively.

Trend Information

The Greater Baton Rouge Port Commission’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended December 31, 2010, and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$587,445	25.46%	\$1,805,156
December 31, 2009	\$855,006	18.95%	\$1,367,293
December 31, 2008	\$841,300	19.85%	\$ 674,287

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Funded Status and Funding Progress

The Port Commission, through the Office of Group Benefits, has established a postemployment benefits plan trust. The Office of Group Benefits has not funded the trust, it has no assets and has a funded ratio of zero. The actuarial accrued liability of \$8,561,700 and \$11,134,900 at December 31, 2010 and 2009, respectively, is unfunded.

The funded status of the plan as of the most recent valuation date of July 1, 2009 is as follows:

Actuarial accrued liability (AAL)	\$ 8,561,700
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 8,561,700
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 1,403,600
UAAL as a percentage of covered payroll	610%

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 cost 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 multiyear 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 consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.5% and 9.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

12. RISK MANAGEMENT AND CONTINGENT LIABILITIES:

The Port Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Port Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Port Commission. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Port Commission, or if not so covered, are not expected to have a material effect on the financial statements of the Port Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

At December 31, 2010, the Port Commission is a codefendant in two lawsuits involving asbestos exposure while the plaintiffs were employed by others on Port Commission property. In the opinion of the Port Commission's attorney, it is reasonably possible that there may be an unfavorable outcome to the Port Commission. In the event that the Port Commission is found liable and damages are imposed, the liability to the Port Commission in excess of insurance could range from \$2,200,000 to \$2,800,000. Management intends to vigorously defend these matters.

13. DEFERRED COMPENSATION PLAN:

Certain employees of the Port Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the State of Louisiana Public Employees Deferred Compensation Plan are included in the financial statements of the State of Louisiana. Effective November 1, 2000, the Port Commission may make a discretionary matching contribution up to 5% of the employees' base pay not to exceed \$4,000 per calendar year. The Port Commission contributions for the years ended December 31, 2010 and 2009 were \$44,235 and \$41,537, respectively.

14. CONSTRUCTION IN PROGRESS:

Details of construction in progress at December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Command Center (1)	\$ 2,084,846	\$ 280,220
Grain Dock Rehabilitation Project (2)	2,539,131	2,539,131
Boat Launch (3)	954,647	629,808
Other projects	<u>1,912,443</u>	<u>1,570,427</u>
Total	<u>\$ 7,491,067</u>	<u>\$ 5,019,586</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

14. CONSTRUCTION IN PROGRESS: (Continued)

- 1) Construction costs of \$1 million and \$2 million will be paid by Port Commission Security Grants and state appropriations, respectively. All other costs will be paid by the Port Commission.
- 2) Ninety percent of the cost of this project is funded by the Louisiana Department of Transportation and Development. The remaining ten percent is the responsibility of the Port Commission.
- 3) Seventy-five percent of the costs of these projects are funded by grants received from the U.S. Department of Homeland Security and twenty five percent is funded by State Port Commission Security Grants.

15. ENVIRONMENTAL REMEDIATION LIABILITY:

The presence of chlorinated hydrocarbons near the Port Commission's property was first discovered during testing performed in connection with a neighboring property owner's own environmental remediation issues. Rollins Environmental Services, Inc. (REN) conducted additional testing to identify the source and extent of chlorinated organic compounds. The preliminary site assessment revealed the presence of chlorinated hydrocarbons in the area of the barge terminal on the Port Commission's property. A plausible explanation of the presence of these chemicals is the vertical migration resulting from surface spillage caused by the transfer or piping of such materials during prior storage or shipment on the premises. An independent remediation contractor developed a remediation plan based on estimated annual expenses ranging from \$35,000 to \$40,000 for a period of 12 to 14 years. The remediation plan was proposed to and approved by the Louisiana Department of Environmental Quality. The resulting estimated potential liability of \$500,000 is being shared equally by the Port Commission and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Port Commission paid \$30,000 and \$15,000 in 2010 and 2009, respectively, on this cost. The liability balance as of December 31, 2010 and 2009 is \$95,048 and \$125,048, respectively.

16. OTHER COMMITMENTS:

At December 31, 2010 and 2009, the Port Commission had commitments outstanding, in the form of contracts relating to construction projects, of approximately \$1,626,804 and \$3,836,639, respectively.

17. USE OF ESTIMATES:

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

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

18. RECLASSIFICATIONS:

Certain items from 2009 have been reclassified to conform to the 2010 presentation.



REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE
DECEMBER 31, 2008 THROUGH 2010

Schedule of Funding Progress for OPEB Plan

The schedule of funding progress presents multiyear 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.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR
GREATER BATON ROUGE PORT COMMISSION'S OPEB PLAN
DECEMBER 31, 2008 THROUGH 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2009	\$ -	\$ 8,561,700	\$ 8,561,700	0%	\$ 1,403,600	610%
July 1, 2008	\$ -	\$ 11,134,900	\$ 11,134,900	0%	\$ 1,291,200	862%
July 1, 2007	\$ -	\$ 10,428,300	\$ 10,428,300	0%	\$ 1,327,787	785%

OTHER SUPPLEMENTAL INFORMATION



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
OTHER SUPPLEMENTAL INFORMATION SCHEDULES
AS OF DECEMBER 31, 2010

Schedule of Lease Information

The schedule of lease information provides information regarding property and facilities currently being leased by the Port Commission to various lessees.

Schedule of Future Lease Rent Revenue Without Options

The schedule of future lease rent revenue indicates the estimated revenues to be received from the leases currently in effect.

Schedule of Operating Expenses by Major Category

The schedule of operating expenses by major category groups details expenses by major expense category.

Schedule of Administrative Expenses

The schedule of administrative expenses details the administrative expenses by major type.

Summary Schedule of Operating Income (Loss) by Facility

The summary schedule of operating income (loss) by facility details the operating revenues, operating expenses, and depreciation expense by the various port facilities.

Schedule of Commissioners' Per Diem

The schedule of per diem paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 34:1221 and are included in personal services expenses. Board members are paid \$75 per day, to a maximum of 24 days per year, for board meetings and official business. During the period of an emergency as declared and determined by the governor, the Port Commission shall be authorized to hold as many meetings or emergency activities as the board deems necessary and the members shall be paid per diem for such meetings or activities.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF LEASE INFORMATION
DECEMBER 31, 2010

Lessee	Facility	Minimum Annual Rent for 2011	Current Lease Date of Expiration
Agway Systems	Five Tracts of Land	\$ 40,000	May 31, 2013
Algonquin Gas Transmission	Tract of Land	4,650	Month-to-Month
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	58,750	March 31, 2011
Cargill/Seaboard (Flour Mill)	Tract of Land	-	Month-to-Month
Community Coffee	Building & Land	70,306	April 30, 2014
Criterion Catalysts & Technologies	Warehouse	11,458	Month-to-Month
Criterion Catalysts & Technologies	Rail Track Rental	24,000	December 31, 2017
Critical Response Networks	Facility	-	Month-to-Month
Dow Chemical	Tract of Land	16,500	Month-to-Month
ExxonMobil - Paxon	Railroad Servitude	1,000	November 5, 2010
Katoen Natie of Louisiana	Warehouse	126,000	September 30, 2020
Katoen Natie of Louisiana	Warehouse	11,433	Month-to-Month
Katoen Natie of Louisiana	Warehouse	206,250	September 30, 2012
Kinder Morgan Bulk Terminal	Barge Terminal	196,515	December 31, 2016
Louisiana Sugar Products, Inc.	Tract of Land	31,746	September 30, 2016
Mammoet USA, Inc.	Facility	4,500	Month-to-Month
Petroleum Fuel & Terminal	Tract of Land	188,500	January 31, 2020

Remarks

Rent is payable monthly in advance.

Rent is payable monthly in advance and can fluctuate in amount based on the PPI (Producer Price Index).

Rent is payable monthly in advance.

Rent is payable annually in advance.

Rent is payable monthly in advance. Lease is on month-to-month basis as of May 1, 2009

Rent is payable monthly in advance.

Rent is payable annually in advance.

Rent is payable monthly.

Rent is payable monthly.

Rent is payable monthly.

Lessee pays costs of insurance, maintaining the facility and maintaining or replacing equipment and has the option to renew at the end of the lease. Rent is payable in semiannual installments.

Rent is payable monthly in advance. Lessee has option to renew for three additional five-year periods.

Rent is payable monthly in advance. Lease continues after February 28, 2010, on a month-to-month basis until 30 days advance written cancellation notice.

Lessee has option to renew for three additional five-year periods. Rental is payable monthly in advance.

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 SCHEDULE OF LEASE INFORMATION (CONTINUED)
DECEMBER 31, 2010

Lessee	Facility	Minimum Annual Rent for 2011	Current Lease Date of Expiration
Ports America	Tract of Land	\$ 10,000	June 30, 2012
Rail Link, Inc.	Office Space	1,000	Month-to-Month
South Louisiana Cement, Inc.	Tract of Land	44,740	December 31, 2015
Stone Oil Distributor	Tract of Land	93,600	October 31, 2013
US Corps of Engineers	Office & Warehouse Space	14,500	August 31, 2011
US Corps of Engineers	Office & Warehouse Space	10,333	August 31, 2011
West Baton Rouge Parish	Building	18,000	December 31, 2012
West Baton Rouge Parish Waterworks District #2	Tract of Land	3,600	April 30, 2050
Westway Feed Products	Building	36,000	December 31, 2015
Westway Industrial Molasses	Tract of Land	166,886	December 31, 2026
Others	Various	8,120	Various
		<u>\$ 1,398,387</u>	

Remarks

Rental is payable annually in advance.

Rent is payable monthly in advance.

Rent is payable monthly in advance. Lease provides for a progress increase in wharfage rates on cement and aggregate. A progressive increase minimum tonnage per year is guaranteed in the lease.

Lessee has option to renew for one additional five-year period. Rent is payable semi-annually in advance

Rent is payable monthly in advance.

Rent is payable monthly in advance.

Rent is payable annually in advance.

Rent is payable annually in advance.

Rent is payable monthly in advance.

Rent is payable monthly in advance and can fluctuate in amount based on the CPI (Consumer Price Index).

The Port Commission has leased minor items of property to others. Annual rentals, expiration dates, and other terms vary with each lease.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF FUTURE LEASE RENT REVENUE WITHOUT OPTIONS
DECEMBER 31, 2010

Lessee	Facility	2011	2012
Agway Systems	Five Tracts of Land	\$ 40,000	\$ 40,000
Algonquin Gas Transmission	Tract of Land	4,650	-
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	58,750	-
Cargill/Seaboard (Flour Mill)	Tract of Land	-	-
Community Coffee	Building & Land	70,306	70,306
Criterion Catalysts & Technologies	Warehouse	11,458	-
Criterion Catalysts & Technologies	Rail Track Rental	24,000	24,000
Critical Response Networks	Facility	-	-
Dow Chemical	Container Yard	16,500	-
ExxonMobil - Paxon	Railroad Servitude	1,000	-
Katoen Natie of Louisiana	Warehouse - IRMT	126,000	126,000
Katoen Natie of Louisiana	Warehouse - Transit Shed 2	11,433	-
Katoen Natie of Louisiana	Warehouse - Cabot	206,250	154,688
Kinder Morgan Bulk Terminal	Barge Terminal	196,515	196,515
Louisiana Sugar Products, Inc.	Tract of Land	31,746	32,967
Mammoet USA, Inc.	Facility	4,500	-
Petroleum Fuel & Terminal	Tract of Land	188,500	188,500
Ports America	Tract of Land	10,000	5,000
Rail Link, Inc.	Office Space	1,000	-
South Louisiana Cement, Inc.	Tract of Land	44,740	44,740
Stone Oil Distributor	Tract of Land	93,600	93,600
U. S. Army Corps of Engineers	Office & Warehouse Space	14,500	-
U. S. Army Corps of Engineers	Office & Warehouse Space	10,333	-
West Baton Rouge Parish			
Communications District	Building	18,000	18,000
West Baton Rouge Parish			
Waterworks District #2	Tract of Land	3,600	3,600
Westway Feed Products	Building	36,000	36,000
Westway Terminal Company	Tract of Land	166,886	166,886
Others	WBR Parish Council	100	100
	Savoie Industries, Inc.	3,020	-
	Complete Planting & Livestock	5,000	-
		<u>\$ 1,398,387</u>	<u>\$ 1,200,902</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Later</u>	<u>Options End</u>
\$	16,667	\$ -	\$ -	\$ -	5/31/2013
	-	-	-	-	Month-to-Month
	-	-	-	-	3/31/2011
	-	-	-	-	Month-to-Month
	70,306	23,435	-	-	4/30/2014
	-	-	-	-	Month-to-Month
	24,000	24,000	24,000	48,000	12/31/2017
	-	-	-	-	Month-to-Month
	-	-	-	-	Month-to-Month
	-	-	-	-	11/5/2011
	126,000	126,000	126,000	598,500	9/30/2020
	-	-	-	-	Month-to-Month
	-	-	-	-	9/30/2012
	196,515	196,515	196,515	196,515	12/31/2016
	32,967	32,967	32,967	26,252	9/30/2016
	-	-	-	-	Month-to-Month
	188,500	188,500	188,500	769,708	1/31/2020
	-	-	-	-	6/30/2012
	-	-	-	-	Month-to-Month
	44,740	44,740	44,740	-	12/31/2015
	78,000	-	-	-	10/31/2013
	-	-	-	-	8/31/2010
	-	-	-	-	8/31/2010
	-	-	-	-	12/31/2012
	3,600	3,600	3,600	123,600	4/30/2050
	36,000	36,000	36,000	-	12/31/2015
	166,886	166,886	166,886	1,835,746	12/31/2026
	100	100	100	1,300	12/31/2028
	-	-	-	-	12/31/2011
	-	-	-	-	Month-to-Month
\$	<u>984,281</u>	<u>\$ 842,743</u>	<u>\$ 819,308</u>	<u>\$ 3,599,621</u>	

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF OPERATING EXPENSES BY MAJOR CATEGORY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Major Category	2010	2009
Personnel Services	\$ 2,473,402	\$ 2,383,698
Operating Services	1,421,648	1,435,757
Other Post Employment Benefits	437,863	693,006
Travel	40,008	16,663
Supplies	240,679	199,636
Professional Services	203,090	145,539
Depreciation	2,502,959	2,537,866
Other	8,616	10,731
Total	\$ <u>7,328,265</u>	\$ <u>7,422,896</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Director's Salary	\$ 172,215	\$ 151,326
Other Salaries and Wages	737,923	683,215
Annual, Sick and Compensatory Leave	116,111	106,630
Legal	93,799	36,597
Advertising	152,097	150,422
Travel	40,008	15,266
Trade and Sales Solicitation	35,156	33,181
Education Expenses	23,642	7,504
Auditing	25,020	20,750
Engineering	8,384	13,388
Consulting Fees	3,570	400
Legislative Consultant Fees	42,000	40,950
Contributions to State Retirement System, Payroll Taxes and Group Insurance Program	565,976	552,623
Office Supplies and Postage	29,702	20,762
Telephone and Telegraph	5,664	6,470
Dues and Subscriptions	22,016	17,884
Utilities	17,709	14,096
Office Repairs and Maintenance	56,432	53,672
Automobile Expenses	4,155	3,870
Insurance	49,189	48,861
Outside Administrative Services	8,807	8,429
Miscellaneous	8,616	10,731
Commissioners' Per Diem	22,800	23,550
	<u>\$ 2,240,991</u>	<u>\$ 2,020,577</u>

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SUMMARY SCHEDULE OF OPERATING INCOME (LOSS) BY FACILITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>Operating Revenues</u>		<u>Operating Expenses</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Grain Elevator	\$ 642,512	\$ 598,741	\$ 56,500	\$ 55,046
General Cargo Docks	1,202,999	740,973	405,846	354,766
Baton Rouge Barge Terminal	397,451	326,516	7,513	8,519
Molasses Tank Farm	273,163	268,531	54,061	51,031
West Bank Railroad Facility	262,592	264,699	259,297	284,532
Petroleum Terminal	686,466	424,359	56,251	52,418
Midstream Bulk Handling Facility	-	-	7,500	-
Miscellaneous River Activities	479,875	499,175	-	-
Miscellaneous East and West Bank Activities	1,136,948	1,208,184	1,252,320	1,437,188
Inland Rivers Marine Terminal	563,885	543,586	217,178	190,889
Foreign Trade Zone	<u>35,000</u>	<u>35,000</u>	<u>476</u>	<u>400</u>
Totals Before Administrative Expenses	5,680,891	4,909,764	2,316,942	2,434,789
Administrative Expenses	<u>33,157</u>	<u>75,987</u>	<u>2,508,364</u>	<u>2,450,241</u>
Total	<u>\$ 5,714,048</u>	<u>\$ 4,985,751</u>	<u>\$ 4,825,306</u>	<u>\$ 4,885,030</u>

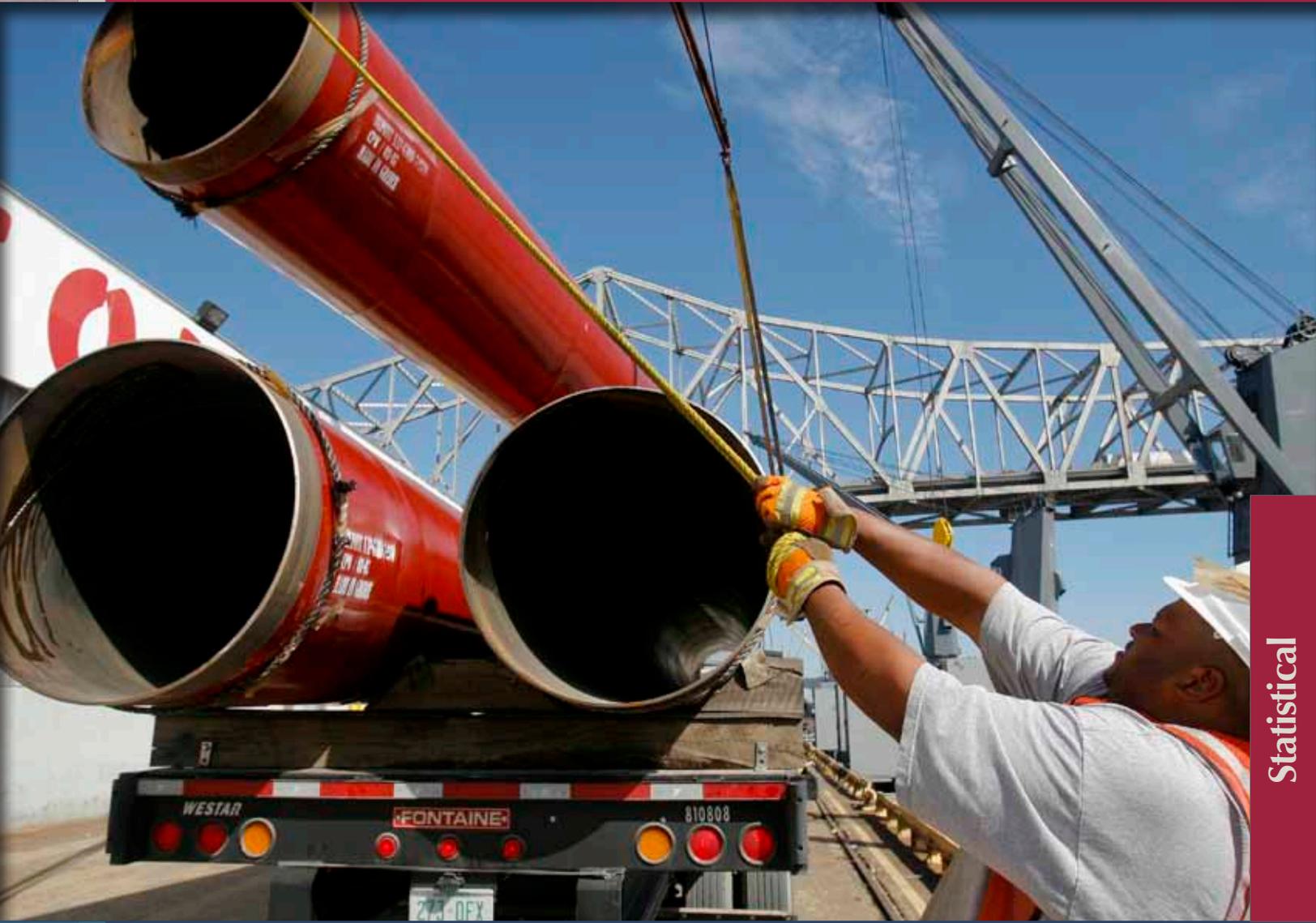
Depreciation		Operating Income (Loss)	
2010	2009	2010	2009
\$ 120,923	\$ 138,288	\$ 465,089	\$ 405,407
1,147,637	1,157,716	(350,484)	(771,509)
-	-	389,938	317,997
112,341	112,341	106,761	105,159
25,578	8,890	(22,283)	(28,723)
-	11,127	630,215	360,814
-	-	(7,500)	-
-	-	479,875	499,175
439,455	420,539	(554,827)	(649,543)
400,700	402,788	(53,993)	(50,091)
-	-	34,524	34,600
2,246,634	2,251,689	1,117,315	223,286
256,325	286,177	(2,731,532)	(2,660,431)
\$ 2,502,959	\$ 2,537,866	\$ (1,614,217)	\$ (2,437,145)

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF COMMISSIONER'S PER DIEM
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Commissioner</u>	<u>Number of Days for Which Paid</u>	<u>Amount</u>
Kirt Bennett	7	\$ 525
Randy Brian	22	1,650
Alvin Dragg	19	1,425
Timothy W. Hardy	17	1,275
Brenda Hurst	20	1,500
Larry Johnson	24	1,800
Jerald Juneau	23	1,725
Raymond Loup	24	1,800
Angela Machen	24	1,800
Roy Pickren	19	1,425
Randy Poche	21	1,575
Corey Sarullo	20	1,500
Clint Seneca	23	1,725
Blaine Sheets	18	1,350
John Tilton	23	1,725
		<u>\$ 22,800</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Statistical



Statistical

2010

STATISTICAL REPORT

GREATER BATON ROUGE PORT COMMISSION (STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

**Submitted by:
Department of Finance & Administration**



**GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010**

**SUMMARY OF
STATISTICAL SECTION**

This part of the Greater Baton Rouge Port Commission comprehensive financial report presents detailed information which provides further clarification to the information contained in the financial statements, note disclosures, and all required supplementary information. The information contained in this section includes important indicators about the Greater Baton Rouge Port Commission's overall financial well being. Reports in this section have been prepared according to GASB 44 guidelines.

Contents

Financial Trends Information:

The following schedules contain trend information to help the reader understand how the financial performance and condition of the Greater Baton Rouge Port Commission has changed over the past ten years.

- 1) Ten Year Comparative Schedule of Net Assets
- 2) Summary of Revenues, Expenses, and Net Income (Loss)

Revenue Capacity Information:

The following schedules contain information to help the reader assess the most significant sources of revenue of the Greater Baton Rouge Port Commission.

- 1) Revenue by Type and Related Average
- 2) Revenue Rates

Debt Capacity Information:

The following schedule contains information to help the reader assess the capability of the Greater Baton Rouge Port Commission to meet its current level of debt services and its ability to issue debt in the future.

- 1) Note Indebtedness for Fiscal Years 2001 through 2010

Demographics and Economic Information:

The following schedule contains information to help the reader understand demographic and economic indicators related to the financial activities of the Greater Baton Rouge Port Commission in its current environment.

- 1) Top Employers by Parishes within the Jurisdiction of the Greater Baton Rouge Port Commission
- 2) Population by Parishes within the Jurisdiction of the Greater Baton Rouge Port Commission

Operating Information:

The following schedules contain information directly related to the operating indicators and the number of government personnel employed by the Greater Baton Rouge Port Commission.

- 1) Government Employees at the Port by Department
- 2) Ten Year Tonnage Comparison



GREATER BATON ROUGE PORT COMMISSION**Ten Year Comparative Schedule of Net Assets**

For the Fourteen-month period Ended December 31, 2001 and
the Fiscal Years Ended December 31, 2002 through 2010.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 36,524,578	\$ 41,929,688	\$ 47,273,121	\$ 46,973,032
Restricted for:				
Capital Projects	4,143,263	3,358,737	3,291,718	1,012,863
Debt Service	333,028	313,134	296,339	276,489
Unrestricted	<u>11,603,148</u>	<u>13,158,160</u>	<u>11,887,222</u>	<u>13,758,241</u>
Total Net Assets	<u>\$ 52,604,017</u>	<u>\$ 58,759,719</u>	<u>\$ 62,748,400</u>	<u>\$ 62,020,625</u>

(CONTINUED)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 46,671,621	\$ 45,977,653	\$ 46,241,993	\$ 47,428,455	\$ 47,205,897	\$ 48,749,053
0	0	0	0	0	0
273,466	286,976	312,653	212,984	198,991	181,447
<u>14,962,260</u>	<u>15,974,343</u>	<u>18,293,931</u>	<u>17,262,293</u>	<u>16,429,089</u>	<u>15,761,984</u>
<u>\$ 61,907,347</u>	<u>\$ 62,238,972</u>	<u>\$ 64,848,577</u>	<u>\$ 64,903,732</u>	<u>\$ 63,833,977</u>	<u>\$ 64,692,484</u>

GREATER BATON ROUGE PORT COMMISSION

Summary of Revenues, Expenses, and Net Income (Loss)
 For the Fourteen-month period Ended December 31, 2001 and
 the Fiscal Years Ended December 31, 2002 through 2010.
 (Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
OPERATING REVENUES				
Dockage and wharfage	\$ 1,443,921	\$ 1,054,439	\$ 1,051,943	\$ 1,147,554
Rentals	2,346,758	2,183,799	1,992,268	2,093,115
Freight handling	700	-	-	-
Storage	6,362	5,767	2,232	-
Other	1,315,196	1,248,890	1,402,225	1,332,373
Total	<u>\$ 5,112,937</u>	<u>\$ 4,492,895</u>	<u>\$ 4,448,668</u>	<u>\$ 4,573,042</u>
OPERATING EXPENSES				
Direct	\$ 2,047,677	\$ 1,862,444	\$ 2,023,483	\$ 1,836,187
Administrative	2,088,068	1,987,163	2,001,838	3,082,902
Postemployment Benefits	-	-	-	-
Depreciation	2,312,267	2,006,211	2,063,706	2,331,840
Total	<u>\$ 6,448,012</u>	<u>\$ 5,855,818</u>	<u>\$ 6,089,027</u>	<u>\$ 7,250,929</u>
Operating Income (Loss)	\$ (1,335,075)	\$ (1,362,923)	\$ (1,640,359)	\$ (2,677,887)
NONOPERATING REVENUES (Expenses)				
Investment income	\$ 1,277,948	\$ 787,047	\$ 377,535	\$ 406,536
Interest expense	(576,953)	(469,448)	(447,532)	(425,478)
Gain of sale of capital assets	744	123	9,950	1,375
Insurance Recoveries	-	-	-	-
Settlement income	-	-	-	-
Gain/(Loss) from Litigation	-	-	-	(80,000)
Intergovernmental Revenues	-	-	-	-
Environmental Remediation Expense	-	-	-	-
Amortization of debt issue and bond premium, net	(18,951)	(17,706)	(11,736)	(7,472)
Trustee's fees	(5,314)	(3,240)	(3,675)	(3,550)
Total	<u>\$ 677,474</u>	<u>\$ 296,776</u>	<u>\$ (75,458)</u>	<u>\$ (108,589)</u>
Net Income (Loss) before extraordinary item	\$ (657,601)	\$ (1,066,147)	\$ (1,715,817)	\$ (2,786,476)
Extraordinary items	-	-	-	-
Net Income (Loss)	<u>\$ (657,601)</u>	<u>\$ (1,066,147)</u>	<u>\$ (1,715,817)</u>	<u>\$ (2,786,476)</u>

(CONTINUED)

	2005	2006	2007	2008	2009	2010
\$	1,286,189	\$ 1,704,502	\$ 2,135,885	\$ 1,969,786	\$ 1,503,534	\$ 2,168,410
	2,327,843	2,530,810	2,989,287	2,422,887	1,961,004	2,220,062
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,561,408	1,561,518	1,505,752	1,685,450	1,521,213	1,325,576
\$	5,175,440	\$ 5,796,830	\$ 6,630,924	\$ 6,078,123	\$ 4,985,751	\$ 5,714,048
\$	1,922,456	\$ 2,201,761	\$ 2,022,649	\$ 2,226,194	\$ 2,171,447	\$ 2,146,452
	2,168,405	1,845,906	1,964,474	2,035,771	2,020,577	2,240,991
	-	-	-	674,287	693,006	437,863
	2,349,009	2,657,505	2,498,892	2,538,188	2,537,866	2,502,959
\$	6,439,870	\$ 6,705,172	\$ 6,486,015	\$ 7,474,440	\$ 7,422,896	\$ 7,328,265
\$	(1,264,430)	\$ (908,342)	\$ 144,909	\$ (1,396,317)	\$ (2,437,145)	\$ (1,614,217)
\$	292,168	\$ 698,917	\$ 902,032	\$ 648,369	\$ 279,707	\$ 585,198
	(402,928)	(380,008)	(355,888)	(330,736)	(306,282)	(283,436)
	520	29,382	-	525,504	375	(52)
	-	-	-	22,004	152,846	19,487
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	174,602	-	-	1,635	33
	(166,667)	-	-	-	-	-
	(7,472)	(7,472)	(7,473)	(7,473)	(7,473)	(7,473)
	(3,500)	(3,500)	(3,500)	(3,500)	(3,535)	(15,000)
\$	(287,879)	\$ 511,921	\$ 535,171	\$ 854,168	\$ 117,273	\$ 298,757
\$	(1,552,309)	\$ (396,421)	\$ 680,080	\$ (542,149)	\$ (2,319,872)	\$ (1,315,460)
	-	-	-	-	-	-
\$	(1,552,309)	\$ (396,421)	\$ 680,080	\$ (542,149)	\$ (2,319,872)	\$ (1,315,460)

GREATER BATON ROUGE PORT COMMISSION

Revenue by Type and Related Average

For the Fourteen-month period Ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2010.

(Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Dockage	\$ 877,049	\$ 545,185	\$ 554,541	\$ 609,944
Wharfage	566,872	509,253	497,402	537,610
Rentals	2,346,758	2,183,799	1,992,268	2,093,115
Other Operating Revenue	1,322,258	1,254,657	1,404,457	1,332,373
Total Operating Revenue	<u>5,112,937</u>	<u>4,492,895</u>	<u>4,448,668</u>	<u>4,573,042</u>
Cargo Tonnage	8,905,574	6,596,384	5,801,944	6,603,422
Average Wharfage Revenue per Cargo Ton	<u>\$ 0.06</u>	<u>\$ 0.08</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>
Ships, each	72	58	50	37
Average Dockage Reveune per Ship	<u>\$ 12,181.23</u>	<u>\$ 9,399.75</u>	<u>\$ 11,090.82</u>	<u>\$ 16,484.96</u>

(CONTINUED)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 745,507	\$ 1,145,320	\$ 1,164,277	\$ 1,088,312	\$ 914,708	\$ 1,208,253
540,682	559,182	971,608	881,474	588,825	960,157
2,327,843	2,530,810	2,989,287	2,422,887	1,961,005	2,220,062
1,561,408	1,561,518	1,505,752	1,685,450	1,521,213	1,325,576
<u>5,175,440</u>	<u>5,796,830</u>	<u>6,630,924</u>	<u>6,078,123</u>	<u>4,985,751</u>	<u>5,714,048</u>
5,521,304	3,539,841	4,840,869	4,776,290	3,272,024	3,848,207
<u>\$ 0.10</u>	<u>\$ 0.16</u>	<u>\$ 0.20</u>	<u>\$ 0.18</u>	<u>\$ 0.18</u>	<u>\$ 0.25</u>
62	46	84	58	64	59
<u>\$ 12,024.31</u>	<u>\$ 24,898.26</u>	<u>\$ 13,860.44</u>	<u>\$ 18,764.00</u>	<u>\$ 14,292.31</u>	<u>\$ 20,478.86</u>

GREATER BATON ROUGE PORT COMMISSION

Revenue Rates

For the Fourteen-month period Ended December 31, 2001 and
the Fiscal Years Ended December 31, 2002 through 2010.
(Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Dockage Rates at General Cargo Docks (LOA)				
Ships & Ocean Going Barges				
First day, per ft				
0-199	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.94
200-349	2.50	2.50	2.50	2.55
350-399	2.50	2.50	2.50	2.55
400-449	3.41	3.41	3.41	3.48
450-499	3.41	3.41	3.41	3.48
500-549	4.58	4.58	4.58	4.67
550-599	4.58	4.58	4.58	4.67
600-649	5.33	5.33	5.33	5.43
650-699	5.33	5.33	5.33	5.43
700-799	6.96	6.96	6.96	6.89
800-899	8.14	8.14	8.14	8.30
900 ft +	9.74	9.74	9.74	9.93
Additional days, per ft, per day				
0-199	0.78	0.78	0.78	0.97
200-399	0.93	0.93	0.93	1.27
400-449	1.30	1.30	1.30	1.74
450-499	1.30	1.30	1.30	1.74
500-549	1.84	1.84	1.84	2.33
550-599	1.84	1.84	1.84	2.33
600-649	2.54	2.54	2.54	2.71
650-699	2.54	2.54	2.54	2.71
700-749	3.57	3.57	3.57	3.44
750-799	3.57	3.57	3.57	3.44
800-899	4.65	4.65	4.65	4.15
900 ft +	5.41	5.41	5.41	4.96
Liquid Bulk Barges				
First day, per ft				
0-199	0.75	0.75	0.75	0.75
200-399	0.80	0.80	0.80	0.80
400-449	1.05	1.05	1.05	1.05
450-499	1.30	1.30	1.30	1.30
Each day thereafter	15.00	15.00	15.00	15.00
Dockage Rates at Grain Elevator				
Ships (per GRT, per day)	0.19	0.19	0.19	0.19
Barges (per day)	45.00	45.00	45.00	45.00

(CONTINUED)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	\$ 1.94	\$ 2.06	\$ 2.06	\$ 2.06	\$ 2.06	\$ 2.32
	2.55	2.70	2.70	2.70	2.70	3.05
	2.55	2.70	2.70	2.70	2.70	3.05
	3.48	3.68	3.68	3.68	3.68	4.15
	3.48	3.68	3.68	3.68	3.68	4.15
	4.67	4.95	4.95	4.95	4.95	5.57
	4.67	4.95	4.95	4.95	4.95	5.57
	5.43	5.75	5.75	5.75	5.75	6.47
	5.43	5.75	5.75	5.75	5.75	6.47
	6.89	7.30	7.30	7.30	7.30	8.21
	8.30	8.79	8.79	8.79	8.79	9.89
	9.93	10.53	10.53	10.53	10.53	11.83
	0.97	1.03	1.03	1.03	1.03	1.16
	1.27	1.35	1.35	1.35	1.35	1.53
	1.74	1.84	1.84	1.84	1.84	2.08
	1.74	1.84	1.84	1.84	1.84	2.08
	2.33	2.48	2.48	2.48	2.48	2.79
	2.33	2.48	2.48	2.48	2.48	2.79
	2.71	2.88	2.88	2.88	2.88	3.24
	2.71	2.88	2.88	2.88	2.88	3.24
	3.44	3.65	3.65	3.65	3.65	4.11
	3.44	3.65	3.65	3.65	3.65	4.11
	4.15	4.40	4.40	4.40	4.40	4.95
	4.96	5.27	5.27	5.27	5.27	5.92
	0.75	0.75	0.75	0.75	0.75	0.75
	0.80	0.80	0.80	0.80	0.80	0.80
	1.05	1.05	1.05	1.05	1.05	1.05
	1.30	1.30	1.30	1.30	1.30	1.30
	15.00	15.00	15.00	15.00	15.00	15.00
	0.19	0.19	0.19	0.19	0.19	0.19
	45.00	45.00	45.00	45.00	45.00	45.00

GREATER BATON ROUGE PORT COMMISSION

Revenue Rates

For the Fourteen-month period Ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2010.
(Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Wharfage Rates (per ton)				
All articles (not provided for below)	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Automobiles				
Each, set up	2.34	2.34	2.34	2.34
Each, knocked down	1.74	1.74	1.74	1.74
Bulk Commodities				
Bauxite	-	1.00	1.00	1.00
Fluorspar	0.90	0.90	0.90	0.90
Groats	0.90	0.90	0.90	0.90
Lead Concentrates	0.90	0.90	0.90	0.90
Logs	0.90	0.90	0.90	0.90
Zinc Residue	0.90	0.90	0.90	0.90
Bulk Liquids				
Liquid Fertilizers	0.45	0.45	0.45	0.45
Molasses	0.17	0.17	0.17	0.17
Other Bulk Liquid	0.75	0.75	0.75	0.75
Bundled Galvanized Pipe				
Campers, each	3.25	3.25	3.25	3.25
Caustic Soda	-	0.50	0.50	0.50
Flitches	1.61	1.61	1.61	1.61
Freight Trailers, each	3.25	3.25	3.25	3.25
Heavy Lifts, in excess of 6,000 lbs	10.00	10.00	10.00	10.00
Iron, steel, or other metal				
Fabrications or structures	1.61	1.61	1.61	1.61
Coils, rails, bars, ingots, etc.	1.00	1.00	1.00	1.00
Limestone Blocks	1.61	1.61	1.61	1.61
Lumber	1.61	1.61	1.61	1.61
Motor Homes, each	3.25	3.25	3.25	3.25
Paper Products, in rolls (Linerboard, Newsprint, Bleachboard, Pulpboard)	1.47	1.47	1.47	1.47
Particle Board	1.61	1.61	1.61	1.61
Pipe, coated or uncoated				
1-20,000 short tons	1.40	1.40	1.40	1.40
Over 20,000 short tons	1.00	1.00	1.00	1.00
Plywood	1.61	1.61	1.61	1.61
Project Cargo	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request
PVC Plastics	1.61	1.61	1.61	1.61
Silica Sand	1.61	1.61	1.61	1.61
Single Lifts, in excess of 50,000 lbs	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request
Tractors, each	3.25	3.25	3.25	3.25
Woodpulp, baled or rolled	1.37	1.37	1.37	1.37

(CONTINUED)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
	2.34	-	-	-	-	-
	1.74	-	-	-	-	-
	1.00	1.00	1.00	1.00	1.00	1.00
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	0.90	0.90	0.90	0.90	0.90
	0.90	1.00	1.00	1.00	1.00	1.00
	0.45	0.45	0.45	0.45	0.45	0.45
	0.17	0.17	0.17	0.17	0.17	0.17
	0.75	0.75	0.75	0.75	0.75	0.75
	-	1.00	1.00	1.00	1.00	1.00
	3.25	-	-	-	-	-
	0.50	0.50	0.50	0.50	0.50	0.50
	1.61	1.61	1.61	1.61	1.61	1.61
	3.25	-	-	-	-	-
	10.00	10.00	10.00	10.00	10.00	10.00
	1.61	1.61	1.61	1.61	1.61	1.61
	1.00	1.00	1.00	1.00	1.00	1.00
	1.61	-	-	-	-	-
	1.61	1.61	1.61	1.61	1.61	1.61
	3.25	-	-	-	-	-
	1.47	-	-	-	-	-
	1.61	1.61	1.61	1.61	1.61	1.61
	1.40	1.40	1.40	1.40	1.40	1.40
	1.00	1.00	1.00	1.00	1.00	1.00
	1.61	1.61	1.61	1.61	1.61	1.61
Quoted upon request						
	1.61	1.61	1.61	1.61	1.61	1.61
	1.61	-	-	-	-	-
Quoted upon request						
	3.25	-	-	-	-	-
	1.37	-	-	-	-	-

GREATER BATON ROUGE PORT COMMISSION

Note Indebtedness for 2001 thru 2010 Fiscal Years

Fiscal Year End	1999A Revenue & Refunding Notes			
	Principal Paid	Interest Paid 8 - 5.5%	Total Payment	Year End Principal Balance
2001	\$ 170,000	\$ 320,560	\$ 490,560	\$ 5,365,000
2002	\$ 180,000	\$ 306,560	\$ 486,560	\$ 5,185,000
2003	\$ 190,000	\$ 290,397	\$ 480,397	\$ 4,995,000
2004	\$ 205,000	\$ 270,285	\$ 475,285	\$ 4,790,000
2005	\$ 215,000	\$ 263,694	\$ 478,694	\$ 4,575,000
2006	\$ 225,000	\$ 249,013	\$ 474,013	\$ 4,350,000
2007	\$ 240,000	\$ 233,788	\$ 473,788	\$ 4,110,000
2008	\$ 250,000	\$ 217,863	\$ 467,863	\$ 3,860,000
2009	\$ 265,000	\$ 202,053	\$ 467,053	\$ 3,595,000
2010	\$ 280,000	\$ 187,088	\$ 467,088	\$ 3,315,000

Note A: Please refer to Footnote 6 in the Financial Section on for a detailed description of the notes and the usage of funding.

Note B: Notes will mature in 2019

Note C: Used total population of all four parishes within the Port's jurisdiction to calculate debt per capita.

(CONTINUED)

1999B Revenue Notes				Year End Principal Balance	Combined YE Balance 1999A & B	Per Capita
Principal Paid	Interest Paid 8 - 5.25%	Total Payment				
\$ 100,000	\$ 178,600	\$ 278,600	\$ 3,105,000	\$ 8,470,000	\$ 16	
\$ 105,000	\$ 170,452	\$ 275,452	\$ 3,000,000	\$ 8,185,000	\$ 15	
\$ 110,000	\$ 158,166	\$ 268,166	\$ 2,890,000	\$ 7,885,000	\$ 14	
\$ 115,000	\$ 152,493	\$ 267,493	\$ 2,775,000	\$ 7,565,000	\$ 14	
\$ 125,000	\$ 146,780	\$ 271,780	\$ 2,650,000	\$ 7,225,000	\$ 13	
\$ 130,000	\$ 138,655	\$ 268,655	\$ 2,520,000	\$ 6,870,000	\$ 12	
\$ 140,000	\$ 130,217	\$ 270,217	\$ 2,380,000	\$ 6,490,000	\$ 11	
\$ 145,000	\$ 121,311	\$ 266,311	\$ 2,235,000	\$ 6,095,000	\$ 10	
\$ 155,000	\$ 112,324	\$ 267,324	\$ 2,080,000	\$ 5,675,000	\$ 10	
\$ 160,000	\$ 103,868	\$ 263,868	\$ 1,920,000	\$ 5,235,000	\$ 9	

GREATER BATON ROUGE PORT COMMISSION

**Top Employers by Parishes within the Jurisdiction
of the Greater Baton Rouge Port Commission**

For the Fiscal Year Ended December 31, 2010

(Unaudited)

ASCENSION PARISH	Employees	%
Ascension Parish School District	2,467	7.05%
BASF, Corp.	1,250	3.57%
Wal-Mart	700	2.00%
Rubicon Inc.	650	1.86%
St. Elizabeth Hospital	645	1.84%
Shell Chemical Co.	500	1.43%
Honeywell	392	1.12%
CF Industries	258	0.74%

EAST BATON ROUGE PARISH	Employees	%
Turner Industries Group LLC	9,671	3.78%
East Baton Rouge Parish School District	6,190	2.42%
Louisiana State University System	5,600	2.19%
Exxon Mobil Chemical Co.	4,275	1.67%
The Shaw Group	4,243	1.66%
Our Lady of the Lake Regional Medical Center	4,009	1.57%
Performance Contractors	3,500	1.37%
Baton Rouge General Medical Center	3,000	1.17%
Ochsner Clinic Foundation	2,000	0.78%
Woman's Hospital	1,982	0.77%
Cajun Industries	1,800	0.70%
Southern University	1,800	0.70%
James Construction Group	1,700	0.66%
Blue Cross Blue Shield of Louisiana	1,600	0.62%

Source: Baton Rouge Area Chamber

IBERVILLE PARISH	Employees	%
Dow Chemical	2,904	27.23%
Syngenta Crop Protection, Inc.	680	6.38%
Georgia Gulf Chemicals & Vinyl	600	5.63%
TOTAL Petrochemicals USA, Carville Styrenics Complex	400	3.75%
Shintech	364	3.41%
Crown Enterprises Inc.	250	2.34%
Cora Texas Manufacturing Co.	150	1.41%

WEST BATON ROUGE PARISH	Employees	%
Petrin Corporation	670	6.10%
Turner Industries Group Fabrication Division	565	5.15%
Trinity Materials Inc.	400	3.64%
Wal-Mart	300	2.73%
Placid Refining Co.	202	1.84%
ExxonMobil Lubricants & Specialties	140	1.28%
Martin-Brower Co. LLC	138	1.26%
BP Lubricants	102	0.93%
Southern Packaging	100	0.91%
Ikaria	80	0.73%
Westside Galvanizing Services	80	0.73%

GREATER BATON ROUGE PORT COMMISSION**Population by Parishes within the Jurisdiction
of the Greater Baton Rouge Port Commission**

For the Fiscal Year Ended October 31, 2000,
the Fourteen-month period Ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2010.
(Unaudited)

Year	Ascension Parish	East Baton Rouge Parish	Iberville Parish	West Baton Rouge Parish
2000 Census	76,627	412,852	33,320	21,601
2001 Estimate	79,168	411,408	33,228	21,620
2002 Estimate	81,278	410,438	33,031	21,644
2003 Estimate	83,760	411,473	32,734	21,575
2004 Estimate	86,085	412,772	32,332	21,730
2005 Estimate	89,382	411,859	32,180	21,534
2006 Estimate	95,986	430,886	32,885	22,181
2007 Estimate	99,702	430,700	32,915	22,636
2008 Estimate	102,461	431,024	32,899	22,629
2009 Estimate	104,822	434,633	32,505	22,638
2010 Census	107,215	440,171	33,387	23,788

Source: U.S. Census Bureau

GREATER BATON ROUGE PORT COMMISSION

Government Employees at the Port by Department

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Executive	4	3	3	3	3	2	3	3	3	3
Finance & Administration	8	8	7	7	7	7	7	5	5	5
Operations	4	2	2	1	1	1	-	-	-	-
Engineering & Security	20	21	20	20	18	17	18	17	16	17
Business Development	2	2	1	1	1	1	1	1	1	1
Public Affairs	<u>1</u>									
	<u>39</u>	<u>37</u>	<u>34</u>	<u>33</u>	<u>31</u>	<u>29</u>	<u>30</u>	<u>27</u>	<u>26</u>	<u>27</u>

GREATER BATON ROUGE PORT COMMISSION

Ten Year Tonnage Comparison

For the Fourteen-month period Ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2010.

(Unaudited)

	2001	2002	2003	2004
General Cargo Docks	124,431	15,556	21,019	41,921
Coke Handling Facility	1,675,117	1,222,082	1,393,356	1,150,328
Inland River Marine Terminal	129,811	174,776	276,717	259,497
Midstream Buoys	726,933	-	414	-
Petroleum Terminal	1,606,581	2,064,609	1,368,863	1,556,460
Molasses Terminal	250,912	296,220	366,631	405,830
Grain Elevator	362,639	74,685	282,614	163,144
Burnside Terminal	<u>4,029,150</u>	<u>2,748,456</u>	<u>2,092,330</u>	<u>3,026,242</u>
	<u>8,905,574</u>	<u>6,596,384</u>	<u>5,801,944</u>	<u>6,603,422</u>

(CONTINUED)

2005	2006	2007	2008	2009	2010
116,359	90,280	174,445	146,563	36,366	256,978
1,188,287	813,198	970,552	1,104,710	422,527	772,829
258,918	178,612	260,595	226,724	189,332	229,413
-	-	-	-	-	-
1,540,970	1,937,477	2,510,500	2,444,888	1,737,768	1,896,890
516,632	296,505	164,469	299,180	227,419	198,772
173,886	223,769	760,308	554,225	658,612	493,325
<u>1,726,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>5,521,304</u></u>	<u><u>3,539,841</u></u>	<u><u>4,840,869</u></u>	<u><u>4,776,290</u></u>	<u><u>3,272,024</u></u>	<u><u>3,848,207</u></u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Compliance



2010

Compliance

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

Submitted by:

Department of Finance





DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
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ANN H. HEBERT, C.P.A.
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MICHAEL J. O'ROURKE, C.P.A.

A.J. DUPLANTIER JR, C.P.A.
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(1919-1990)
WILLIAM R. HOGAN, JR., CPA
(1920-1996)
JAMES MAHER, JR, C.P.A.
(1921-1999)

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

April 25, 2011

To the Board of Commissioners
Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the financial statements of the Greater Baton Rouge Port Commission as of and for the year ended December 31, 2010, and have issued our report thereon dated April 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Baton Rouge Port Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Baton Rouge Port Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greater Baton Rouge Port Commission'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.

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247 Corporate Drive Houma, LA 70360 · (985) 868-2630 · Fax (985) 872-3833

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A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Greater Baton Rouge Port Commission's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Greater Baton Rouge Port Commission, management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hrapmann, Hogan & Maher, LLP



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

April 25, 2011

To the Board of Commissioners
Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

Compliance

We have audited the compliance of the Greater Baton Rouge Port Commission, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Greater Baton Rouge Port Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Greater Baton Rouge Port Commission's management. Our responsibility is to express an opinion on the Greater Baton Rouge Port Commission's compliance based on our audit.

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

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As described in item 2010-01 in the accompanying schedule of findings and questioned costs, the Greater Baton Rouge Port Commission did not comply with the requirements regarding the Davis Bacon Act which is applicable to the Port Security Grant – Infrastructure Protection Program. Compliance with such requirements is necessary, in our opinion, for the Greater Baton Rouge Port Commission to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Greater Baton Rouge Port Commission, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control over Compliance

Management of the Greater Baton Rouge Port Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Greater Baton Rouge Port Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Greater Baton Rouge Port Commission's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-01 to be a material weakness.

The Greater Baton Rouge Port Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Greater Baton Rouge Port Commission's response and, accordingly, we express no opinion on the response.

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

Duplantier, Hrapmann, Hogan & Maher, LLP

GREATER BATON ROUGE PORT COMMISSION
 STATE OF LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/Program Title	CFDA Number	Grant Number	Federal Expenditures (1)
<u>Department of Homeland Security</u>			
Port Security Grant - Infrastructure Protection Program	97.056	2006-GB-T6-0016	\$ 197,956
Port Security Grant - Infrastructure Protection Program	97.056	2007-GB-T7-K163	1,000,000
Port Security Grant - Infrastructure Protection Program	97.056	2006-GB-T6-0004	<u>33,879</u>
Total Federal Assistance Expended			<u>\$ 1,231,835</u>

FOOTNOTE

(1) Basis of Presentation

This schedule includes the federal grant activity of the Greater Baton Rouge Port Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Department of Homeland Security and Preparedness Directorate
Port Security Grant – Infrastructure Protection Program (CFDA 97.056)

2010-01 Grant No. 2007-GB-T7-K163

Condition and Criteria: The Greater Baton Rouge Port Commission caused a contract to be executed for the construction of the Port Commission’s Maritime Security Operations Complex. All federally-funded construction projects are required to be in compliance with the Davis Bacon Act. The contract did not contain a prevailing wage rate clause. Moreover, it was determined that the contractor has not prepared and submitted certified payroll reports to the Department of Labor.

Effect: The Greater Baton Rouge Port Commission is not in compliance with the requirements set forth in the Davis Bacon Act.

Cause: Port Commission personnel were not aware that the Davis Bacon Act was applicable to the Port Commission.

Auditor’s Recommendation: The Greater Baton Rouge Port Commission should designate an individual within the Finance Department to be responsible for thoroughly reviewing the grant agreements and compliance supplement for each grant the Port Commission is awarded. All construction contracts for federally-funded projects should contain a prevailing wage rate clause and the requirement that contractors submit certified payroll reports to the Department of Labor. Finally, the Port Commission should ensure that the contractor provides copies of the certified payroll reports to be maintained by the Port Commission.

Views of Responsible Officials and Planned Corrective Actions: The Department of Homeland Security, Port Security Grant Program did not contain provisions requiring construction projects to comply with the Davis Bacon Act prior to round seven. The provision was added in round seven and was inadvertently overlooked during the bid package preparation process for the Maritime Security Operations Center. Port Staff will designate the Director of Finance and Administration to be responsible for thoroughly reviewing the grant agreements and compliance supplement on all future projects that are funded with Port Security Grant funding. This compliance will include but will not be limited to a prevailing wage rate clause in the construction contract, and the port will require that contractors submit certified payroll documents to the Department of Labor as well as copies to the Port to be maintained by the Port Commission.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING
STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Not Applicable

COMPLIANCE REPORTS

GREATER BATON ROUGE PORT COMMISSION (STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

Submitted by:
Department of Finance & Administration



**Greater Baton Rouge Port Commission
State of Louisiana
Annual Financial Statements
December 31, 2010**

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

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Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
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- DD. Employee Termination Benefits
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Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt (3B is not applicable)
- 4 Schedules of Long-Term Debt Amortization (4A and 4C are not applicable)
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
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STATE OF LOUISIANA
 Annual Financial Statements
 Fiscal Year Ended December 31, 2010

Greater Baton Rouge Port Commission
2425 Ernest Wilson Drive
P.O. Box 380
Port Allen, LA 70767-0380

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

Legislative Auditor
 P. O. Box 94397
 Baton Rouge, Louisiana 70804-9397
 Legislative_Auditor_-_Fileroom.LLA@lla.state.la.us

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Katie G. LeBlanc, Interim Director of Finance and Administration of the Greater Baton Rouge Port Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater Baton Rouge Port Commission at December 31, 2010 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

23rd day of JUNE, 2011.

Katie G. LeBlanc
 Signature of Agency Official

J. Barry Wilk
 NOTARY PUBLIC
 BAR ROLL No. 13,482

Prepared by: Katie G. LeBlanc
 Title: Interim Director of Finance and Administration
 Telephone No.: (225) 342-1660, Ext. 212
 Date: June 23, 2011
 Email Address: leblanck@portgbr.com



**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2010**

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission in the Financial Section of this Comprehensive Annual Financial Report for the twelve-month period ending December 31, 2010.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
BALANCE SHEET
AS OF DECEMBER 31, 2010**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 6,499,370
Investments	<u>11,456,792</u>
Receivables (net of allowance for doubtful accounts)(Note U)	<u>1,193,100</u>
Due from federal government	<u>263,474</u>
Prepayments	<u>68,698</u>
Restricted investments	<u>787,954</u>
Restricted accrued interest receivable	<u>198</u>
Total current assets	<u>20,269,586</u>

NONCURRENT ASSETS:

Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	8,108,557
Buildings and improvements	<u>29,450,346</u>
Machinery and equipment	<u>1,133,410</u>
Infrastructure	<u>7,862,915</u>
Construction/Development-in-progress	<u>7,501,832</u>
Other noncurrent assets	<u>134,651</u>
Total noncurrent assets	<u>54,191,711</u>
Total assets	<u>\$ 74,461,297</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 1,216,141
Deferred revenues	<u>1,018,882</u>
Other current liabilities	<u>48,405</u>
Current portion of long-term liabilities: (Note K)	
Notes payable	<u>465,000</u>
Compensated absences payable	<u>95,589</u>
Total current liabilities	<u>2,844,017</u>

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	<u>181,584</u>
Notes payable	<u>4,843,008</u>
Pollution remediation obligation	<u>95,048</u>
OPEB payable	<u>1,805,156</u>
Other long-term liabilities	
Total noncurrent liabilities	<u>6,924,796</u>
Total liabilities	<u>9,768,813</u>

NET ASSETS

Invested in capital assets, net of related debt	<u>48,749,053</u>
Restricted for:	
Debt service	<u>181,447</u>
Unrestricted	<u>15,761,984</u>
Total net assets	<u>64,692,484</u>
Total liabilities and net assets	<u>\$ 74,461,297</u>

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

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

Statement B

OPERATING REVENUE	
Licenses, permits, and fees	\$ 2,168,410
Other	3,545,638
Total operating revenues	<u>5,714,048</u>
OPERATING EXPENSES	
Cost of sales and services	2,146,452
Administrative	2,240,991
Depreciation	2,502,959
Postemployment benefits	437,863
Total operating expenses	<u>7,328,265</u>
Operating income(loss)	<u>(1,614,217)</u>
NON-OPERATING REVENUES (EXPENSES)	
Loss on disposal of fixed assets	(52)
Investment income	585,198
Insurance recoveries	19,487
Interest expense	(283,436)
Other revenue	33
Other expense	(22,473)
Total non-operating revenues(expenses)	<u>298,757</u>
Income(loss) before contributions, extraordinary items, & transfers	<u>(1,315,460)</u>
Capital contributions	<u>2,173,967</u>
Change in net assets	<u>858,507</u>
Total net assets – beginning	<u>63,833,977</u>
Total net assets – ending	<u>\$ 64,692,484</u>

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

STATE OF LOUISIANA
 GREATER BATON ROUGE PORT COMMISSION
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2010

Statement C

See Appendix B for instructions

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 7,634,174	\$ 5,714,048	\$ 2,173,967	\$ 253,841
General revenues:				
Interest				585,198
Insurance recoveries				19,487
Loss on sale of fixed assets				(52)
Miscellaneous				33
Total general revenues, special items, and transfers				604,666
Change in net assets				858,507
Net assets - beginning				63,833,977
Net assets - ending				\$ 64,692,484

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Statement D
(continued)**

Cash flows from operating activities		
Cash received from customers	\$ 5,740,858	
Cash payments to suppliers for goods and services	(2,528,491)	
Cash payments to employees for services	(1,870,565)	
Net cash provided(used) by operating activities		<u>1,341,802</u>
Cash flows from capital and related financing activities		
Insurance recoveries	19,487	
Principal paid on notes payable	(449,345)	
Interest paid on notes payable	(290,881)	
Acquisition/construction of capital assets	(3,198,405)	
Proceeds from sale of capital assets	(52)	
Capital contributions	2,230,763	
Other	(14,967)	
Net cash provided(used) by capital and related financing activities		<u>(1,703,400)</u>
Cash flows from investing activities		
Purchases of investment securities	(3,643,884)	
Proceeds from sale of investment securities	3,093,306	
Interest and dividends earned on investment securities	547,687	
Net cash provided(used) by investing activities		<u>(2,891)</u>
Net increase(decrease) in cash and cash equivalents		<u>(364,489)</u>
Cash and cash equivalents at beginning of year		<u>6,863,859</u>
Cash and cash equivalents at end of year		<u>\$ 6,499,370</u>

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Statement D
(concluded)**

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

Operating income(loss)		\$ <u>(1,614,217)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>2,502,959</u>	
Provision for uncollectible accounts	<u> </u>	
Other	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>(51,191)</u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u>16,231</u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>(45,823)</u>	
Increase(decrease) in compensated absences payable	<u> </u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u>78,001</u>	
Increase(decrease) in OPEB payable	<u>437,863</u>	
Increase(decrease) in other liabilities	<u>17,979</u>	
 Net cash provided(used) by operating activities		 \$ <u>1,341,802</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ <u> </u>
Contributions of fixed assets	<u> </u>
Purchases of equipment on account	<u> </u>
Asset trade-ins	<u> </u>
Other (specify)	<u> </u>
Change in unrealized loss on investments	<u>(183,934)</u>
Change in accrual of capital contributions	<u>402,959</u>
Change in investment premiums and discounts	<u>31,453</u>
 Total noncash investing, capital, and financing activities:	 \$ <u>250,478</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

INTRODUCTION

The Greater Baton Rouge Port Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 29, Article VI. The following is a brief description of the operations of the Port Commission and includes the parish/parishes in which the port is located:

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 the Greater Baton Rouge Port Commission present information only as to the transactions of the programs of the Port 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 Greater Baton Rouge Port 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

**STATE OF LOUISIANA
 Greater Baton Rouge Port Commission
 Notes to the Financial Statement
 As of and for the year ended December 31, 2010**

The appropriations made for the operations of the various programs of the Port 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:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>4,780,000</u>
Amendments:	_____ _____ _____
Final approved budget	\$ <u><u>4,780,000</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 Greater Baton Rouge Port Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Port Commission may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts 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

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

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.

The deposits at December 31, 2010, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 6,499,370	\$	\$	\$ 6,499,370
Deposits in bank accounts per bank	\$ 6,690,959	\$	\$	\$ 6,690,959
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized	_____	_____	_____	_____
b. Uninsured and collateralized with securities held by the pledging institution	6,440,436	_____	_____	6,440,436
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	_____	_____	_____	_____

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

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1.	Hancock Bank	_____	\$ 6,690,436
2.	Chase Bank	_____	523
Total			\$ 6,690,959

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

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	\$	<u> </u>
Petty cash	\$	<u>1,000</u>

2. INVESTMENTS

The Greater Baton Rouge Port Commission does maintain investment accounts as authorized by the laws of the State of Louisiana.

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 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.

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount Per Balance Sheet	Fair Value
U.S. Government Sponsored Entity Obligations **	\$ _____	\$ _____	\$ 11,232,216	\$ 11,232,216
Other: (identify)	_____	_____	_____	_____
LAMP	_____	_____	247,927	247,927
Hancock Horizon Government MMF	_____	_____	739,549	739,549
Stock	_____	_____	25,054	25,054
Total investments	\$ _____ -	\$ _____ -	\$ 12,244,746	\$ 12,244,746

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

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
N/A	Not rated	\$ 11,232,216
Standard and Poors	AAAm	739,549
Standard and Poors	AAAm	247,927
_____	_____	_____
_____	_____	_____
	Total	\$ 12,219,692

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

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.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government Sponsored Entity obligations	\$ 11,232,216	\$ 1,900,000	\$ 9,332,216	\$	\$
Government MMF	739,549	739,549			
Louisiana Asset Management Pool	247,927	247,927			
Total debt investments	\$ 12,219,692	\$ 2,887,476	\$ 9,332,216	\$ -	\$ -

2. There were no 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.

C. Concentration of Credit Risk

The following presents investments that represent five percent or more of the Port Commission's total investments.

<u>Description</u>	<u>CUSIP</u>	<u>Market Value</u>
FHLMC	3128X23A1	\$655,656
Federal Farm Credit Bank	31331VGU4	1,118,150
FHLB	3133XQM74	1,023,680
Federal Home Loan Bank	3133XWNB1	739,160
FNMA	31398AXJ6	862,806
FNMA Series 1	31398AME9	1,518,870
Federal Farm Credit Bank	31331GCS6	1,012,977
FFCB	31331X3S9	971,862
FNMA	3136F92P7	908,280
FNMA	3137EACH0	633,284

D. Foreign Currency Risk

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

The Greater Baton Rouge Port Commission was not exposed to foreign currency risk (deposits or investments denominated in foreign currencies).

4. DERIVATIVES (GASB 53)

The Greater Baton Rouge Port Commission does not invest in derivatives as part of its investment policy.

5. POLICIES

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. The Port is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33.2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

All investment policies conform to state law.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

- a. There were no investments in pools managed by other governments or mutual funds
- b. There were no securities with underlying reverse repurchase agreements.
- c. There were no unrealized investment losses

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

- d. There were no commitments as of December 31, 2010 (fiscal close), to resell securities under yield maintenance repurchase agreements.
- e. There were no losses during the year due to default by counterparties to deposit or investment transactions
- f. There were no amounts recovered from prior period losses which are not shown separately on the balance sheet.

Legal or Contractual Provisions for Reverse Repurchase Agreements – N/A

Reverse Repurchase Agreements as of Year-End – N/A

Fair Value Disclosures (GASB 31) – N/A

Land and Other Real Estate Held as Investments by Endowments (GASB 52) – N/A

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

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. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended December 31, 2010							
	Balance 12/31/2009	Prior Period Adjustments		Adjusted Balance 12/31/2009	Additions	Transfers*	Retirements	Balance 12/31/2010
		Adj. after submitted to OSRAP (+or-)	Restatements (+or-)					
Capital assets not being depreciated								
Land	\$ 7,380,052	\$	\$	\$ 7,380,052	\$ 728,505	\$	\$ -	\$ 8,108,557
Construction in progress (CIP)	5,064,877			5,064,877	2,643,605	(206,650)	-	7,501,832
Total capital assets not being depreciated	<u>12,444,929</u>	<u>-</u>	<u>-</u>	<u>12,444,929</u>	<u>3,372,110</u>	<u>(206,650)</u>	<u>-</u>	<u>15,610,389</u>
Other capital assets								
Machinery and equipment	6,451,343			6,451,343	10,817	45,292	(6,048)	6,501,404
Less accumulated depreciation	(5,016,427)			(5,016,427)	(357,258)		5,690	(5,367,995)
Total Machinery and equipment	<u>1,434,916</u>	<u>-</u>	<u>-</u>	<u>1,434,916</u>	<u>(346,441)</u>	<u>45,292</u>	<u>(358)</u>	<u>1,133,409</u>
Buildings and improvements	78,532,659			78,532,659	214,697	161,358	-	78,908,714
Less accumulated depreciation	(47,713,451)			(47,713,451)	(1,744,917)		-	(49,458,368)
Total buildings and improvements	<u>30,819,208</u>	<u>-</u>	<u>-</u>	<u>30,819,208</u>	<u>(1,530,220)</u>	<u>161,358</u>	<u>-</u>	<u>29,450,346</u>
Infrastructure	14,580,130			14,580,130	-		-	14,580,130
Less accumulated depreciation	(6,316,430)			(6,316,430)	(400,784)			(6,717,214)
Total infrastructure	<u>8,263,700</u>	<u>-</u>	<u>-</u>	<u>8,263,700</u>	<u>(400,784)</u>	<u>-</u>	<u>-</u>	<u>7,862,916</u>
Total other capital assets	<u>40,517,824</u>	<u>-</u>	<u>-</u>	<u>40,517,824</u>	<u>(2,277,445)</u>	<u>206,650</u>	<u>(358)</u>	<u>38,446,671</u>
Capital assets not being depreciated	12,444,929	-	-	12,444,929	3,372,110	(206,650)	-	15,610,389
Other capital assets, at cost	<u>99,564,132</u>	<u>-</u>	<u>-</u>	<u>99,564,132</u>	<u>225,514</u>	<u>206,650</u>	<u>(6,048)</u>	<u>99,990,248</u>
Total cost of capital assets	<u>112,009,061</u>	<u>-</u>	<u>-</u>	<u>112,009,061</u>	<u>3,597,624</u>	<u>-</u>	<u>(6,048)</u>	<u>115,600,637</u>
Less accumulated depreciation and amortization	<u>(59,046,308)</u>	<u>-</u>	<u>-</u>	<u>(59,046,308)</u>	<u>(2,502,959)</u>	<u>-</u>	<u>5,690</u>	<u>(61,543,577)</u>
Capital assets, net	\$ <u>52,962,753</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>52,962,753</u>	\$ <u>1,094,665</u>	\$ <u>-</u>	\$ <u>(358)</u>	\$ <u>54,057,060</u>

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

** Enter a negative number with the exception of accumulated depreciation in the retirement and prior period adjustment column.

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

E. INVENTORIES

The Greater Baton Rouge Port Commission does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Greater Baton Rouge Port Commission at December 31, 2010, reflected at \$788,152 in the current section of Statement A, consist of \$48,405 in unpaid bond coupons, \$739,549 in cash invested with fiscal agents, and \$198 in interest receivable.

G. LEAVE

1. COMPENSATED ABSENCES

The Greater Baton Rouge Port 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. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at December 31, 2010 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is recorded in the accompanying financial statements.

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

H. RETIREMENT SYSTEM

Substantially all of the employees of the Greater Baton Rouge Port Commission are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Port Commission employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group (“regular members”) contributing 7.5% of gross salary, and the Port Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
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for the fiscal year ended December 31, 2010, increased to 22.0% of annual covered payroll from the 18.6% and 18.5% required in fiscal years ended December 31, 2009 and 2008 respectively. The Port Commission contributions to the System for the years ending December 31, 2010, 2009, and 2008, were \$275,757, \$246,670, and \$259,129, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Calculation of Net OPEB Obligation

1. ARC	<u>585,000</u>
2. Interest on NOO (4%)	<u>54,692</u>
3. ARC adjustment	<u>(52,247)</u>
4. Annual OPEB Expense (1. + 2. - 3.)	<u>587,445</u>
5. Contributions	<u>-</u>
6. Claims costs	<u>149,582</u>
7. Increase in Net OPEB Obligation (4. - 5. - 6.)	<u>437,863</u>
8. NOO, beginning of year	<u>1,367,293</u>
9. NOO, end of year (7. + 8.)	<u><u>1,805,156</u></u>

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during the fiscal year ended December 21, 2010 amount to \$0.

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

3. LESSOR DIRECT FINANCING LEASES

There were no direct financing leases sold as of December 31, 2010.

4. LESSOR – OPERATING LEASE

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

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Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2010:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Land & improvements	\$ 5,296,320	\$ 1,668,361	\$ 3,627,959
b. Equipment	<u>2,308,409</u>	<u>2,308,409</u>	<u>-</u>
c. Buildings & structures	<u>39,993,116</u>	<u>28,018,338</u>	<u>11,974,778</u>
Total	<u>\$ 47,597,845</u>	<u>\$ 31,995,108</u>	<u>\$ 15,602,737</u>

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating leases as of December 31, 2010:

Year Ended June 30,	Facility Space	Equipment	Land & Improvements	Other	Total
2011	\$ 718,740	\$ -	\$ 679,647	\$ -	\$ 1,398,387
2012	555,203	-	645,698	-	1,200,901
2013	382,515	-	601,765	-	984,280
2014	382,515	-	460,228	-	842,743
2015	382,515	-	436,793	-	819,308
2016-2020	843,015	-	795,960	-	1,638,975
2021-2025	-	-	1,855,046	-	1,855,046
2026-2030	-	-	<u>105,600</u>	-	<u>105,600</u>
Total	<u>\$ 3,264,503</u>	<u>\$ -</u>	<u>\$ 5,580,737</u>	<u>\$ -</u>	<u>\$ 8,845,240</u>

Current year lease revenues received in fiscal year 2010 totaled \$2,220,062. There were no contingent rentals from operating leases received in the fiscal year for office space, equipment or for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2010:

	Year ended December 31, 2010				
	Balance 12/31/2009	Additions	Reductions	Balance 12/31/2010	Amounts due within one year
Notes payable	5,756,857	-	448,849	5,308,008	465,000
Compensated absences payable	250,933	128,871	102,631	277,173	95,589
OPEB payable	1,367,293	437,863	-	1,805,156	-
Pollution remediation liability	125,048	-	30,000	95,048	-
Total long-term liabilities	<u>7,500,131</u>	<u>566,734</u>	<u>581,480</u>	<u>7,485,385</u>	<u>560,589</u>

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

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. Losses or ending litigation that is probable should be reflected on the balance sheet.

The Greater Baton Rouge Port Commission is a defendant in litigation seeking damages as follows:

At December 31, 2010, the Port Commission is a codefendant in two lawsuits involving asbestos exposure while the plaintiffs were employed by others on Port Commission property. In the opinion of the Port Commission's attorney, it is reasonably possible that there may be an unfavorable outcome to the Port Commission. In the event that the Port Commission is found liable and damages are imposed, the liability to the Port Commission in excess of insurance could range from \$2,200,000 to \$2,800,000. Management intends to vigorously defend these matters.

The Port Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Port Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Port Commission. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Port Commission, or if not so covered, are not expected to have a material effect on the financial statements of the Port Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

M. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. There were no related party transactions during the current financial reporting period.

N. ACCOUNTING CHANGES

The Greater Baton Rouge Port Commission did not adopt any changes in the fiscal year 2010 that would result in the change in format and content of the basic financial statements.

**STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010**

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions as of December 31, 2010.

P. DEFEASED ISSUES

There were no defeased issues during the twelve month period ended December 31, 2010 for the Greater Baton Rouge Port Commission.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

There were no pledged revenues as of December 31, 2010

2. FUTURE REVENUES REPORTED AS A SALE

There were no future revenues reported as a sale during the twelve months ended December 31, 2010.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2010:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
97.056	Port Security Grant	25%	\$ 1,231,835
Total government-mandated nonexchange transactions (grants)			\$ 1,231,835

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2010, the Greater Baton Rouge Port Commission had no violations of finance-related legal or contractual provisions.

T. SHORT-TERM DEBT

The Greater Baton Rouge Port Commission does not issue short-term notes.

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2010, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$	\$	\$	\$	\$
					-
					-
Gross receivables	\$ 916,143	\$ -	\$ 183,956	\$ 95,101	\$ 1,195,200
Less allowance for uncollectible accounts	(2,100)				(2,100)
Receivables, net	<u>\$ 914,043</u>	<u>\$ -</u>	<u>\$ 183,956</u>	<u>\$ 95,101</u>	<u>\$ 1,193,100</u>
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$	\$	\$	\$	\$
	978,722	144,119	93,300	-	1,216,141
					-
Total payables	<u>\$ 978,722</u>	<u>\$ 144,119</u>	<u>\$ 93,300</u>	<u>\$ -</u>	<u>\$ 1,216,141</u>

W. SUBSEQUENT EVENTS

There were no material events affecting the Port Commission occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

- Segment No. 1 Administration of Port activities with the Greater Baton Rouge Area
- Segment No. 2 _____

A. Condensed balance sheet:

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

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ 20,269,586	\$ _____
Due from other funds	-	_____
Capital assets	54,057,060	_____
Other assets	134,651	_____
Current liabilities	(2,844,017)	_____
Due to other funds	-	_____
Long-term liabilities	(6,924,796)	_____
Restricted net assets	(181,447)	_____
Unrestricted net assets	(15,761,984)	_____
Invested in capital assets, net of related debt	(48,749,053)	_____

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

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

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

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ 5,714,048	\$ _____
Operating expenses	4,825,306	_____
Depreciation and amortization	2,502,959	_____
Operating income (loss)	(1,614,217)	-
Nonoperating revenues (expenses)	298,757	_____
Capital contributions/additions to permanent and term endowments	2,173,967	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	858,507	-
Beginning net assets	63,833,977	_____
Ending net assets	64,692,484	-

Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 1,341,802	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	(1,703,400)	_____
Net cash provided (used) by investing activities	(2,891)	_____
Beginning cash and cash equivalent balances	6,863,859	_____
Ending cash and cash equivalent balances	6,499,370	-

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

Y. DUE TO/DUE FROM AND TRANSFERS

The Greater Baton Rouge Port Commission has only one fund and consequently, no interfund activity.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Greater Baton Rouge Port Commission at December 31, 2010, reflected at \$606,705 in the liabilities section on Statement A, consist of \$465,000 in Current Portion of Loans Payable, \$93,300 in Accrued Loan Interest, and \$48,405 in Unredeemed Bonds and Coupons.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments made to restate beginning net assets for January 1, 2010.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total net assets reported on Statement A at December 31, 2010, \$0 are restricted by enabling legislation.

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

There were no impaired capital assets at December 31, 2010.

DD. EMPLOYEE TERMINATION BENEFITS

The Port Commission had no termination benefit liability or expense as of December 31, 2010.

EE. POLLUTION REMEDIATION OBLIGATIONS

The presence of chlorinated hydrocarbons near the Port's Commission property was first discovered during testing performed in connection with a neighboring property owner's own environmental remediation issues. Rollins Environmental Services, Inc. (REN) conducted additional testing to identify the source and extent of chlorinated organic compounds. The preliminary site assessment revealed the presence of chlorinated hydrocarbons in the area of the barge terminal on the Port's Commission property. A plausible explanation of the presence of these chemicals is the vertical migration resulting from surface spillage caused by the transfer or piping of such materials during prior storage or shipment on the premises. An independent remediation contractor developed a remediation plan based on estimated annual expenses ranging from \$35,000 to \$40,000 for a period of 12 to 14 years. The remediation plan was proposed to and approved by the Louisiana Department of Environmental Quality. The resulting estimated potential liability

STATE OF LOUISIANA
Greater Baton Rouge Port Commission
Notes to the Financial Statement
As of and for the year ended December 31, 2010

of \$500,000 is being shared equally by the Port Commission and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Port Commission paid \$30,000 and \$15,000 in 2010 and 2009, respectively, on this cost. The liability balance as of December 31, 2010 and 2009 is \$95,048 and \$125,048, respectively.

FF. The Port Commission received no ARRA revenue and incurred no ARRA expenses in FY 2010 on a full accrual basis

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
DECEMBER 31, 2010
(Fiscal close)**

Name	Amount
Kirt Bennett	\$ 525
Randy Brian	1,650
Alvin Dragg	1,425
Timothy W. Hardy	1,275
Brenda Hurst	1,500
Larry Johnson	1,800
Jerald Juneau	1,725
Raymond Loup	1,800
Angela Machen	1,800
Roy Pickren	1,425
Randy Poche	1,575
Corey Sarullo	1,500
Clint Seneca	1,725
Blaine Sheets	1,350
John Tilton	<u>1,725</u>
Total	\$ <u><u>22,800</u></u>

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 BATON ROUGE PORT COMMISSION
SCHEDULE OF NOTES PAYABLE
DECEMBER 31, 2010
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/09	Redeemed (Issued)	Principal Outstanding 12/31/10	Interest Rates	Interest Outstanding 12/31/10
1999A	3/31/99	\$5,700,000	\$3,595,000	\$280,000	\$3,315,000	8% - 5.5%	\$880,425
1999B	3/31/99	\$3,300,00	\$2,080,000	\$160,000	\$1,920,000	8%-5.25%	\$488,352
Unamortized Premium		--	<u>81,857</u>	<u>8,849</u>	<u>73,008</u>		
Total		<u>\$9,000,000</u>	<u>\$5,756,857</u>	<u>\$448,849</u>	<u>\$ 5,308,008</u>		<u>\$1,368,777</u>

SCHEDULE 3-A

**STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended December 31, 2010**

Fiscal Year Ending:	Principal	Interest
2011	\$ <u>465,000</u>	\$ <u>267,682</u>
2012	<u>490,000</u>	<u>242,960</u>
2013	<u>520,000</u>	<u>216,619</u>
2014	<u>545,000</u>	<u>188,441</u>
2015	<u>575,000</u>	<u>158,324</u>
2016-2020	<u>2,640,000</u>	<u>294,750</u>
2021-2025	_____	_____
2026-2030	_____	_____
2031-2035	_____	_____
Total	\$ <u><u>5,235,000</u></u>	\$ <u><u>1,368,776</u></u>

SCHEDULE 4-B

STATE OF LOUISIANA

GREATER BATON ROUGE PORT 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.

	<u>2010</u>	<u>2009</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>5,714,048</u>	\$ <u>4,985,751</u>	<u>728,297</u>	<u>14.6</u>
Expenses	<u>7,328,265</u>	<u>7,422,896</u>	<u>(94,631)</u>	<u>(1.2)</u>
2) Capital assets	<u>54,057,060</u>	<u>52,962,753</u>	<u>1,094,307</u>	<u>2.0</u>
Long-term debt	<u>5,308,008</u>	<u>5,756,857</u>	<u>(448,849)</u>	<u>(7.7)</u>
Net Assets	<u>64,692,484</u>	<u>63,833,977</u>	<u>858,507</u>	<u>1.3</u>
Explanation for change:	_____			

SCHEDULE 15