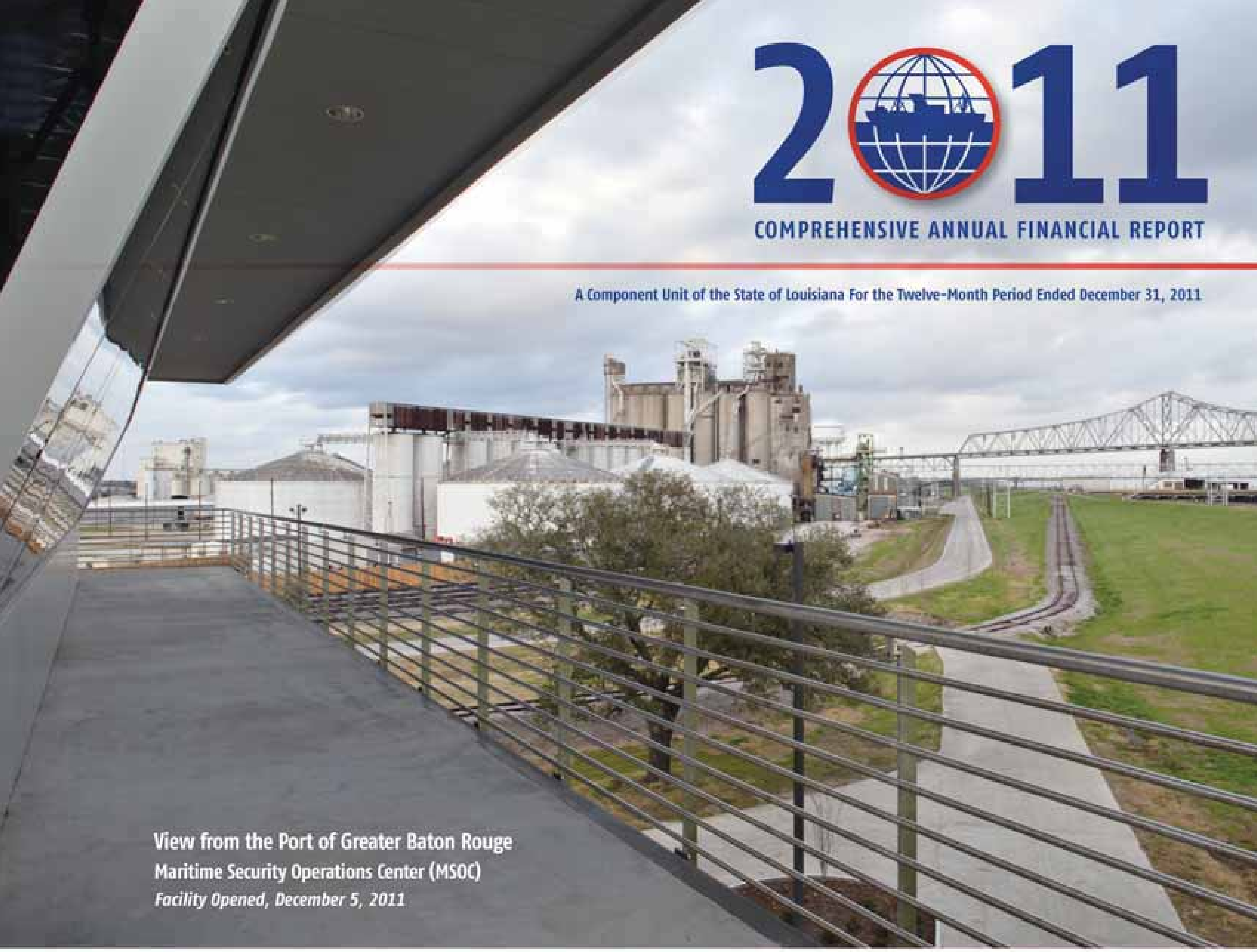
2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of Louisiana For the Twelve-Month Period Ended December 31, 2011



View from the Port of Greater Baton Rouge
Maritime Security Operations Center (MSOC)
Facility Opened, December 5, 2011

PORT OF GREATER BATON ROUGE
60 YEARS
1952 - 2012

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

GREATER BATON ROUGE PORT COMMISSION • P.O. BOX 380, PORT ALLEN, LOUISIANA 70767 • 225.342.1660

2011
COMPREHENSIVE ANNUAL FINANCIAL REPORT

The new port facility overlooking the Mississippi River and the capital city is located next to the port's headquarters in Port Allen, Louisiana. The facility is designed to assist in securing one of the most important waterways in the world. The project continues to be a collaborative effort between many talented professionals, federal, state and local governments, and the port to better secure marine assets located on the Mississippi River within the port region.

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

GREATER BATON ROUGE PORT COMMISSION · P.O. BOX 380, PORT ALLEN, LOUISIANA 70767 · 225.342.1660

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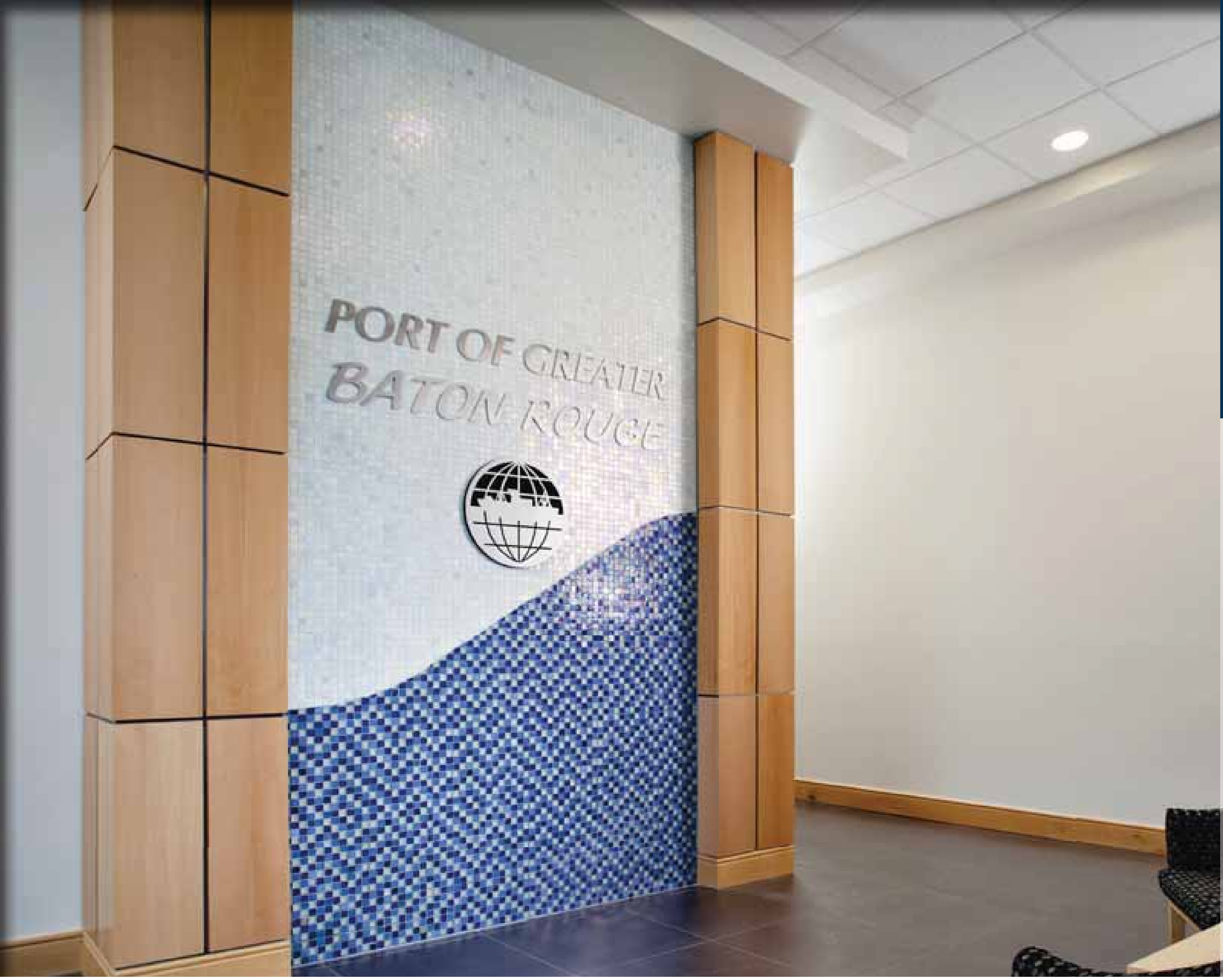

This regional facility provides the opportunity for multiple agencies to collectively respond to any maritime emergency, incident or disaster. The Maritime Security Operations Center is a 3-story multi-purpose facility for emergency response and port security initiatives. Total cost of the project was $3.5 million. Funding for this facility was made possible through funding from the U.S. Department of Homeland Security Port Security Grant Program, Louisiana State Capital Outlay Program, and the Greater Baton Rouge Port Commission.

Introductory

PORT OF GREATER BATON ROUGE

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

June 21, 2012

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

Dear Board of Commissioners:

In the maritime and transportation industry, as in any business, change is inevitable and continuous. In order to create a positive business climate for growth, the port must respond with speed and flexibility to meet the demands and dynamics of the global marketplace. In 2011, the Port of Greater Baton Rouge and its leadership made significant and important policy decisions that will ensure future growth not only for the Port but also for its users and stakeholders. This leadership has set the port on a positive course for many years into the future, both in terms of new business and financial stability.

Throughout 2011, Louisiana's business climate was one of the strongest in the United States. Along with the renewed interest in the Mississippi River from the private sector petrochemical and maritime industries there were a number of large new projects and expansions announced. Driving these decisions for many large multi-national companies is the slow growth, government instability and global decline of markets in many parts of the world. Companies are locating and investing in the United States as transportation logistics options remain strategic and there is a developing trend towards preference of United States locations for greater stability in the marketplace.

This positive business climate is stimulating growth for the Port and for the companies operating at the port as well as the numerous private sector maritime and petrochemical industries located within the Port's 85-mile jurisdictional area of the Mississippi River. Private investment and new construction creates synergies that stimulate economic development. The synergy created by these projects will provide an increased number of ship calls, additional barge activity and truck and rail traffic which results in long-term benefits for the Port. The port is an important economic asset in the region, and these long-term growth opportunities will translate into an expanding and stronger economy for the region.

Louisiana's positive business climate, the U.S. government's stability and the Mississippi River's location continue to be an important asset and justification for many multi-national companies considering new sites and projects.

Private investment announcements in 2011 affecting the Port of Greater Baton Rouge include:

Ormet Corporation, located in Ascension Parish, announced the reopening of its alumina facility and plans for a $21 million capital investment project. Ormet will create more than 240 new direct jobs with the reopening of the alumina manufacturing facility that had been idle since December, 2006.

The Burnside Bulk Terminal, located in Ascension Parish adjacent to Ormet Corporation's alumina facility, was purchased by the Dutch company, Trafigura, for $28 million. Trifigura, which is an international commodity trading company, plans to spend approximately $100 million to rehabilitate the terminal that has been idle since January, 2008. This rehabilitation effort will require 200 to 300 construction jobs, and once completed will result in 100 new permanent jobs. Trafigura will operate the terminal as Impala Coal and will handle primarily coal, bauxite and alumina. Trifigura's expansion plans will transform the Burnside Terminal into one of the country's largest bulk terminals and will create new opportunities not only in the port region but for the entire Mississippi River.

SE Tylose announced that it will invest $120 million to build a hydroxyethyl cellulose or HEC plant at Shintech Louisiana's Plaquemine site located in Iberville Parish. The project will create 30 new direct jobs with an average annual salary of $58,000 plus benefits, while helping to retain 270 Shintech jobs.

2011 developments at the public facilities of the Port of Greater Baton Rouge:

Louis Dreyfus Commodities became the new operator of the port's public grain elevator on June 15, 2011 and immediately upon taking possession of the facility began implementing plans for rehabilitation and modernization. We are anticipating that rehabilitation and modernization of the port's public grain export elevator will play an important role in the overall success of Louisiana's grain producers by affording them better price participation in the world grain markets.

Improvements to the grain elevator began in the last quarter of 2011 and will continue well into 2013. Current plans call for the construction of a new barge unloading facility, ship loading dock and overall improvements to increase grain handling capabilities from 750,000 metric tons to over 5,000,000 metric tons annually. This project has created 170 construction jobs, and when complete will add an additional 30 new permanent jobs. Louis Dreyfus Commodities expects to invest more than $150 million to upgrade this Port-owned export elevator making this location their base of Mississippi River operations and their flagship facility on the U.S. Gulf Coast.

A recent report regarding the increase in goods exported from Louisiana stated that total agriculture goods shipped from our state were valued at approximately $1 billion. When the grain elevator reopens in 2013, the opportunity exists to increase grain throughput volumes along with an increase in vessel calls. According to Louis Dreyfus Commodities officials, there is a potential to export more than 5 million metric tons of grain a year at the upgraded grain elevator. The assemblage logistics and exporting of this quantity of grain will require approximately 3,600 barges and 100 Panamax size ships. These improvements and capital investments to the public grain elevator create the opportunity to significantly benefit Louisiana's agricultural interests and farmers well into the future. In addition, there will be an indirect positive effect of job creation for longshoremen, stevedores, tugboat operators and other stakeholders in the maritime industry.

In addition to the capital investment that Louis Dreyfus Corporation is making in the grain elevator, the Port is also contributing funding for the rehabilitation of the original concrete grain silos, demolition of structural steel and equipment, environmental abatements, coating of various components and ancillary projects to improve the aesthetics and efficiencies of the facility. Participation by the Port in these projects will exceed $6 million.

The Maritime Security Operations Center (MSOC) opened on December 5, 2011 and it marked a very significant and historic event for the port. This regional security facility was the culmination of a collaborative effort of maritime stakeholders that enables multiple governmental agencies to collectively respond to any maritime emergency, incident or disaster. The MSOC is a 3-story multi-purpose facility designed for emergency response and port security initiatives. Total cost of the project was $3.5 million. Funding for this facility was made possible through funding from the U.S. Department of Homeland Security Port Security Grant Program, Louisiana State Capital Outlay Program, and the Greater Baton Rouge Port Commission.

Westway Terminal Company, which only recently completed an expansion at the port in 2010 that doubled their terminal capacity, received approval from the Port Commission in 2012 to lease an additional six acres for an additional expansion adjacent to their existing facility. This additional expansion could potentially increase Westway's capacity to store bulk liquid products at the port by another 50 percent. The demand for liquid bulk products is projected to increase along the lower Mississippi River region.

At the port's Inland Rivers Marine Terminal located on the Gulf Intracoastal Waterway, a new roadway and dock structure with an estimated value of $3.5 million are currently in the design phase, and construction is scheduled to commence in late 2012. The new roadway will access the additional 24 acres of property that was purchased by the port last year to expand the facility's ability to accommodate future growth and development.

Katoen Natie, an international logistics company operating at the port's main deepwater complex, expanded its bulk packaging and warehousing operations to add a second packaging line. Katoen Natie invested over $1 million dollars in new equipment for this expansion and added several new jobs at the port. These value-added services provided by Katoen Natie support the regional manufacturing sector such as ExxonMobil and Total Chemicals.

GNS FRAC Sand of Alabama, L.L.C. recently announced plans to locate at the Port of Greater Baton Rouge, Inland Rivers Terminal and the Port Commission approved the lease in April, 2012. This company will add $10 million in private investment and expects to open in the latter part of 2012 creating additional jobs and additional cargo movements at the Inland Rivers Marine Terminal.

Center Point Terminal Company, operators of the petroleum fuel terminal at the port, leased an additional 15 acres for a future expansion and originally announced plans to expand in 2011. However, this project is still being developed by Center Point Terminal management and the project is anticipated to begin construction in late 2012. The estimated cost of the expansion project is approximately $10 million dollars and when complete will double the liquid bulk capacity at the facility.

Transit Shed Roof and Siding Repair on the port's General Cargo Docks began in February 2009, and the port 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 was completed in 2011.

Louisiana State Capital Outlay Appropriation FY 2009 - Through the support and efforts of the port's legislative delegation, the port received a $6 million appropriation from the 2009 State Capital Outlay Program. These funds are being used for port improvements, new roadways, and rehabilitations to the public grain elevator and other rehabilitation projects scheduled to start in 2012.

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 2008 State Appropriation from the State Capital Outlay budget. 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 boat launches were completed in 2011. Additional funds were used to purchase equipment and support efforts of Joint Task Force 7. Joint Task Force 7 is a cooperative program between the port, sheriffs of seven parishes, the U.S. Department of Homeland Security, U.S. Coast Guard, and other governmental agencies to provide security and respond to maritime incidents or disasters. This partnership has pooled resources, equipment and personnel to train and respond to maritime incidents or disasters that occur in the Mississippi River. This effort has significantly impacted and improved river security operations.

In 2011, the Port of Greater Baton Rouge was ranked the 13th largest port in the nation handling over 51.9 million short tons of cargo through its 85-mile port area located on the Mississippi River. Port tonnage remained stable over the previous year, and three 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 2011, and the port benefited from the previous private sector investment and completion of 2010 projects 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 improvement plans for the public maritime facilities.

One of the port's continuing efforts 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, and the port is in a state of continuous improvement. The port intends to continue to build upon these public infrastructure assets.

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, sustainability, and maritime security.

The maritime business environment is dynamic, constantly changing, 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.

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 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 as the port continues its efforts to build an even stronger port for future generations to ensure another 60 years serving the port's stakeholders and industry.

As the Port Commission celebrates its 60th Anniversary, the port will continue to build on the accomplishments of the past and optimistically look forward to the future. The outlook for 2012 in the areas of international trade, maritime commerce, new manufacturing and new industrial expansion continues to be positive as companies and manufacturers continue to have strong interest in the port, and they value the tremendous transportation asset of the Mississippi River. At the port, we are continuing our efforts to increase the value of the Port of Greater Baton Rouge as an economic asset to the entire region.

Sincerely,

Jay Hardman

Jay Hardman, P.E.
Executive Director

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PORT OF GREATER BATON ROUGE

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

June 21, 2012

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, 2011, 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 Port 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 gained 47,400 jobs in 2011, most of them in the private sector, the Louisiana Workforce Commission reported. In 2011, the Baton Rouge Metropolitan Statistical Area (MSA) showed signs of a strong recovery in the wake of the recession. According to the Bureau of Labor Statistics (BLS), the annual unemployment rate for the Capital Region in 2011 was 7.3%, below the national unemployment rate of 8.9%. Total nonfarm employment for the region was 367,400, with an increase of 4,200 jobs compared to 2010. Furthermore, the regional economy added 5,200 private sector jobs over-the-year, and had a total of 291,400 private sector jobs. Average weekly earnings of all private sector employees increased from $743.57 in 2010 to $767.12 in 2011.

In terms of housing, according to the Great Baton Rouge Association of Realtors (GBRAR), a total of 6,602 housing units were sold in 2011, an increase of 215 units over-the-year. The Baton Rouge metro area real estate market rose 3 percent in December and finished off the year up 3 percent over 2010. Dollar value rose 3 percent as well, with $125 billion in homes sold.

Consumer spending also trended upward after a couple bad years. Retail spending in East Baton Rouge Parish increased to $773.9 million, up 4.7 percent from December 2010. That topped off the year, which finished with $7.6 billion, up 3.7 percent from the previous year and the highest since 2008. Retail sales in 2011 were the highest since 2008's $7.95 billion, and that year's sales were driven in part by the rebuilding that took place after Hurricane Gustav.

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 petrochemical industry is a significant factor in the Baton Rouge MSA economy and has the largest concentration of chemical industry activity in Louisiana. In 2010 this industry sector was expanding due to the advantages of low natural gas prices and a stable economy. In 2010 there was $5.1 billion announced in construction activity. In 2011 levels were below the 2010 activity but still remain high at $4 billion in announced projects.

Louisiana's gross domestic product (GDP) in 2011 increased a half-percentage point from 2010, according to the U.S. Bureau of Economic Analysis (BEA). The increase places the Louisiana economy 36th in the nation when measuring the growth of GDP, a measure of all goods and services produced by an economy. Louisiana's GDP in 2011 was $205.9 billion, according to the advance statistics released by the BEA, ranking the state No. 22 in the nation when measuring total GDP.

Following a national trend, Louisiana's 2011 worldwide merchandise exports increased by 33.3 percent over 2010, breaking the previous single-year record set in 2008, according to a report released recently by the World Trade Center of New Orleans. For the year, Louisiana exports totaled $55.12 billion, compared to $41.35 billion in 2010 and far exceeding the previous record of $41.9 billion. Exports accounted for a sizable share of the Baton Rouge economy in 2010, ranking the Capital Region at No. 2 out of the 100 largest metros mostly because of the area's chemical sector, according to a study by the Brookings Institution.

Louisiana's principal export markets for 2011 were China ($7.34 billion, up 13.1 percent), Mexico ($5.69 billion, up 105 percent), and Japan ($3.85 billion, up 25.5 percent), followed by the Netherlands, Canada, Korea, Singapore, and Brazil.

Exports for all 50 states and Puerto Rico, the U.S. Virgin Islands, and the District of Columbia also set a record in 2011, totaling $1.48 trillion, a 15.8 percent increase over 2010. Louisiana ranked 7th among U.S. states, with the highest rate of export growth among the leaders. The state with the next highest rate of growth among the top 20 was Illinois at 29 percent.

As in 2010 and again in 2011, Louisiana natural resources were a significant reason for a 33 percent increase in total Louisiana exports. Louisiana's manufacture of chemicals and refined products has continued to see strong export potential (28 percent increase) to rapid growth markets such as China, Mexico, South Korea and Chile. Food products continue to find new market potential in Latin America and the European Union (EU). U.S. Free Trade Agreements approved by Congress have doubled and in some cases tripled Louisiana exports to markets like South Korea, Mexico and Chile. Ports handling coal and other natural resources continue outstanding export activity, growing 74 percent.

The value of Louisiana's petroleum and coal exports rose almost 75 percent in 2011, from $10.8 billion to $18.9 billion, reflecting growing global demand and higher prices. Agriculture exports followed at $17.3 billion, up 14.18 percent, with chemicals ($8.14 billion, up 29 percent), food manufactures ($4 billion, up 2.2 percent), and minerals and ores ($1.7 billion, up 117 percent) rounding out the state's top five industries.

U.S. agriculture exports reached a record-breaking $136 billion in 2011. Exports of most commodities as well as value-added consumer ready food soared to markets such as Canada, Mexico, China and other key Asian destinations. More agricultural products leave Louisiana than any other state in the nation. Bulk commodities were aided by a competitive dollar and short international supplies, and international demand for Louisiana food and cuisine continues to rise. This is great news not only for farmers in our state but also for the thousands of jobs here in Louisiana created through international trade.

Louisiana ports registered a gain of 6.3 percent in vessel weight, compared to the U.S. increase of 9.66 percent. Vessel weight is used to measure the growth in the volume of exports as opposed to the dollar value alone.

The Port of Greater Baton Rouge ranked 13th in the nation and 46th worldwide in total tonnage with over 51.9 million short tons moving through the port jurisdiction. The importance of the Mississippi River petrochemical corridor and the vast amount of agricultural products, cargo, and raw materials imported and exported make the port a strategic location of national and international importance. Typically within the port industry, factors related to the local, national and international economies contribute significantly to the port's level of success.

As the port continues to expand and complete current projects underway, we anticipate this outlook to be positive for the Port over the long-term. The public facilities of the port will continue with its current efforts and projects as well as placing emphasis for future growth as opportunities for cargo movement expand. The port places emphasis on its overall mission to foster economic development, job creation and international trade 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.

Operating revenues for 2011 increased from 2010. It changed from $5,714,048 in 2010 to $5,891,664, an increase of 4 percent. Combined operating and non-operating revenues were recorded at $6,495,422, which was up by $176,656 over the same period in 2010. There was an increase in rentals and investment income for 2011. Net assets increased by $4,331,813 due to an increase in capital contributions. Total net assets were $69,024,297 at year-end, as compared to $64,692,484 in the previous year.

The port's leadership and management staff continue to build upon its strategic objective by maintaining diversified operations and maximizing facility use at the port which provides real business strength for the present as well as for the future. The port continues to increase 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.

2011 PORT MAJOR INITIATIVES

The Maritime Security Operations Center (MSOC) opened on December 5, 2011. This new facility for the port strengthens the regional security within the port jurisdiction. The MSOC is a 3-story multi-purpose facility designed for emergency response and port security initiatives. Total cost of the project was $3.5 million. Funding for this facility was made possible through funding from the U.S. Department of Homeland Security Port Security Grant Program, Louisiana State Capital Outlay Program, and the Greater Baton Rouge Port Commission.

In 2011 Louis Dreyfus Commodities, LLC became the new operator of the port's public grain elevator. The company has begun an extensive rehabilitation and expansion project of the facility. This project will create 100 construction jobs and up to 30 new permanent jobs. When completed, more than 5 million metric tons of grain could move through the upgraded facilities annually. The port is anticipating that these upgraded grain facilities will play an important role in the success Louisiana farmers are experiencing in moving their products to markets around the world.

A new roadway and dock structure with an estimated value of $3.5 million at the Inland Rivers Marine Terminal on the Gulf Intracoastal Waterway are currently in the design phase and construction is scheduled to commence in July, 2012. The new roadway will access the 24 acres of property that was purchased by the port last year to expand the facility's ability to accommodate future development.

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,* Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

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 $4,834,159 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, Broussard & Company, Certified Public Accountants for the audit years 2011-2013. 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 of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Commission for its comprehensive annual financial report for the fiscal year ended December 31, 2010. 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 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 Broussard & Company, Certified Public Accountants. Special recognition is given to the port finance and accounting staff, for their extraordinary efforts and professionalism in maintaining and preserving the port's financial department and records throughout the year and the design and preparation of the 2011 Annual Financial Report.

Respectfully Submitted,

Katie G. LeBlanc

Katie G. LeBlanc
Director of Finance and Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Baton Rouge Port Commission, Louisiana

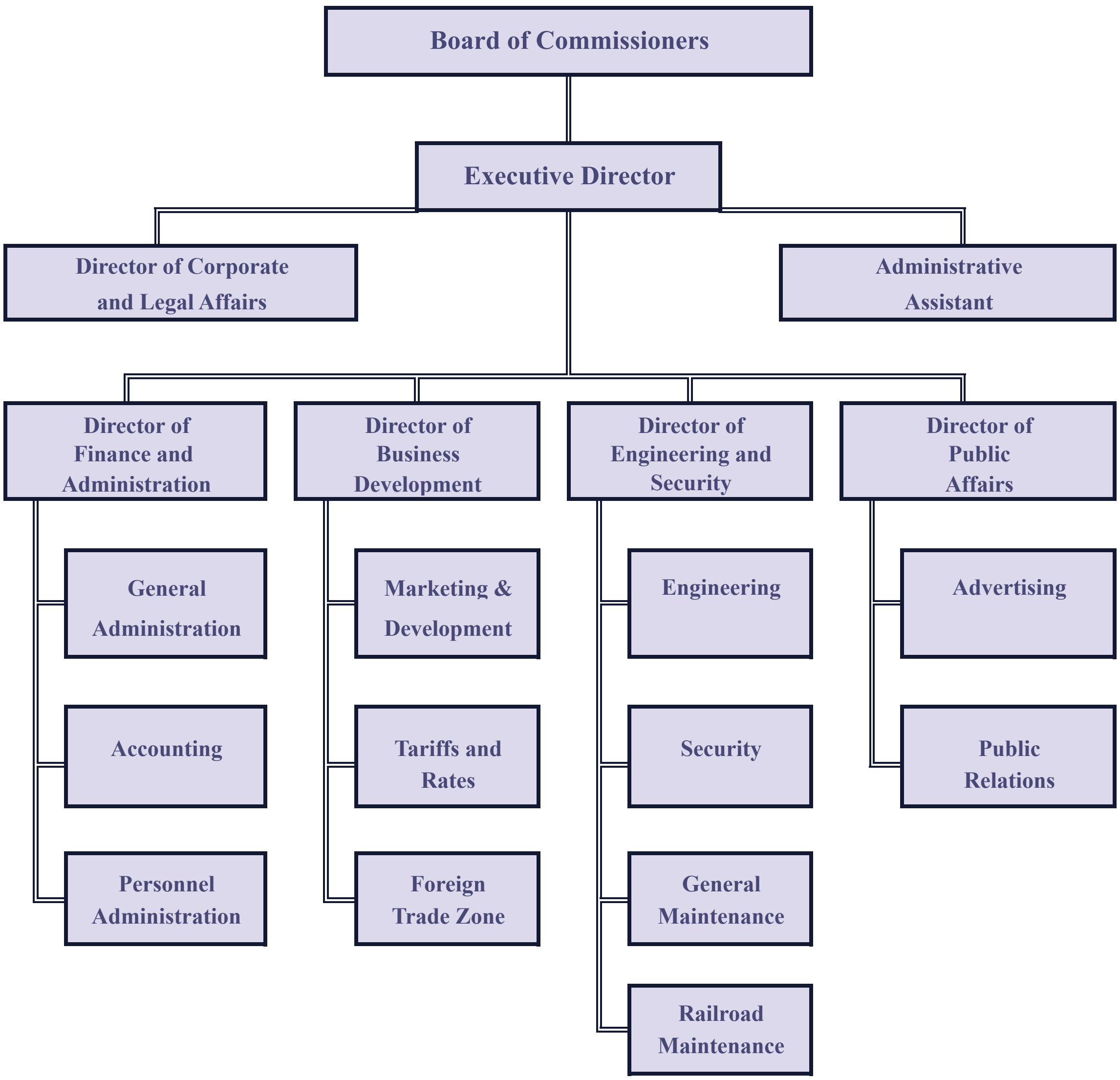
For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2010

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

Organizational Chart



GREATER BATON ROUGE PORT COMMISSION

A Political Subdivision of the State of Louisiana

BOARD OF COMMISSIONERS 2011

Larry Johnson
President

Jerald Juneau
Vice President

Timothy W. Hardy
Secretary

Blaine Sheets
Treasurer

COMMISSIONERS

Don Bohach
Randy Brian
Alvin Dragg
Brenda Hurst, CPA

Raymond Loup
Angela Machen, Ph.D.
Roy Pickren, Jr.

Randy Poche
Corey Sarullo
Clint Seneca
John Tilton

2011 MEMBERS OF THE GREATER BATON ROUGE PORT COMMISSION
serving on December 5, 2011 at the opening of the Maritime Security Operations Center.

Front Row, L to R: Angela Machen, Ph.D.; Treasurer Blaine Sheets; Vice President Jerald Juneau; President Larry Johnson; Secretary Timothy W. Hardy; and Brenda Hurst, CPA.

Back Row, L to R: Randy Poche; Raymond Loup; Roy Pickren; John Tilton; Alvin Dragg; Don Bohach; Corey Sarullo; Randy Brian; Clint Seneca and Executive Director Jay Hardman.

PORT STAFF

John G. Hardman, Jr., P.E.
Executive Director

Greg Johnson
Director of Business Development

Karen K. St. Cyr
Director of Public Affairs

Barry Wilkinson
Director of Corporate and Legal Affairs

Cortney White, P.E.
Director of Engineering and Security

Katie G. LeBlanc
Director of Finance and Administration

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Financial

The command center within the MSOC is a central location where governmental entities can address and respond to any maritime incident on the Mississippi River within the port region. The primary advantage of the MSOC is that it provides for the pooling of manpower and resources without duplicating efforts and infrastructure through better command and control capabilities. Organizations that can respond to maritime emergencies and utilize the MSOC's capabilities include the U.S. Coast Guard, U.S. Department of Homeland Security, U.S. Customs and Border Protection, Federal Bureau of Investigation, Joint Task Force 7, U.S. Army Corps of Engineers, Louisiana National Guard, Louisiana State Police, Louisiana Wildlife and Fisheries, along with other local, state and federal law enforcement agencies.

Financial

FINANCIAL REPORT

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010

Submitted by:

Department of Finance

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

June 21, 2012

Board of Commissioners
Greater Baton Rouge Port Commission
Port Allen, Louisiana

We have audited the accompanying financial statements of the business-type activities of Greater Baton Rouge Port Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended December 31, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Commission as of and the for the year ended December 31, 2010, were audited by other auditors whose report dated April 25, 2011, expressed an unqualified opinion on those statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission as of December 31, 2011, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2012, on our consideration of the 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 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.

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

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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 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, and 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*, is presented for purposes of additional analysis and is also not a required part 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 them.

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.

Broussard and Company

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Management's Discussion and Analysis of the Greater Baton Rouge Port Commission's (the Commission) financial performance presents a narrative overview and analysis of the Commission's financial activities for the years ended December 31, 2011 and 2010. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Commission's financial statements.

FINANCIAL HIGHLIGHTS

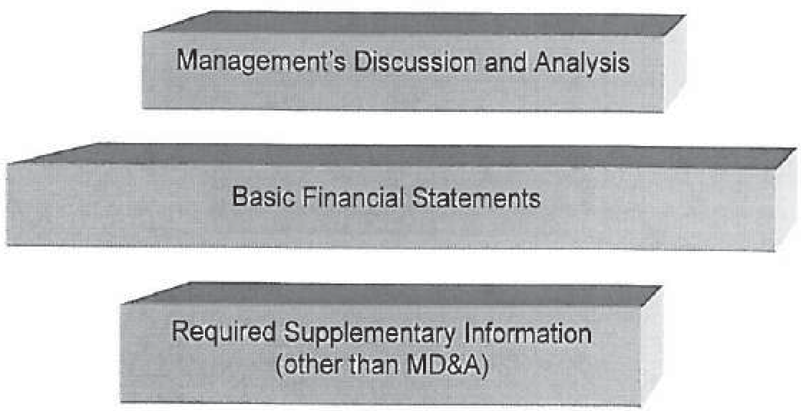
* The Commission's assets exceeded its liabilities at the close of fiscal year 2011 by 69,024,297, which represents an increase from last fiscal year of $4,331,813 or 6.7%.

* During the twelve month period ending December 31, 2011, operating expenses exceeded operating revenues by $1,405,632. Total net non-operating revenue was $331,599. When combined, operating, non-operating and capital contributions performance measures indicate an increase in net assets of $4,331,813.

* The unrestricted investment portfolio was valued at $11,131,703 at December 31, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Basic Financial Statements

The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the 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 Commission is improving or deteriorating.

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Assets
as of December 31, 2011 and 2010
(in thousands)

	Total	
	2011	2010
Current and other assets	$ 20,598	$ 20,404
Capital assets	57,491	54,057
Total assets	78,089	74,461
Current and other liabilities	2,367	2,844
Long-term obligations	6,698	6,925
Total liabilities	9,065	9,769
Net assets:		
Invested in capital assets, net of debt	52,531	48,749
Restricted	116	181
Unrestricted	16,377	15,762
Total net assets	$ 69,024	$ 64,692

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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

Net assets of the Commission increased by $4,331,813, or 6.7%, from December 31, 2010 to December 31, 2011. The primary reason is due to the increase in capital asset which included the purchase of surveillance equipment and construction/furnishing of the Commission's Command Center.

Statements of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended December 31, 2011 and 2010
(in thousands)

		2011		2010
Operating revenues	$	5,892	$	5,713
Operating expenses		(7,297)		(7,328)
Operating income(loss)		(1,405)		(1,615)
Non-operating revenues		604		605
Non-operating expenses		(273)		(306)
Income(loss) before contributions		(1,074)		(1,316)
Capital contributions		5,406		2,174
Change in net assets		4,332		858
Total Net Assets - Beginning of Year		64,692		63,834
Change in net assets	$	69,024	$	64,692

The Commission's operating revenues increased by $177,616 or 3.1%. The increase is attributable to a new rental customer of the grain elevator. The Commission's operating expenses decreased by $30,969 or 0.4%. The Commission’s non-operating revenues, net of non-operating expenses, increased by $32,842 or 11%. The increase is mostly due to higher investment income and a declining revenue bond interest expense.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended December 31, 2011 and 2010, the Commission had $121,432,980 and $115,600,637, 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 disposals) of $5,832,343 over last year. Accumulated depreciation at the end of 2011 and 2010 was $64,059,767 and $61,543,577, 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)

		2011		2010
Land	$	8,109	$	8,109
Construction in progress		10,265		7,502
Building and improvements		27,747		29,450
Equipment		3,395		1,133
Infrastructure		7,857		7,863
Totals	$	57,373	$	54,057

Debt

The Commission had $4,834,159 in revenue bonds outstanding as of December 31, 2011, compared to $5,308,008 in the prior year, a decrease of 8.9%.

No new debt was issued during the year ended December 31, 2011.

The Commission carries a BBB- debt rating on its debt.

Additional information concerning the revenue bonds 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, 2011 AND 2010

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS EXPECTED TO HAVE A 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 Commission's financial position or results of operations.

CONTACTING THE COMMISSION'S MANAGEMENT

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

STATEMENT A

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2011 AND 2010

ASSETS:	2011	2010
Current Assets:		
Cash	$ 6,742,109	$ 6,499,370
Investments	11,131,703	11,456,792
Receivables:		
Trade Accounts (Net of Allowance for Uncollectible Accounts of $2,100 at December 31, 2011 and 2010)	1,173,125	914,043
Due From Other Governments	667,157	447,430
Accrued Interest Receivable	89,772	95,101
Prepaid Expenses	53,957	68,698
Restricted Assets:		
Restricted Investments	739,549	787,954
Restricted Accrued Interest Receivable	198	198
Total Current Assets	20,597,570	20,269,586
Noncurrent Assets:		
Capital Assets:		
Land and Construction in Progress	18,374,104	15,610,389
Other Capital Assets, Net of Accumulated Depreciation	38,999,109	38,446,671
Total Capital Assets	57,373,213	54,057,060
Other Assets:		
Unamortized Debt Issue Costs	118,329	134,651
Total Other Assets	118,329	134,651
Total Noncurrent Assets	57,491,542	54,191,711
TOTAL ASSETS	$ 78,089,112	$ 74,461,297

See accompanying notes to the financial statements.

STATEMENT A

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
LIABILITITES:		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	$ 258,758	$ 676,009
Construction Contracts Payable	399,387	305,108
Other Accrued Liabilities	263,708	237,313
Revenues Received in Advance	821,325	1,018,882
Total Current Liabilities - Payable from Unrestricted Assets	1,743,178	2,237,312
Payable from Restricted Assets:		
Current Portion of Long-term Debt	490,000	465,000
Accrued Interest Payable	85,305	93,300
Unredeemed Bonds and Coupons	48,405	48,405
Total Current Liabilities - Payable from Restricted Assets	623,710	606,705
Total Current Liabilities	2,366,888	2,844,017
Noncurrent Liabilities:		
Other Accrued Liabilities	157,364	181,584
Environmental Remediation Liability	80,048	95,048
OPEB Payable	2,116,356	1,805,156
Long-term Debt	4,344,159	4,843,008
Total Noncurrent Liabilities	6,697,927	6,924,796
Total Liabilities	9,064,815	9,768,813
Net Assets:		
Invested in Capital Assets, Net of Related Debt	52,530,729	48,749,053
Restricted for Debt Service	116,038	181,447
Unrestricted	16,377,530	15,761,984
Total Net Assets	69,024,297	64,692,484
TOTAL LIABILITIES AND NET ASSETS	$ 78,089,112	$ 74,461,297

See accompanying notes to the financial statements.

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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, 2011 AND 2010

	2011	2010
Operating Revenues:		
Dockage and Wharfage	$ 1,716,268	$ 2,168,410
Rentals	2,920,944	2,220,062
Other	1,254,452	1,325,576
Total Operating Revenues	5,891,664	5,714,048
Operating Expenses:		
Direct	2,369,115	2,146,452
Administrative	2,100,791	2,240,991
Postemployment Benefits	311,200	437,863
Depreciation	2,516,190	2,502,959
Total Operating Expenses	7,297,296	7,328,265
Operating Loss	(1,405,632)	(1,614,217)
Nonoperating Revenues (Expenses):		
Investment Income	594,987	585,198
Insurance Recoveries	8,693	19,487
Intergovernmental Revenues	-	33
Interest Expense	(259,686)	(283,436)
Gain (Loss) on Sale of Capital Assets	78	(52)
Amortization of Debt Issue, Premium and Deferred Refunding, Net	(7,473)	(7,473)
Trustees' Fees	(5,000)	(15,000)
Total Nonoperating Revenues (Expenses)	331,599	298,757
Loss Before Contributions	(1,074,033)	(1,315,460)
Capital Contributions, Net	5,405,846	2,173,967
Change in Net Assets	4,331,813	858,507
Total Net Assets - Beginning of Year	64,692,484	63,833,977
TOTAL NET ASSETS - END OF YEAR	$ 69,024,297	$ 64,692,484

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, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 6,015,905	$ 5,740,858
Cash Payments to Suppliers for Goods and Services	(2,425,079)	(2,528,491)
Cash Payments to Employees for Services	(2,460,162)	(1,870,565)
Net Cash Provided by Operating Activities	1,130,664	1,341,802
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayment of Loans	(465,000)	(449,345)
Interest Paid on Loans	(267,681)	(290,881)
Acquisition/Construction of Capital Assets	(5,738,064)	(3,198,405)
Proceeds from Sale of Capital Assets	(78)	(52)
Loan Trustee Fees	(5,000)	(15,000)
Capital Contributions	4,824,966	2,230,763
Intergovernmental Revenues	-	33
Insurance Recoveries	8,693	19,487
Net Cash Used in Capital and Related Financing Activities	(1,642,164)	(1,703,400)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(1,703,095)	(3,643,884)
Proceeds from Calls and Maturities of Investment Securities	1,900,000	3,093,306
Interest and Dividends Earned on Investment Securities	557,334	547,687
Net Cash Provided (Used) by Investing Activities	754,239	(2,891)
NET INCREASE (DECREASE) IN CASH	242,739	(364,489)
CASH AT BEGINNING OF YEAR	6,499,370	6,863,859
CASH AT END OF YEAR	$ 6,742,109	$ 6,499,370

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, 2011 AND 2010

	2011	2010
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	$ (1,405,632)	$ (1,614,217)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	2,516,190	2,502,959
Changes in Unrestricted Assets and Liabilities:		
(Increase) Decrease in Trade Accounts Receivable	(259,082)	(51,191)
(Increase) Decrease in Prepaid Expenses	14,741	16,231
Increase (Decrease) in Accounts Payable	(417,251)	(45,823)
Increase (Decrease) in Other Accrued Liabilities	2,175	47,979
Increase (Decrease) in Revenue Received in Advance	383,323	78,001
Increase (Decrease) in Other Liabilities	(15,000)	(30,000)
Increase (Decrease) in Accrued OPEB Benefits	311,200	437,863
	$ 1,130,664	$ 1,341,802
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in Unrealized Loss on Investments	$ (175,633)	$ (181,934)
Change in Accrual of Capital Contributions	$ 219,727	$ 402,959
Change in Investment Premiums and Discounts	$ 19,110	$ 31,453

See accompanying notes to the financial statements.

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GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements
December 31, 2011 and 2010

NOTE 1 - <u>NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

Nature of Activities

The Greater Baton Rouge Port Commission (the 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. The Commission 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 have charge of and administer public wharves, docks, sheds, and landings and other structures useful for the commerce of the port area.

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 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 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 Commission is considered a component unit of the State of Louisiana because the state has financial accountability over the Commission in that the governor appoints all the commission members and can impose his will on the Commission. The accompanying financial statements present information only on the funds maintained by the 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
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The 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 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 noncurrent) associated with their activities are reported. Fund equity is classified as net assets.

Budgets and Budgetary Accounting

The 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 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 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 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

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

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.

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 ha s been made for doubtful accounts based on a periodic aging of accounts receivable. Receivables are comprised of dock and wharf fees as well as 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 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:

	Years
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

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

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.

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 GASI3 Codification Section C60, is recognized as a current year expense when the leave is earned.

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.

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

- 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 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 Commission's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2011 and 2010, the Commission has cash (book balances) totaling $6,742,109 and $6,499,370, respectively, as follows:

		2011		2010
Demand deposits	$	6,741,109	$	6,498,370
Petty cash		1,000		1,000
Total	$	6,742,109	$	6,499,370

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. The Commission's deposit policy for custodial credit risk conforms to state law, as described in Note 1 to the financial statements. At December 31, 2011, the Commission's total demand deposit bank balance of $7,567,923 was entirely secured by federal deposit insurance or pledged securities held by the Commission's agent in the Commission's name. At December 31, 2010, the Commission's total demand deposit bank balance of $6,690,959 was entirely secured by federal deposit insurance or pledged securities held by the Commission's agent in the Commission's name.

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of December 31, 2011 and 2010, investments of the Commission consisted of the following:

	2011	2010
Obligations of Federally Sponsored Entities	$ 10,856,399	$ 11,232,216
Govenrment Money Market Fund	739,549	739,549
Louisiana Asset Management Pool	248,202	247,927
Stock	27,102	25,054
	$ 11,871,252	$ 12,244,746

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

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 Commission's total investments.

Description	CUSIP	Market Value
FNMA	3136FPJQ1	$ 1,065,288
Federal Farm Credit Bank	31331X3S9	940,458
FNMA	31398AME9	1,484,217
Federal Farm Credit Bank	31331GCS6	998,439
Federal Home Loan Mtg	3128X23A1	651,918
FNMA	31398AXJ6	871,473
Federal Home Loan Mtg	3137EACH0	650,541
Federal Home Loan Bank	3133XWNB1	765,872
Federal Farm Credit Bank	31331VGU4	1,153,530

Interest rate risk is defined as the risk that changes in interest rates will adversely a ffect the Lair value of an investment. The Commission's investment policy conforms to state law,

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2011 and 2010, the Commission had the following investment in debt securities:

2011

			Investment Maturities (In Years)					
Investment Type		Fair Value		Less Than 1		1 - 5		6 - 10
Obligations of Federally Sponsored Entities	$	10,856,399	$	1,397,994	$	9,458,405	$	-
Government Money Market Fund		739,549		739,549		-		-
Louisiana Asset Management Pool		248,202		248,202		-		-
	$	11,844,150	$	2,385,745	$	9,458,405	$	-

2010

			Investment Maturities (In Years)					
Investment Type		Fair Value		Less Than 1		1 - 5		6 - 10
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		-		-
	$	12,219,692	$	2,887,476	$	9,332,216	$	-

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 2 – <u>DEPOSITS AND INVESTMENTS (CONTINUED)</u>

Investments (Continued)

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. At December 31, 2011 and 2010, the Commission invested in obligations of federally sponsored entities in the amounts of $10,856,399 and $11,232,216, respectively, which are not rated. The investment in Louisiana Asset Management Pool is rated AAAm by Standard and Poors. The 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 Commission is not exposed to credit risk. At December 31, 2011, the Commission had an investment of stock of Ormet Corporation in the amount of $26,402.

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.

At December 31, 2011 and 2010, the Commission owned 4,474 shares 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 Commission received a partial settlement of the receivable and wrote off the remainder which was deemed uncollectible due to the bankruptcy. At December 31, 2011 and 2010, the stock was valued at $26,402 and $25,054, respectively.

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 3 – RESTRICTED ASSETS

At December 31, 2011 and 2010, assets restricted for debt service consist of the following:

	2011	2010
Investments	$ 739,549	$ 787,954
Accrued interest receivable	198	198
Total	$ 739,747	$ 788,152

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, 2011 and 2010, the net balance of these accounts was sufficient to meet all requirements.

NOTE 4 – RETIREMENT SYSTEM

Substantially all employees of the 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 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 Commission is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute11:102. The contribution rates for the years ended December 31, 2011, 20120 and 2009 were 21.7%, 22.0% and 18.6%, respectively, of annual covered payroll. The Commission's contributions to the System for the years ended December 31, 2011, 2010 and 2009 were $302,286, $275,757 and $246,670, respectively, and were equal to the required contributions for each year.

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 5 - <u>CAPITAL ASSETS</u>

Capital asset activity for the year ended December 31, 2011 was as follows:

	1/1/11	Additions	Transfers	12/31/11
Capital Assets Not Depreciated:				
Land	$ 8,108,557	$ -	$ -	$ 8,108,557
Other Construction in Progress	7,491,067	3,219,573	(445,093)	10,265,547
Other Assets in Process	10,765	-	(10,765)	-
Total Capital Assets Not Depreciated	15,610,389	3,219,573	(455,858)	18,374,104
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	4,278,601	56,000	-	4,334,601
Roadways and Surface Drainage	10,301,528	349,275	-	10,650,803
Buildings and Structures	78,908,714	41,385	-	78,950,099
Equipment	5,466,942	2,460,072	-	7,927,014
Office Furniture and Fixtures	650,775	161,896	-	812,671
Transportation Equipment	383,688	-	-	383,688
Total Capital Assets Being Depreciated	99,990,248	3,068,628	-	103,058,876
Less Accumulated Depreciation for:'				
Railroad Tracks and Yards	(2,684,550)	(60,906)	-	(2,745,456)
Roadways and Surface Drainage	(4,032,663)	(348,590)	-	(4,381,253)
Buildings and Structures	(49,458,368)	(1,745,433)	-	(51,203,801)
Equipment	(4,481,982)	(297,101)	-	(4,779,083)
Office Furniture and Fixtures	(590,632)	(32,570)	-	(623,202)
Transportation Equipment	(295,382)	(31,590)	-	(326,972)
Total Accumulated Depreciation	(61,543,577)	(2,516,190)	-	(64,059,767)
Total Capital Assets Less Depreciation	38,446,671	552,438	-	38,999,109
Net Capital Assets	$ 54,057,060	$ 3,772,011	$ (455,858)	$ 57,373,213

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

	1/1/10	Additions	Transfers	12/31/10
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	45,291	10,765	(45,291)	10,765
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	383,688	-	-	383,688
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	(256,031)	(39,351)	-	(295,382)
Total Accumulated Depreciation	(59,046,308)	(2,502,959)	5,690	(61,543,577)
Total Capital Assets Less Depreciation	40,517,824	(2,070,795)	(358)	38,446,671
Net Capital Assets	$ 52,962,753	$ 1,301,315	$ (207,008)	$ 54,057,060

Depreciation expense for the years ended December 31, 2011 and 2010 was $2,516,190 and 2,502,959, respectively.

NOTE 6 – LONG-TERM DEBT

Revenue Bonds

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

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 6 - LONG-TERM DEBT (CONTINUED)

On March 1, 1999, the 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 Series1999A Revenue and Refunding Bonds and $3,300,000 Series 1999B Revenue Bonds and loaned the proceeds to the Commission. From the proceeds of the loan, the 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 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, 2011 and 2010 the outstanding indebtedness consisted of the following:

2011

Bonds Series	Maturing	Call Prices (%)	Interest Rate	Payable at 1/1/11	Additions	Reductions	Payable at 12/31/11
1999A	2019	100-102	8% - 5.5%	$ 3,315,000	$ -	$ (295,000)	$ 3,020,000
1999B	2019	100-102	8% - 5.25%	1,920,000	-	(170,000)	1,750,000
Unamortized Premium on Bonds Payable				73,008	-	(8,849)	64,159
				$ 5,308,008	$ -	$ (473,849)	4,834,159
Less: Amounts Due Within One Year Payable from Restricted Assets							(490,000)
Amounts Due After One Year							$ 4,344,159

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 6 - LONG-TERM DEBT (CONTINUED)

2010

Bonds Series	Maturing	Call Prices (%)	Interest Rate	Payable at 1/1/10	Additions	Reductions	Payable at 12/31/10
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 Bonds Payable				81,857	-	(8,849)	73,008
				$ 5,756,857	$ -	$ (448,849)	5,308,008
Less: Amounts Due Within One Year Payable from Restricted Assets							(465,000)
Amounts Due After One Year							$ 4,843,008

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:

	Principal	Interest	Total
2012	$ 490,000	$ 242,960	$ 732,960
2013	520,000	216,619	736,619
2014	545,000	188,440	733,440
2015	575,000	158,325	733,325
2016	610,000	126,281	736,281
2017-2019	2,030,000	168,469	2,198,469
Total	$ 4,770,000	$ 1,101,094	$ 5,871,094

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 7 - NET ASSETS

Invested in Capital Assets, Net of Related Debt

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

Balance at January 1, 2010	$ 47,205,897
Change in Capital Assets	1,094,307
Change in Related Debt	448,849
Balance at December 31, 2010	48,749,053
Change in Capital Assets	3,316,153
Change in Related Debt	465,523
Balance at December 31, 2011	$ 52,530,729

Restricted Net Assets

Restricted net assets relate to debt service. The requirements for the debt service at December 31, 2011 and 2010 were computed as follows:

Assets Restricted for Loan Repayment	$ 788,152
Current Liabilities Payable from Restricted Assets	606,705
Balance at December 31, 2010	$ 181,447

Assets Restricted for Loan Repayment	$ 739,747
Current Liabilities Payable from Restricted Assets	623,709
Balance at December 31, 2011	$ 116,038

NOTE 8 - LEASES

Various facilities, terminals and other properties of the 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
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 8 - LEASES (CONTINUED)

The carrying values and depreciation expense of the properties leased under long-term leases by the Commission are as follows as of December 31, 2011 and 2010:

	2011	2010
Railroad Tracks and Yards	$ 562,680	$ 562,680
Roadways and Surface Drainage	4,908,723	4,733,640
Buildings and Structures	40,001,955	39,993,116
Equipment	2,308,409	2,308,409
Total Leased Property	47,781,767	47,597,845
Less: Accumulated Depreciation	(33,088,581)	(31,995,109)
Net Leased Property	$ 14,693,186	$ 15,602,736
Depreciation Expense	$ 1,091,879	$ 1,093,736

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2011:

Year Ended December 31	Future Rental Revenues
2012	$ 2,260,866
2013	2,002,280
2014	1,860,743
2015	1,837,308
2016	1,749,852
Later Years	17,614,102
Total Minimum Future Rentals	$ 27,325,151

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
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description

The 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 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 (OGB) offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Consumer Driven Health Plan (CDHP) and the Health Maintenance Organization (HMO) Plan. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans which includes three HMO plans and two PPO plans. Depending upon the plan selected, during the year ended December 31, 2011, employee premiums for a single member receiving benefits range from $29 to $89 per month for retiree-only coverage with Medicare or from $139 to $147 per month for retiree-only coverage without Medicare. The premiums for a retiree and spouse for the year ended December 31, 2011 range from $57 to $160 per month for those with Medicare or from $452 to $479 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Commission contributing anywhere from $86 to $268 per month for retiree-only coverage with Medicare or from $900 to $950 per month for retiree-only coverage without Medicare during the year ended December 31, 2011. Also, the Commission's contributions range from $173 to $481 per month for retiree and spouse with Medicare or $1,384 to $1,459 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

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees.

Annual OPEB Cost

The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize 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, 2010 and 2009 is $510,600 and $585,000.

The following table presents the Commission's OPEB Obligation for the years ended December 31, 2011 and 2010, the amount actually contributed to the plan, and changes in the Plan's net OPEB obligation:

	2011	2010
Annual required contribution	$ 510,600	$ 585,000
Interest on net OPEB obligation	54,700	54,692
ARC adjustment	(52,200)	(52,247)
Annual OPEB Cost	513,100	587,445
Claims costs	(201,900)	(149,582)
Increase in Net OPEB Obligation	311,200	437,863
Beginning in Net OPEB Obligation	1,805,156	1,367,293
Ending in Net OPEB Obligation	$ 2,116,356	$ 1,805,156

Utilizing the pay-as-you-go method, the Commission contributed 39.35% and 25.46% of the annual post-employment benefits cost during the years ended December 31, 2011 and 2010, respectively.

Trend Information

The 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, 2011, and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	$513,100	39.35%	$2,116,356
December 31, 2010	$587,445	25.46%	$1,805,156
December 31, 2009	$855,006	18.95%	$1,367,293

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Funded Status and Funding Progress

The 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 $7,664,300 and $8,561,700 at December 31, 2011 and 2010, respectively, is unfunded.

The funded status of the plan as of the most recent valuation date of July 1, 2010 is as follows:

Actuarial accrued liability (AAL)	$ 7,664,300
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 7,664,300
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll (annual payroll of active employees covered by the plan)	$ 1,437,000
UAAL as a percentage of covered payroll	533%

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, 2010, 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

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as level percentage of payroll on an open basis.

NOTE 10 - RISK MANAGEMENT AND CONTINGENT LIABILITIES

The 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 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 Commission. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Commission, or if not so covered, are not expected to have a material effect on the financial statements of the Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

At December 31, 2011, the Commission is a codefendant in two lawsuits involving asbestos exposure while the plaintiffs were employed by others on Commission property. In the opinion of the Commission's attorney, it is reasonably possible that there may be an unfavorable outcome to the Commission. In the event that the Commission is found liable and damages are imposed, the liability to the Commission in excess of insurance could range from $2,200,000 to $2,800,000. Management intends to vigorously defend these matters.

NOTE 11 - DEFERRED COMPENSATION PLAN

Certain employees of the 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 Commission may make a discretionary matching contribution up to 5% of the employees' base pay not to exceed $4,000 per calendar year. The Commission contributions for the years ended December 31, 2011 and 2010 were $41,963 and $44,235, respectively.

NOTE 12 - CONSTRUCTION IN PROGRESS

Details of construction in progress at December 31, 2011 and 2010 are as follows:

	2011	2010
Command Center (1)	$ 4,096,824	$ 2,084,846
Grain Dock Rehabilitation Project (2)	2,539,131	2,539,131
Boat Launch (3)	1,794,443	954,647
Other Projects	1,835,149	1,912,443
Total	$ 10,265,547	$ 7,491,067

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 12 - 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 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 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.

NOTE 13 – ENVIRONMENTAL REMEDIATION LIABILITIY

The presence of chlorinated hydrocarbons near the 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 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 Commission and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Commission paid $15,000 and $30,000 in 2011 and 2010, respectively, on this cost. The liability balance as of December 31, 2011 and 2010 is $80,048 and $95,048, respectively.

NOTE 14 – OTHER COMMITMENTS

At December 31, 2011 and 2010, the Port Commission had commitments outstanding, in the form of contracts relating to construction projects, of approximately $1,245,682 and $1,626,804, respectively.

NOTE 15 – 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.

GREATER BATON ROUGE PORT COMMISSION
Notes to Financial Statements (Continued)
December 31, 2011 and 2010

NOTE 16 – RECLASSIFICATIONS

Certain items from 2010 have been reclassified to conform to the 2011 presentation.

NOTE 17 – SUBSEQUENT EVENTS

The Commission evaluated its December 31, 2011 financial statements for subsequent events through June 21, 2012, the date of which the financial statements were available to be issued. The Commission is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 18 – CAPITAL CONTRIBUTIONS

The Commission received capital contributions from federal and state sources for the years ended December 31, 2011 and 2010 in the amounts of $8,437,207 and $2,173,967. The following is the breakdown of the source of these contributions for the years ended December 31, 2011 and 2010:

	2011	2010
Federal grants	$ 4,443,512	$ 1,231,835
State grants	3,993,695	942,132
	$ 8,437,207	$ 2,173,967

The proceeds of the above grants were to meet the main purpose of constructing boat launching and docking facilities to provide access to the Mississippi River for deploying and mooring security and law enforcement watercraft.

During 2011, the Commission received permission from the federal source, the Department of Homeland Security, to use the federal funds received along with the state matching grant to purchase equipment for local law enforcement agencies. The majority of the equipment will be operated or utilized by 135 deputies/officers dedicated by the East Baton Rouge, West Baton Rouge, Pointe Coupee, Ascension, East Feliciana, West Feliciana, and Iberville Parish Sheriffs' offices with the primary responsibility of providing port security, patrolling and responding to maritime incidents and responding to requests from the Port of Greater Baton Rouge or the Captain of the Port along 136 miles of Mississippi River. This equipment purchase amounted to $3,031,361 for the year ended December 31, 2011 . The remaining amount of federal funding was expended on equipment to enhance the Commission's current security network system.

The majority of the state grants received during 2011 represented the State match of 25% related to above noted federal grant and funds received from the Port of South Louisiana for port security.

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REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A

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GREATER BATON ROUGE PORT COMMISSION
Required Supplemental Information Schedule
December 31, 2011, 2010 and 2009

Schedule of Funding Progress for OPEB Plan

The schedule of funding progress present 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.

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, 2010	$ -	$ 7,664,300	$ 7,664,300	0%	$ 1,437,000	533%
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%

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OTHER SUPPLEMENTAL INFORMATION

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GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information Schedules
December 31, 2011

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
Other Supplemental Information Schedules – Schedule of Lease Information
December 31, 2011

Lessee	Facility	Minimum Annual Rent for 2012		Current Lease Date of Expiration
Agway Systems	Five Tracts of Land	$	40,000	May 31, 2013
Cargill/Seaboard (Flour Mill)	Tract of Land	$	-	February 28, 2008
Community Coffee	Building & Land	$	70,306	April 30, 2014
Criterion Catalysts	Warehouse	$	18,333	Month-to-Month
Criterion Catalysts	Rail Track Rental	$	24,000	December 31, 2017
Critical Response Network	Facility	$	-	Month-to-Month
Dow Chemical	Tract of Land	$	16,500	Month-to-Month
Exxon/Mobil – Paxon	Railroad Servitude	$	1,000	November 5, 2010
Kateon Natie of Louisiana	Warehouse	$	126,000	September 30, 2020
Kateon Natie of Louisiana	Warehouse	$	11,433	Month-to-Month
Kateon Natie of Louisiana	Warehouse	$	154,688	September 30, 2012
Kinder Morgan Bulk Terminal	Barge Terminal	$	196,515	December 31, 2016
Louis Dreyfus Commodities	Facility	$	1,000,000	June 15, 2031
Louisiana Sugar Products	Tract of Land	$	31,746	September 30, 2016
Lowe Transportation	Facility	$	400	Month-to-Month
Mammoet USA, Inc.	Facility	$	4,500	Month-to-Month
Petroleum Fuel & Terminal	Tract of Land	$	188,500	January 31, 2020
Ports America	Tract of Land	$	5,000	June 30, 2012
Rail Link, Inc.	Office Space	$	1,000	Month-to-Month

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information Schedules – Schedule of Lease Information
December 31, 2011

Remarks
Rent is payable monthly in advance.
Lessee has the option to renew at the end of the lease term. Rent is payable annually in advance.
Rent is payable monthly in advance and can fluctuate in amount based on the Producer Price Index.
Rent is payable monthly in advance.
Rent is payable monthly 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 in advance.
Rent is payable monthly in advance.
Rent is payable monthly in advance.
Rent is payable in semiannual installments. Lessee pays costs of insurance and maintenance.
Rent is payable semiannually in advance.
Rent is payable monthly in advance. Lessee has option to renew for 3 additional five-year periods.
Rent is payable monthly in advance.
Rent is payable monthly in advance. Lease is on month-to-month basis as of March 1, 2010.
Rent is payable monthly in advance. Lessee has option to renew for 3 additional five-year periods.
Rent is payable annually in advance.
Rent is payable monthly in advance.

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information Schedules – Schedule of Lease Information
December 31, 2011

Lessee	Facility	Minimum Annual Rent for 2012	Current Lease Date of Expiration
South Louisiana Cement, Inc.	Tract of Land	$ 44,700	December 31, 2015
Stone Oil Distributor	Tract of Land	$ 93,600	October 31, 2013
West Baton Rouge Parish Communications District	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	Varies
	Total	$ 2,260,866	

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information Schedules – Schedule of Lease Information
December 31, 2011

Remarks
Rent is payable monthly in advance. A progressive increase minimum tonnage is guaranteed.
Rent is payable semi-annually in advance. Lessee has option to renew for 1 additional five year period.
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 Consumer Price Index.
Varies with each lease.

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Future Lease Rent Revenue Without Options
December 31, 2011

Lessee	Facility	2012	2013
Agway Systems	Five Tracts of Land	$ 40,000	$ 16,666
Cargill/Seaboard (Flour Mill)	Tract of Land	-	-
Community Coffee	Building & Land	70,306	70,306
Criterion Catalysts	Warehouse	18,333	-
Criterion Catalysts	Rail Track Rental	24,000	24,000
Critical Response Network	Facility	-	-
Dow Chemical	Tract of Land	16,500	-
Exxon/Mobil – Paxon	Railroad Servitude	1,000	-
Kateon Natie of Louisiana	Warehouse	126,000	126,000
Kateon Natie of Louisiana	Warehouse	11,433	-
Kateon Natie of Louisiana	Warehouse	154,688	-
Kinder Morgan Bulk	Barge Terminal	196,515	196,515
Louis Dreyfus Commodities	Facility	1,000,000	1,000,000
Louisiana Sugar Products, Inc.	Tract of Land	31,745	32,967
Lowe Transportation	Facility	400	-
Mammoet USA, Inc.	Facility	4,500	-
Petroleum Fuel & Terminal	Tract of Land	188,500	188,500
Ports America	Tract of Land	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	78,000
WBRP Communications	Building	18,000	18,000
WBRP Waterworks	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	Various	8,120	100
		$ 2,260,866	$ 2,002,280

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Future Lease Rent Revenue Without Options
December 31, 2011

2014	2015	2016	Later	Options End
$ -	$ -	$ -	$ -	5/31/2013
-	-	-	-	Month-to-Month
23,435	-	-	-	4/30/2014
-	-	-	-	Month-to-Month
24,000	24,000	24,000	24,000	12/31/2017
-	-	-	-	Month-to-Month
-	-	-	-	Month-to-Month
-	-	-	-	Year-to-Year
126,000	126,000	126,000	472,500	9/30/2020
-	-	-	-	Month-to-Month
-	-	-	-	9/30/2012
196,515	196,515	196,515	-	12/31/2016
1,000,0000	1,000,000	1,000,000	14,458,334	6/15/2031
32,967	32,967	26,251	-	9/30/2016
-	-	-	-	Month-to-Month
-	-	-	-	Month-to-Month
188,500	188,500	188,500	581,208	1/31/2020
-	-	-	-	6/30/2012
-	-	-	-	Month-to-Month
44,740	44,740	-	-	12/31/2015
-	-	-	-	10/31/2013
18,000	18,000	18,000	288,000	12/31/2032
3,600	3,600	3,600	120,000	12/31/2032
36,000	36,000	-	-	12/31/2015
166,886	166,886	166,886	1,668,860	12/31/2026
100	100	100	1,200	Varies
$1,860,743	$1,837,308	$1,749,852	$17,614,102	

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Operating Expenses by Major Category
December 31, 2011

Major Category	2011	2010
Personnel Services	$ 2,456,557	$ 2,473,402
Operating Services	1,489,170	1,421,648
Other Post Employment Benefits	311,200	437,863
Travel	30,712	40,008
Supplies	268,344	240,679
Professional Fees	206,188	203,090
Depreciation	2,516,190	2,502,959
Other	18,935	8,616
	$ 7,297,296	$ 7,328,265

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Administrative Expenses
December 31, 2011

	2011	2010
Director's Salary	$ 171,825	$ 172,215
Other Salaries and Wages	669,007	737,923
Annual, Sick and Compensatory Leave	83,207	116,111
Legal	89,805	93,799
Advertising	109,085	152,097
Travel	30,209	40,008
Trade and Sales Solicitation	33,615	35,156
Education Expenses	22,357	23,642
Auditing	25,000	25,020
Engineering	37,120	8,384
Consulting Fees	10,062	3,570
Legislative Consultant Fees	42,000	42,000
Contributions to State Retirement System		
Payroll Taxes and Group Insurance	561,773	565,976
Office Supplies and Postage	26,413	29,702
Telephone	3,743	5,664
Dues and Subscriptions	22,025	22,016
Utilities	14,762	17,709
Office Repairs and Maintenance	54,582	56,432
Automobile Expenses	-	4,155
Insurance	42,109	49,189
Outside Administrative Services	3,718	8,807
Misdcellaneous	24,074	8,616
Commissioners Per Diem	24,300	22,800
	$ 2,100,791	$ 2,240,991

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Operating Income (Loss) by Facility
December 31, 2011

	Operating Revenues		Operating Expenses	
	2011	2010	2011	2010
Grain Elevator	$ 756,365	$ 642,512	$ 59,921	$ 56,500
General Cargo docks	953,907	1,202,999	476,551	405,846
Baton Rouge Barge Terminal	410,502	397,451	6,920	7,513
Molasses Tank Farm	327,993	273,163	56,164	54,061
West Bank railroad Facility	262,054	262,592	276,823	259,297
Petroleum Terminal	589,933	686,466	58,131	56,251
Midstream Bulk Handling Facility	-	-	-	7,500
Miscellaneous River Activities	568,700	479,875	-	-
Miscellaneous East and West Bank Activities	1,277,871	1,136,948	1,361,785	1,252,320
Inland Rivers Marine Terminal	677,836	563,885	212,144	217,178
Foreign Trade Zone	35,000	35,000	400	476
Totals Before Administrative Expenses	5,860,161	5,680,891	2,508,839	2,316,942
Administrative Expenses	31,503	33,157	2,272,267	2,508,364
Total	$ 5,891,664	$ 5,714,048	$ 4,781,106	$ 4,825,306

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Operating Income (Loss) by Facility
December 31, 2011

	Depreciation		Operating Income (Loss)	
	2011	2010	2011	2010
Grain Elevator	$ 120,050	$ 120,923	$ 576,394	$ 465,089
General Cargo docks	1,128,051	1,147,637	(650,695)	(350,484)
Baton Rouge Barge Terminal	4,776	-	398,806	389,938
Molasses Tank Farm	112,341	112,341	159,488	106,761
West Bank railroad Facility	21,872	25,578	(36,641)	(22,283)
Petroleum Terminal	-	-	531,802	630,215
Midstream Bulk Handling Facility	-	-	-	(7,500)
Miscellaneous River Activities	-	-	568,700	479,875
Miscellaneous East and West Bank Activities	516,420	439,455	(600,334)	(554,827)
Inland Rivers Marine Terminal	397,672	400,700	68,020	(53,993)
Foreign Trade Zone	-	-	34,600	34,524
Totals Before Administrative Expenses	2,301,182	2,246,634	1,050,140	1,117,315
Administrative Expenses	215,008	256,325	(2,455,772)	(2,731,532)
Total	$ 2,516,190	$ 2,502,959	$ (1,405,632)	$ (1,614,217)

GREATER BATON ROUGE PORT COMMISSION
Other Supplemental Information – Schedule of Commissioners' Per Diem
December 31, 2011

Commissioner	Number of Days for Which Paid	Amount
Donald Bohach	14	$ 1,050
Randy Brian	24	1,800
Alvin Dragg	24	1,800
Timothy Hardy	19	1,425
Brenda Hurst	24	1,800
Larry Johnson	23	1,725
Jerald Juneau	24	1,800
Raymond Loupe	20	1,500
Angela Machen	24	1,800
Roy Pickren	19	1,425
Randy Poche	23	1,725
Corey Sarullo	17	1,275
Clint Seneca	21	1,575
Blaine Sheets	24	1,800
John Tilton	24	1,800
		$ 24,300

The facility features a multi-purpose conference room equipped with advanced technology to evaluate security and maritime incidents on the Mississippi River.

Statistical

STATISTICAL REPORT

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010

Submitted by:

Department of Finance & Administration

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2011

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 2002 through 2011

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

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GREATER BATON ROUGE PORT COMMISSION

Ten Year Comparative Schedule of Net Assets
For the Fiscal Years Ended December 31, 2002 through 2011.

	2002	2003	2004	2005
Net Assets:				
Invested in Capital Assets, Net of Related Debt	$ 41,929,688	$ 47,273,121	$ 46,973,032	$ 46,671,621
Restricted for:				
Capital Projects	3,358,737	3,291,718	1,012,863	0
Debt Service	313,134	296,339	276,489	273,466
Unrestricted	13,158,160	11,887,222	13,758,241	14,962,260
Total Net Assets	$ 58,759,719	$ 62,748,400	$ 62,020,625	$ 61,907,347

(CONTINUED)

2006	2007	2008	2009	2010	2011
$ 45,977,653	$ 46,241,993	$ 47,428,455	$ 47,205,897	$ 48,749,053	$ 52,530,729
0	0	0	0	0	0
286,976	312,653	212,984	198,991	181,447	116,038
15,974,343	18,293,931	17,262,293	16,429,089	15,761,984	16,377,530
$ 62,238,972	$ 64,848,577	$ 64,903,732	$ 63,833,977	$ 64,692,484	$ 69,024,297

GREATER BATON ROUGE PORT COMMISSION

Summary of Revenues, Expenses, and Net Income (Loss)
For the Fiscal Years Ended December 31, 2002 through 2011.
(Unaudited)

	2002	2003	2004	2005
OPERATING REVENUES				
Dockage and wharfage	$ 1,054,439	$ 1,051,943	$ 1,147,554	$ 1,286,189
Rentals	2,183,799	1,992,268	2,093,115	2,327,843
Freight handling	-	-	-	-
Storage	5,767	2,232	-	-
Other	1,248,890	1,402,225	1,332,373	1,561,408
Total	$ 4,492,895	$ 4,448,668	$ 4,573,042	$ 5,175,440
OPERATING EXPENSES				
Direct	$ 1,862,444	$ 2,023,483	$ 1,836,187	$ 1,922,456
Administrative	1,987,163	2,001,838	3,082,902	2,168,405
Postemployment Benefits	-	-	-	-
Depreciation	2,006,211	2,063,706	2,331,840	2,349,009
Total	$ 5,855,818	$ 6,089,027	$ 7,250,929	$ 6,439,870
Operating Income (Loss)	$ (1,362,923)	$ (1,640,359)	$ (2,677,887)	$ (1,264,430)
NONOPERATING REVENUES (Expenses)				
Investment income	$ 787,047	$ 377,535	$ 406,536	$ 292,168
Interest expense	(469,448)	(447,532)	(425,478)	(402,928)
Gain of sale of capital assets	123	9,950	1,375	520
Insurance Recoveries	-	-	-	-
Settlement income	-	-	-	-
Gain/(Loss) from Litigation	-	-	(80,000)	-
Intergovernmental Revenues	-	-	-	-
Environmental Remediation Expense	-	-	-	(166,667)
Amortization of debt issue and bond premium, net	(17,706)	(11,736)	(7,472)	(7,472)
Trustee's fees	(3,240)	(3,675)	(3,550)	(3,500)
Total	$ 296,776	$ (75,458)	$ (108,589)	$ (287,879)
Net Income (Loss) before extraordinary item	$ (1,066,147)	$ (1,715,817)	$ (2,786,476)	$ (1,552,309)
Extraordinary items	-	-	-	-
Net Income (Loss)	$ (1,066,147)	$ (1,715,817)	$ (2,786,476)	$ (1,552,309)

(CONTINUED)

	2006	2007	2008	2009	2010	2011
	$ 1,704,502	$ 2,135,885	$ 1,969,786	$ 1,503,534	$ 2,168,410	$ 1,716,268
	2,530,810	2,989,287	2,422,887	1,961,004	2,220,062	2,920,944
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,561,518	1,505,752	1,685,450	1,521,213	1,325,576	1,254,452
	$ 5,796,830	$ 6,630,924	$ 6,078,123	$ 4,985,751	$ 5,714,048	$ 5,891,664
	$ 2,201,761	$ 2,022,649	$ 2,226,194	$ 2,171,447	$ 2,146,452	$ 2,369,115
	1,845,906	1,964,474	2,035,771	2,020,577	2,240,991	2,100,791
	-	-	674,287	693,006	437,863	311,200
	2,657,505	2,498,892	2,538,188	2,537,866	2,502,959	2,516,190
	$ 6,705,172	$ 6,486,015	$ 7,474,440	$ 7,422,896	$ 7,328,265	$ 7,297,296
	$ (908,342)	$ 144,909	$ (1,396,317)	$ (2,437,145)	$ (1,614,217)	$ (1,405,632)
	$ 698,917	$ 902,032	$ 648,369	$ 279,707	$ 585,198	$ 594,987
	(380,008)	(355,888)	(330,736)	(306,282)	(283,436)	(259,686)
	29,382	-	525,504	375	(52)	78
	-	-	22,004	152,846	19,487	8,693
	-	-	-	-	-	-
	-	-	-	-	-	-
	174,602	-	-	1,635	33	-
	-	-	-	-	-	-
	(7,472)	(7,473)	(7,473)	(7,473)	(7,473)	(7,473)
	(3,500)	(3,500)	(3,500)	(3,535)	(15,000)	(5,000)
	$ 511,921	$ 535,171	$ 854,168	$ 117,273	$ 298,757	$ 331,599
	$ (396,421)	$ 680,080	$ (542,149)	$ (2,319,872)	$ (1,315,460)	$ (1,074,033)
	-	-	-	-	-	-
	$ (396,421)	$ 680,080	$ (542,149)	$ (2,319,872)	$ (1,315,460)	$ (1,074,033)

GREATER BATON ROUGE PORT COMMISSION

Revenue by Type and Related Average
For the Fiscal Years Ended December 31, 2002 through 2011.
(Unaudited)

	2002	2003	2004	2005
Dockage	$ 545,185	$ 554,541	$ 609,944	$ 745,507
Wharfage	509,253	497,402	537,610	540,682
Rentals	2,183,799	1,992,268	2,093,115	2,327,843
Other Operating Revenue	1,254,657	1,404,457	1,332,373	1,561,408
Total Operating Revenue	4,492,895	4,448,668	4,573,042	5,175,440
Cargo Tonnage	6,596,384	5,801,944	6,603,422	5,521,304
Average Wharfage Revenue per Cargo Ton	$ 0.08	$ 0.09	$ 0.08	$ 0.10
Ships, each	58	50	37	62
Average Dockage Reveune per Ship	$ 9,399.75	$ 11,090.82	$ 16,484.96	$ 12,024.31

(CONTINUED

2006	2007	2008	2009	2010	2011
$ 1,145,320	$ 1,164,277	$ 1,088,312	$ 914,708	$ 1,208,253	$ 851,327
559,182	971,608	881,474	588,825	960,157	864,941
2,530,810	2,989,287	2,422,887	1,961,005	2,220,062	2,920,944
1,561,518	1,505,752	1,685,450	1,521,213	1,325,576	1,254,452
5,796,830	6,630,924	6,078,123	4,985,751	5,714,048	5,891,664
3,539,841	4,840,869	4,776,290	3,272,024	3,848,207	2,972,452
$ 0.16	$ 0.20	$ 0.18	$ 0.18	$ 0.25	$ 0.29
46	84	58	64	59	58
$ 24,898.26	$ 13,860.44	$ 18,764.00	$ 14,292.31	$ 20,478.86	$ 14,678.05

GREATER BATON ROUGE PORT COMMISSION

Revenue Rates

For the Fiscal Years Ended December 31, 2002 through 2011.
(Unaudited)

	2002	2003	2004	2005
Dockage Rates at General Cargo Docks (LOA)				
Ships & Ocean Going Barges				
First day, per ft				
0-199	$ 1.91	$ 1.91	$ 1.94	$ 1.94
200-349	2.50	2.50	2.55	2.55
350-399	2.50	2.50	2.55	2.55
400-449	3.41	3.41	3.48	3.48
450-499	3.41	3.41	3.48	3.48
500-549	4.58	4.58	4.67	4.67
550-599	4.58	4.58	4.67	4.67
600-649	5.33	5.33	5.43	5.43
650-699	5.33	5.33	5.43	5.43
700-799	6.96	6.96	6.89	6.89
800-899	8.14	8.14	8.30	8.30
900 ft +	9.74	9.74	9.93	9.93
Additional days, per ft, per day				
0-199	0.78	0.78	0.97	0.97
200-399	0.93	0.93	1.27	1.27
400-449	1.30	1.30	1.74	1.74
450-499	1.30	1.30	1.74	1.74
500-549	1.84	1.84	2.33	2.33
550-599	1.84	1.84	2.33	2.33
600-649	2.54	2.54	2.71	2.71
650-699	2.54	2.54	2.71	2.71
700-749	3.57	3.57	3.44	3.44
750-799	3.57	3.57	3.44	3.44
800-899	4.65	4.65	4.15	4.15
900 ft +	5.41	5.41	4.96	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)

2006	2007	2008	2009	2010	2011
$ 2.06	$ 2.06	$ 2.06	$ 2.06	$ 2.32	$ 2.32
2.70	2.70	2.70	2.70	3.05	3.05
2.70	2.70	2.70	2.70	3.05	3.05
3.68	3.68	3.68	3.68	4.15	4.15
3.68	3.68	3.68	3.68	4.15	4.15
4.95	4.95	4.95	4.95	5.57	5.57
4.95	4.95	4.95	4.95	5.57	5.57
5.75	5.75	5.75	5.75	6.47	6.47
5.75	5.75	5.75	5.75	6.47	6.47
7.30	7.30	7.30	7.30	8.21	8.21
8.79	8.79	8.79	8.79	9.89	9.89
10.53	10.53	10.53	10.53	11.83	11.83
1.03	1.03	1.03	1.03	1.16	1.16
1.35	1.35	1.35	1.35	1.53	1.53
1.84	1.84	1.84	1.84	2.08	2.08
1.84	1.84	1.84	1.84	2.08	2.08
2.48	2.48	2.48	2.48	2.79	2.79
2.48	2.48	2.48	2.48	2.79	2.79
2.88	2.88	2.88	2.88	3.24	3.24
2.88	2.88	2.88	2.88	3.24	3.24
3.65	3.65	3.65	3.65	4.11	4.11
3.65	3.65	3.65	3.65	4.11	4.11
4.40	4.40	4.40	4.40	4.95	4.95
5.27	5.27	5.27	5.27	5.92	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 Fiscal Years Ended December 31, 2002 through 2011.
(Unaudited)

	2002	2003	2004	2005
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	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	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)

2006	2007	2008	2009	2010	2011
$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00
-	-	-	-	-	-
-	-	-	-	-	-
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
1.00	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	1.00
-	-	-	-	-	-
0.50	0.50	0.50	0.50	0.50	0.50
1.61	1.61	1.61	1.61	1.61	1.61
-	-	-	-	-	-
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	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	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request
1.61	1.61	1.61	1.61	1.61	1.61
-	-	-	-	-	-
Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request	Quoted upon request
-	-	-	-	-	-
-	-	-	-	-	-

GREATER BATON ROUGE PORT COMMISSION

Note Indebtedness for 2002 thru 2011 Fiscal Years

Fiscal Year End	1999A Revenue & Refunding Notes			
	Principal Paid	Interest Paid 8 - 5.5%	Total Payment	Year End Principal Balance
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
2011	$ 295,000	$ 172,064	$ 467,064	$ 3,020,000

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				Combined	
Principal Paid	Interest Paid 8 - 5.25%	Total Payment	Year End Principal Balance	YE Balance 1999A & B	Per Capita
$ 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
$ 170,000	$ 95,618	$ 265,618	$ 1,750,000	$ 4,770,000	$ 8

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, 2011
(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
Ten-year data unavailable. Most recent data available used.

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%
SNF Flowpam	145	1.36%

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.	200	1.82%
ExxonMobil Lubricants & Specialties	140	1.28%
Martin-Brower Co. LLC	138	1.26%
BP Lubricants	102	0.93%

GREATER BATON ROUGE PORT COMMISSION

Population by Parishes within the Jurisdiction of the Greater Baton Rouge Port Commission
For the Fiscal Years Ended December 31, 2002 through 2011.
(Unaudited)

Year	Ascension Parish	East Baton Rouge Parish	Iberville Parish	West Baton Rouge Parish
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
2011 Estimate	109,985	441,438	33,230	24,109

Source: U.S. Census Bureau

GREATER BATON ROUGE PORT COMMISSION

Government Employees at the Port by Department

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Executive	3	3	3	3	2	3	3	3	3	3
Finance & Administration	8	7	7	7	7	7	5	5	5	4
Operations	2	2	1	1	1	-	-	-	-	-
Engineering & Security	21	20	20	18	17	18	17	16	17	16
Business Development	2	1	1	1	1	1	1	1	1	1
Public Affairs	1	1	1	1	1	1	1	1	1	1
	37	34	33	31	29	30	27	26	27	25

GREATER BATON ROUGE PORT COMMISSION

Ten Year Tonnage Comparison
For the Fiscal Years Ended December 31, 2002 through 2011.
(Unaudited)

	2002	2003	2004	2005
General Cargo Docks	15,556	21,019	41,921	116,359
Coke Handling Facility	1,222,082	1,393,356	1,150,328	1,188,287
Inland River Marine Terminal	174,776	276,717	259,497	258,918
Midstream Buoys	-	414	-	-
Petroleum Terminal	2,064,609	1,368,863	1,556,460	1,540,970
Molasses Terminal	296,220	366,631	405,830	516,632
Grain Elevator	74,685	282,614	163,144	173,886
Burnside Terminal	2,748,456	2,092,330	3,026,242	1,726,252
	6,596,384	5,801,944	6,603,422	5,521,304

(CONTINUED)

2006	2007	2008	2009	2010	2011
90,280	174,445	146,563	36,366	256,978	223,039
813,198	970,552	1,104,710	422,527	772,829	823,025
178,612	260,595	226,724	189,332	229,413	266,625
-	-	-	-	-	-
1,937,477	2,510,500	2,444,888	1,737,768	1,896,890	1,289,332
296,505	164,469	299,180	227,419	198,772	249,283
223,769	760,308	554,225	658,612	493,325	121,148
-	-	-	-	-	-
3,539,841	4,840,869	4,776,290	3,272,024	3,848,207	2,972,452

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

Submitted by:

Department of Finance & Administration

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Broussard & Company
Certified Public Accountants

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

June 21, 2012

Board of Commissioners
Greater Baton Rouge Port Commission
Port Allen, Louisiana

We have audited the financial statements of Greater Baton Rouge Port Commission (a nonprofit organization) (the Commission) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 21, 2012. 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 Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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. 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 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. However, we identified one deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting as identified by reference number 11-1(IC). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

One Lakeside Plaza, 127 West Broad Street, Suite 800, Lake Charles, LA 70601

Board of Commissioners
Greater Baton Rouge Port Commission
Port Allen, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The 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 Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Broussard and Company

Broussard & Company
Certified Public Accountants

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

June 21, 2012

Board of Commissioners
Greater Baton Rouge Port Commission
Port Allen, Louisiana

Compliance

We have audited the compliance of the Greater Baton Rouge Port Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2011. The Commission's major federal program is 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 Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

In our opinion, the Greater Baton Rouge Port Commission complied, in all material respects, with the compliance 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, 2011.

One Lakeside Plaza, 127 West Broad Street, Suite 800, Lake Charles, LA 70601

Board of Commissioners
Greater Baton Rouge Port Commission
Port Allen, Louisiana

Internal Control Over Compliance

Management of the 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 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 inte5rnal 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 Commission's internal control over compliance.

A deficiency in internal control over compliance 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 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.

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

This report is intended solely for the information of the Board of Commissioners, management, and federal and state 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.

Broussard and Company

GREATER BATON ROUGE PORT COMMISSION

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Homeland Security:			
Port Security Grant	97.056	2006-GB-T6-0016	$ 4,443, 512
			$ 4,443,512

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Greater Baton Rouge Port Commission (the Commission) under programs of the federal government for the year ended December 31, 2011. 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*. Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

GREATER BATON ROUGE PORT COMMISSION

Schedule of Findings and Questioned Cost
Year Ended December 31, 2011

SECTION I – SUMMARY OF AUDITORS' RESULTS

<u>Financial Statements</u>

Type of auditor's report issued			Unqualified
Internal control over financial reporting:			
Material weaknesses identified?	___ Yes	x No	
Significant deficiencies identified not considered to be material weaknesses?	x Yes	___ None reported	
Noncompliance material to financial statements noted?	___ Yes	x No	

<u>Federal Awards</u>

Internal control over major programs:			
Material weaknesses identified?	___ Yes	x No	
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	x None reported	
Type of auditor's report issued on compliance for major programs:			Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	___ Yes	x No	

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
97.056	US Department of Homeland Security, Port Security Grant

Dollar threshold used to distinguish between Type A and Type B programs: <u>$300,000</u>

Auditee qualified as low-risk auditee? ___ Yes x No

<u>No Separate Management Letter Issued</u>

GREATER BATON ROUGE PORT COMMISSION

Schedule of Findings and Questioned Cost
Year Ended December 31, 2011

Internal Control over Financial Reporting

<u>Current Year Findings and Questioned Costs</u>

11-1(IC) Significant Deficiency

Condition:	The Commission did not prepare its financial statements, including the related notes.
Criteria:	Internal controls should be in place that provide reasonable assurance that management review of financial results occurs in order to minimize the risk of a material misstatement.
Cause:	Financial statements encompassing the Commission's entire operations are not produced.
Effect:	Material misstatements in the Commission's financial statements could occur.
Recommendation:	Management should put in a place a financial statement review that includes the Commission's entire operation.
Corrective Action:	The Director of Finance position at the Commission was in a state flux in the prior year due to the untimely death of the previous Director. Management's position is that the new Director will grow into this position to alleviate this deficiency. For the current year, management and the Board of Commissioners reviewed the financial statements and related notes before issuance.

<u>Prior Year Findings and Questioned Costs</u>

10-1(IC) Material Weakness – This is the same as the above current year finding. The severity of the finding has been downgraded from a material weakness to a significant deficiency as management and the Board of Directors performed a comprehensive review of the financial statements and notes before issuance.

Compliance

There were no findings related to compliance during the fiscal year ending December 31, 2011.

There was one finding during the fiscal year ending December 31, 2010 involving the Davis Bacon Act and the exclusion of the Act's prevailing wage rate clause in regards to construction contracts. This was not an issue for the current year as there were no construction contracts entered into involving the current year federal expenditures.

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The first floor training and meeting room provides for briefings, news conferences, and drills for maritime related incidents.

Compliance

COMPLIANCE REPORTS

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010

Submitted by:

Department of Finance & Administration

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Greater Baton Rouge Port Commission
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2011

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Post Office Box 94095 • Baton Rouge, Louisiana 70804-9095 • (225) 342-0708 • 1-800-354-9548 • Fax (225) 342-1053
WWW.DOA.LA.GOV/OSRAP/INDEX.HTM
An Equal Opportunity Employer

T. Short-Term Debt
U. Disaggregation of Receivable Balances
V. Disaggregation of Payable Balances
W. Subsequent Events
X. Segment Information
Y. Due to/Due from and Transfers
Z. Liabilities Payable from Restricted Assets
AA. Prior-Year Restatement of Net Assets
BB. Net Assets Restricted by Enabling Legislation (See OSRAP Memo 11-36, Appendix C)
CC. Impairment of Capital Assets (See OSRAP Memo 11-36, Appendix B)
DD. Employee Termination Benefits
EE. Pollution Remediation Obligations
FF. American Recovery and Reinvestment Act (ARRA)

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1 Schedule of Per Diem Paid to Board Members
2 Not Applicable
3 Schedules of Long-Term Debt
4 Schedules of Long-Term Debt Amortization
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
16 Schedule of Cooperative Endeavors (see OSRAP Memo 11-36 Appendix F)

See the Appendix Packet on our Website (OSRAP Memo 11-36)

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended December 31, 2011

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

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

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

Legislative_Auditor_-_Fileroom.LLA@lla.state.la.us

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Katie G. LeBlanc, 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, 2011 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 21st day of June, 2012.

Katie G LeBlanc
Signature of Agency Official

J. Barry Wills
NOTARY PUBLIC

Prepared by: Katie G. LeBlanc

Title: Director of Finance and Administration

Telephone No.: (225) 342-1660, Ext. 1212

Date: June 21, 2012

Email Address: leblanck@portgbr.com

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STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2011

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission in the Financial Section of this Comprehensive Annual Report for the year ending December 31, 2011.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
BALANCE SHEET
AS OF DECEMBER 31, 2011

Statement A

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	6,742,109
Restricted Cash and Cash Equivalents		
Investments		11,131,703
Restricted inestments		739,549
Restricted accrued interest receivable		198
Receivables (net of allowance for doubtful accounts)(Note U)		1,262,897
Due from other funds (Note Y)		667,157
Due from federal government		
Inventories		
Prepayments		53,957
Notes receivable		
Other current assets		
Total current assets		20,597,570
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		8,108,557
Buildings and improvements		27,746,298
Machinery and equipment		3,394,116
Infrastructure		7,858,695
Intangible assets		
Construction/Development-in-progress		10,265,547
Other noncurrent assets		118,329
Total noncurrent assets		57,491,542
Total assets	$	78,089,112
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	499,089
Derivative instrument		
Deferred inflow of resources		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		821,325
Amounts held in custody for others		
Other current liabilities		48,405
Current portion of long-term liabilities: (Note K)		
Contracts payable		399,387
Compensated absences payable		108,682
Capital lease obligations		
Claims and litigation payable		
Notes payable		490,000
Pollution remeditation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		2,366,888
NONCURRENT LIABILITIES: (Note K)		
Contracts payable		
Compensated absences payable		157,364
Capital lease obligations		
Claims and litigation payable		
Notes payable		4,344,159
Pollution remediation obligation		80,048
Bonds payable (include unamortized costs)		
OPEB payable		2,116,356
Other long-term liabilities		
Total noncurrent liabilities		6,697,927
Total liabilities		9,064,815
NET ASSETS		
Invested in capital assets, net of related debt		52,530,729
Restricted for:		
Capital projects		
Debt Service		116,038
Unemployment compensation		
Other specific purposes		
Unrestricted		16,377,530
Total net assets		69,024,297
Total liabilities and net assets	$	78,089,112

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

STATE OF LOUISIANA **Statement B**
GREATER BATON ROUGE COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

OPERATING REVENUE	
Sales of commodities and services	$
Assessments	
Use of money and property	
Licenses, permits, and fees	1,716,268
Other	4,175,396
Total operating revenues	5,891,664
OPERATING EXPENSES	
Cost of sales and services	2,369,115
Administrative	2,100,791
Depreciation	2,516,190
Postemployment benefits	311,200
Total operating expenses	7,297,296
Operating income(loss)	(1,405,632)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	
Investment income	594,987
Insurance recoveries	8,693
Use of money and property	
Gain on disposal of fixed assets	78
Loss on disposal of fixed assets	
Federal grants	
Interest expense	(259,686)
Other revenue	
Other expense	(12,473)
Total non-operating revenues(expenses)	331,599
Income(loss) before contributions, extraordinary items, & transfers	(1,074,033)
Capital contributions	5,405,846
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	4,331,813
Total net assets – beginning	64,692,484
Total net assets – ending	$ 69,024,297

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

Statement C

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Entity	$ 7,569,455	$ 5,891,664	$	$ 5,405,846	$ 3,728,055

General revenues:	
Taxes	
State appropriations	
Grants and contributions not restricted to specific programs	
Interest	594,987
Miscellaneous	8,771
Special items	
Extraordinary item - Loss on impairment of capital assets	
Transfers	
Total general revenues, special items, and transfers	603,758
Change in net assets	4,331,813
Net assets - beginning as restated	64,692,484
Net assets - ending	$ 69,024,297

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, 2011

Statement D
(continued)

Cash flows from operating activities		
Cash received from customers	$ 6,015,905	
Cash payments to suppliers for goods and services	(2,425,079)	
Cash payments to employees for services	(2,460,162)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		1,130,664
Cash flows from non-capital financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Insurance recoveries	8,693	
Principal paid on notes payable	(465,000)	
Interest paid on notes payable	(267,681)	
Acquisition/construction of capital assets	(5,738,064)	
Proceeds from sale of capital assets		
Capital contributions	4,824,966	
Other	(5,078)	
Net cash provided(used) by capital and related financing activities		(1,642,164)
Cash flows from investing activities		
Purchases of investment securities	(1,703,095)	
Proceeds from sale of investment securities	1,900,000	
Interest and dividends earned on investment securities	557,334	
Net cash provided(used) by investing activities		754,239
Net increase(decrease) in cash and cash equivalents		242,739
Cash and cash equivalents at beginning of year		6,499,370
Cash and cash equivalents at end of year		$ 6,742,109

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

Statement D
(concluded)

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

Operating income(loss)		$ (1,405,632)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	2,516,190	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(259,082)	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	14,741	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(415,076)	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	383,323	
Increase(decrease) in OPEB payable	311,200	
Increase(decrease) in other liabilities	(15,000)	
Net cash provided(used) by operating activities		$ 1,130,664

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Change in unrealized loss on investments	(175,633)
Change in accrual of capital contributions	219,727
Change in investment premiums and discounts	19,110
Total noncash investing, capital, and financing activities:	$ 63,204

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, 2011

INTRODUCTION

The Greater Baton Rouge Port Commission (the 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 Commission and includes the parish/parishes in which the Commission 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 Commission present information only as to the transactions of the programs of the Commission as authorized by Louisiana statutes and administrative regulations.

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

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

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

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

B. BUDGETARY ACCOUNTING

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
Notes to the Financial Statement
As of and for the year ended December 31, 2011

The appropriations made for the operations of the various programs of the Commission are annual lapsing appropriations.

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

		APPROPRIATIONS
Original approved budget	$	4,780,000
Amendments:		
Final approved budget	$	4,780,000

C. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 11-36, Appendix A, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
Notes to the Financial Statement
As of and for the year ended December 31, 2011

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

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

The deposits at December 31, 2011, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	$ 6,742,109	$	$	$ 6,742,109
Deposits in bank accounts per bank	$ 7,567,923	$	$	$ 7,567,923
Bank balances exposed to custodial credit risk:	$	$	$	$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution	7,567,923			7,567,923
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

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

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

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
Notes to the Financial Statement
As of and for the year ended December 31, 2011

	Banking Institution	Program		Amount
1.	Hancock Bank		$	7,567,923
2.				
3.				
4.				
Total			$	7,567,923

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

Cash in State Treasury	$	
Petty cash	$	1,000

2. INVESTMENTS

The 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. <u>In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.</u>

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
Notes to the Financial Statement
As of and for the year ended December 31, 2011

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
Type of Investment	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
Negotiable CDs	$	$	$	$
Repurchase agreements				
U.S. Government Obligations **			10,856,399	10,856,399
U.S. Agency Obligations				
Common & preferred stock				
Mortgages (including CMOs & MBSs)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ***				
External Investment Pool (Other)				
Other: (identify)				
LAMP			248,202	248,202
Hancock Horizon Government MMF			739,549	739,549
Stock			27,102	27,102
Total investments	$ -	$ -	$ 11,871,252	$ 11,871,252

* 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 A, Memo 11-36 for the definition of US 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).

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
Notes to the Financial Statement
As of and for the year ended December 31, 2011

Rating Agency	Rating	Fair Value
N/A	Not rated	$ 10,856,399
Standard and Poors	AAAm	739,549
Standard and Poors	AAAm	248,202
	Total	$ 11,844,150

B. Interest Rate Risk of Debt Investments

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

		Investment Maturities (in Years)			
Type of Debt Investment	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	$ 10,856,399	$ 1,397,994	$ 9,458,405	$	$
Government MMF	739,549	739,549			
LAMP	248,202	248,202			
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	$ 11,844,150	$ 2,385,745	$ 9,458,405	$ -	$ -

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.

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C. Concentration of Credit Risk

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

Issuer		Amount	% of Total Investments
Federal Home Loan Bank	$	2,418,496	22.28%
FNMA		3,923,240	36.14%
Federal Farm Creidt Bank		3,102,989	28.58%
Total	$	9,444,725	

D. Foreign Currency Risk

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

4. DERIVATIVES (GASB 53)

The 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 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 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 federal sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificate of deposits 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

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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 Government Accountings 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.

d. There were no commitments as of December 31, 2011 (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.

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

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

<u>Fair Value Disclosures (GASB 31) – N/A</u>

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

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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.

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Schedule of Capital Assets (includes capital leases)

University/System	Balance 12/31/2010	Prior Period Adjustments	Restated Balance 12/31/2010	Additions	* Reclassification of CIP	** Retirements	Balance 12/31/2011
Capital assets not depreciated:							
Land	$ 8,108,557	$	$ 8,108,557	$	$	$	$ 8,108,557
Non-depreciable land improvements			-				-
Non-depreciable easements			-				-
Capitalized collections			-				-
Software - development in progress			-				-
Construction in progress	7,501,832		7,501,832	3,219,573	(455,858)		10,265,547
Total capital assets not depreciated	$ 15,610,389	$ -	$ 15,610,389	$ 3,219,573	$ (455,858)	$ -	$ 18,374,104
Other capital assets:							
Depreciable land improvements	$	$	$ -	$	$	$	$ -
** Accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Buildings	78,908,714		78,908,714	41,385			78,950,099
** Accumulated depreciation	(49,458,368)		(49,458,368)	(1,745,433)			(51,203,801)
Total land improvements	29,450,346	-	29,450,346	(1,704,048)	-	-	27,746,298
Machinery & Equipment	6,501,404		6,501,404	2,621,968			9,123,372
** Accumulated depreciation	(5,367,995)		(5,367,995)	(361,261)			(5,729,256)
Total buildings	1,133,409	-	1,133,409	2,260,707	-	-	3,394,116
Infrastructure	14,580,130		14,580,130	405,275			14,985,405
** Accumulated depreciation	(6,717,214)		(6,717,214)	(409,496)			(7,126,710)
Total equipment	7,862,916	-	7,862,916	(4,221)	-	-	7,858,695
Software (internally generated & purchased)			-				-
Other intangibles			-				-
** Accumulated amortization - software			-				-
** Accumulated amortization - other intangibles			-				-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 38,446,671	$ -	$ 38,446,671	$ 552,438	$ -	$ -	$ 38,999,109
Capital asset summary:							
Capital assets not depreciated	$ 15,610,389	$ -	$ 15,610,389	$ 3,219,573	$ (455,858)	$ -	$ 18,374,104
Other capital assets, book value	99,990,248	-	99,990,248	3,068,628	-	-	103,058,876
Total cost of capital assets	115,600,637	-	115,600,637	6,288,201	(455,858)	-	121,432,980
Accumulated depreciation/amortization	(61,543,577)	-	(61,543,577)	(2,516,190)	-	-	(64,059,767)
Capital assets, net	$ 54,057,060	$ -	$ 54,057,060	$ 3,772,011	$ (455,858)	$ -	$ 57,373,213

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.
** Enter a negative number except for accumulated depreciation in the retirement column

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E. INVENTORIES

The Commission does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Commission at December 31, 2011, reflected at $739,747 in the current assets section on Statement A, consist of $739,549 in cash with fiscal agent and $198 in interest receivable.

G. LEAVE

1. COMPENSATED ABSENCES

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

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. 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, 2011 (fiscal year end) 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.

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H. RETIREMENT SYSTEM

Substantially all of the employees of the 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 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://lasers.websitegadget.com/uploads/LASERS_2010_CAFR.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended December 31, 2011, decreased to 21.7% of annual covered payroll from the 22.0% and 18.6% required in fiscal years ended December 31, 2010 and 2009 respectively.

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The Commission contributions to the System for the years ending December 31, 2011, 2010, and 2009, were $302,286, $275,757, and $246,670, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - http://www.doa.louisiana.gov/OSRAP/afrpackets.htm) and select "GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011." Report note disclosures for other plans, not administrated by OGB, separately.

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	12/31/2011
1. * ARC	510,600
2. * Interest on NOO (4%)	54,700
3. * ARC adjustment	(52,200)
4. * Annual OPEB Expense (1. + 2. - 3.)	513,100
5. Contributions (employer pmts. to OGB for retirees' cost of 2011 insurance premiums)	201,900
6. Increase in Net OPEB Obligation (4. - 5.)	311,200
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	1,805,156
8. **NOO, end of year (6. + 7.)	2,116,356

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011."

**This should be the same amount as that shown on the Balance Sheet for the year ended December 31, 2011 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see OSRAP Memo 11-36, Appendix D, on our website.

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J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year December 31, 2011 amounted 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, 2011.

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.

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, 2011:

	Cost	Accumulated depreciation	Carrying amount
a. Land & Improvements	$ 5,471,403	$ 1,816,762	$ 3,654,641
b. Equipment	2,308,409	2,308,409	-
c. Buildings and Structures	40,001,955	28,963,410	11,038,545
d. Land			-
e. Other			-
Total	$ 47,781,767	$ 33,088,581	$ 14,693,186

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating leases as of December 31, 2011:

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Year Ended June 30,	Facility Space	Equipment	Land & Improvements	Other	Total
2012	$ 1,686,794	$	$ 574,072	$	$ 2,260,866
2013	1,470,920		531,360		2,002,280
2014	1,424,050		436,693		1,860,743
2015	1,400,615		436,693		1,837,308
2016	1,364,614		385,238		1,749,852
2017-2021	5,587,000		1,433,638		7,020,638
2022-2026	5,090,500		852,430		5,942,930
2027-2031	4,566,534		84,000		4,650,534
Total	$ 22,591,027	$ -	$ 4,734,124	$ -	$ 27,325,151

Current year lease revenues received in fiscal year 2011 totaled $2,920,944. There were no contingent rentals received from operating leases received in the fiscal year for office space, equipment or land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2011:

	Year ended December 31, 2011				
	Balance December 31 2010	Additions	Reductions	Balance December 31 2011	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 5,308,008	$	$ 473,849	$ 4,834,159	$ 490,000
Bonds payable				-	
Total notes and bonds	5,308,008	-	473,849	4,834,159	490,000
Other liabilities:					
Contracts payable				-	
Compensated absences payable	277,173	90,460	101,587	266,046	108,682
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation	95,048		15,000	80,048	
OPEB payable	1,805,156	311,200		2,116,356	
Other long-term liabilities				-	
Total other liabilities	2,177,377	401,660	116,587	2,462,450	108,682
Total long-term liabilities	$ 7,485,385	$ 401,660	$ 590,436	$ 7,296,609	$ 598,682

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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 in nature should be accrued in the financial statements.

The Commission is a defendant in litigation seeking damages as follows:

At December 31, 2011, the Commission is a codefendant in two lawsuits involving asbestos exposure while the plaintiffs were employed by others on Commission property. In the opinion of the Commission's attorney, it is reasonably possible that there may be an unfavorable outcome to the Commission. In the event that the Commission is found liable and damages are imposed, the liability to the Commission in excess of insurance could range from $2,200,000 to $2,800,000. Management intends to vigorously defend these matters.

The 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 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 Commission. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Commission, or if not so covered, are not expected to have a material effect on the financial statements of the Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

M. RELATED PARTY TRANSACTIONS

FASB Codification Section 850 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 Commission did not adopt any changes in the fiscal year 2011 that would result in the change in format and content of the basic financial statements.

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions as of December 31, 2011.

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P. DEFEASED ISSUES

There were no defeased issues during the year ended December 31, 2011 for the Commission.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

There were no pledged revenues as of December 31, 2011.

2. FUTURE REVENUES REPORTED AS A SALE

There were no future revenues reported as of December 31, 2011

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2011:

CFDA Number	Program Name	State Match Percentage		Total Amount of Grant
97.056	Port Security Grant	25%	$	4,443,512
Total government-mandated nonexchange transactions (grants)			$	4,443,512

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2011, the Commission had no violations of finance-related legal or contractual obligations.

T. SHORT-TERM DEBT

The Commission does not issue short-term notes

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U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	$	$	$	$	$ -
					-
Gross receivables	$ 1,175,225	$ -	$ -	$ 89,772	$ 1,264,997
Less allowance for uncollectible accounts	(2,100)				(2,100)
Receivables, net	$ 1,173,125	$ -	$ -	$ 89,772	$ 1,262,897
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2011, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$ 258,757	$ 155,027	$ 85,305	$	$ 499,089
					-
Total payables	$ 258,757	$ 155,027	$ 85,305	$ -	$ 499,089

W. SUBSEQUENT EVENTS

There were no material events affecting the 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 accounted for separately. This requirement for separate accounting applies if imposed by

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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:

	Segment #1	Segment #2
Current assets	$ 20,597,570	$
Due from other funds		
Capital assets	57,373,213	
Other assets	118,329	
Current liabilities	(2,366,888)	
Due to other funds		
Long-term liabilities	(6,697,927)	
Restricted net assets	(116,038)	
Unrestricted net assets	(16,377,530)	
Invested in capital assets, net of related debt	(52,530,729)	

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).

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(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.

	Segment #1	Segment #2
Operating revenues	$ 5,891,664	$
Operating expenses	4,781,106	
Depreciation and amortization	2,516,190	
Operating income (loss)	(1,405,632)	-
Nonoperating revenues (expenses)	331,599	
Capital contributions/additions to permanent and term endowments	5,405,846	
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	4,331,813	-
Beginning net assets	64,692,484	
Ending net assets	69,024,297	-

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

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

	Segment #1	Segment #2
Net cash provided (used) by operating activities	$ 1,130,664	$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities	(1,642,164)	
Net cash provided (used) by investing activities	754,239	
Beginning cash and cash equivalent balances	6,499,370	
Ending cash and cash equivalent balances	6,742,109	-

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Y. DUE TO/DUE FROM AND TRANSFERS

The Commission has only one fund and consequently, there is no inter-fund activity.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Commission at December 31, 2011, reflected at $623,710 in the liabilities section on Statement A, consist of $490,000 in current portion of notes payable, $48,405 in unredeemed bonds and coupons, and $85,305 in accrued interest payable.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments to restate beginning net assets for January 1, 2011.

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

Of the total net assets reported on Statement A at December 31, 2011, $0 are restricted by enabling legislation

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

There were no impaired capital assets at December 31, 2011.

DD. EMPLOYEE TERMINATION BENEFITS

The Commission had no termination benefits liability or expense as of December 31, 2011.

EE. POLLUTION REMEDIATION OBLIGATIONS

The presence of chlorinated hydrocarbons near the 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 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 Commission and two other potentially responsible parties. This liability could change due to price increases, changes in

STATE OF LOUISIANA
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Notes to the Financial Statement
As of and for the year ended December 31, 2011

technology, or other factors. The Commission paid $15,000 and $30,000 in 2011 and 2010, respectively, on this cost. The liability balance as of December 31, 2011 and 2010 is $80,048 and $95,048, respectively.

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

The Commission did not receive any ARRA revenue and incurred no ARRA expenses in fiscal year 2011 on a full accrual basis.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
DECEMBER 31, 2011
(Fiscal close)

Name		Amount
Donald Bohach	$	1050
Randy Brian		1800
Alvin Dragg		1800
Timothy Hardy		1425
Brenda Hurst		1800
Larry Johnson		1725
Jerald Jeneau		1800
Raymond Loupe		1500
Angela Machen		1800
Roy Pickren		1425
Randy Poche		1725
Corey Sarullo		1275
Clint Seneca		1575
Blaine Sheets		1800
John Tilton		1800
Total	$	24,300

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, 2011
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/10	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
1999A	3/31/99	$5,700,000	$3,315,000	$295,000	$3,020,000	8% - 5.5%	$734,269
1999B	3/31/99	$3,300,000	$1,920,000	$170,000	$1,750,000	8% - 5.25%	$366,825
Premium		-0-	73,008	8,849	64,159		
Total		$9,000,000	$5,308,008	$473,849	$4,834,159		$1,101,094

SCHEDULE 3-A