P O R T O F G R E A T E R B A T O N R O U G E

Comprehensive Annual Financial Report

A Component Unit of the State of Louisiana For the Twelve-Month Period Ended December 31, 2013

A Brighter Future for Louisiana Farmers

Louis Dreyfus Commodities, LLC

Mississippi River Flagship Export Grain Elevator at the Port
Dedication and Opening October 1, 2013

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

Prepared by the Department of Finance and Administration

Katie LeBlanc, Director of Finance and Administration

On February 24, 2011, the Greater Baton Rouge Port Commission approved and accepted a lease with Louis Dreyfus Commodities, LLC (LDC), to operate a public grain elevator and export facility at the Port.

Left–Grain dock view of original conveyor system and tanks.

Above–New grain dock under construction.

Left–An aerial view of Louis Dreyfus flagship elevator on the Mississippi River.

Louis Dreyfus Commodities

Above–An aerial view of the original elevator constructed during the early years of the Port between 1952 to 1955.

Left–A view of the original grain dock site preparation in 1955.

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Introduction

On February 24, 2011, the Greater Baton Rouge Port Commission approved and accepted a lease with Louis Dreyfus Commodities, LLC (LDC), to operate a public grain elevator and export facility at the Port. After the fall harvest of 2011, the grain elevator was closed for construction, expansion, and upgrades. The Port and LDC embarked on an aggressive capital improvement program that spanned a two year construction period including construction of a new grain dock, barge unloader and other grain elevator improvements. LDC invested over $150 million in capital improvements to the facility. The State of Louisiana, Capital Outlay Program, provided $6 million for additional infrastructure improvements to the grain elevator.

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 20, 2014

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

Dear Board of Commissioners:

The Port experienced an outstanding 2013 and with the progress made the year will be looked upon as one the most progressive and significant bench mark years since the port was established in 1952. Port activity for the companies that are located within the port region and at the public port facilities located in West Baton Rouge Parish, Louisiana is vibrantly strong. The Greater Baton Rouge Port Commission is undergoing the greatest capital improvement activity that this port has ever experienced with over $200 million in private investments that were completed in 2013 or which were in the construction phase at the Port. That activity includes expansions, improvements and construction of new facilities and upgrades and expansions from the existing companies located at the port.

The renewed interest in the Mississippi River from the private sector petrochemical, liquid bulk commodities and other maritime industries continues to be an economic driver and provide for a large number of new project announcements, expansions and jobs on the Mississippi River within the port's jurisdiction. New project announcements along the Mississippi River Industrial Corridor exceed over $75 billion in industrial projects. The maritime and shipping industries in the Greater Baton Rouge Port region heavily support these industries in terms of importing and exporting raw materials and finished products on the Mississippi River, which increases ship calls, barge transportation, rail and trucking within the region.

Highlights of port activity for the 2013 year include:

Increases to 9th largest Port in U.S. in total tonnage

According to recently released figures by the U.S. Army Corps of Engineers for 2012, the Port of Greater Baton Rouge's ranking increased and moved up by one position to 9th largest port in the nation for total tonnage. The Port added more than 2 million tons to reach almost 59.9 million tons moved through the port during 2012. All ports located on the lower Mississippi River were in the top ten in total tonnage handling 435,648,435 short tons indicating the vibrancy and importance of waterborne commerce on the river to the State of Louisiana and the nation.

Public Export Grain Elevator Opened by Louis Dreyfus Commodities

In 2013, the public export grain elevator was opened on October 1, 2013 at the Port of Greater Baton Rouge just in time to receive the fall harvest. The export grain facility was upgraded, a new grain dock and barge unloader was constructed and equipment installed to make this facility one of the largest, most modern flagship grain handling facilities on the Mississippi River and the U.S. Gulf Coast. This $150 million rehabilitation and expansion project created 60 permanent jobs and can handle more than 5 million metric tons of grain through the upgraded facilities annually. The port anticipates that these upgraded grain facilities will play an important role in moving Louisiana farm products to markets around the world, with an indirect job creation for longshoremen, stevedores, tugboat operators and other stakeholders in the maritime industry. 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. All the funds have been expended by the Greater Baton Rouge Port Commission. The number of new vessel calls for the public export grain elevator will increase to over 100 ships annually with the opening of the grain elevator and there will be a substantial increase in volumes for barge and truck transportation in the port region. The additional projects expected to come on line in 2014 will also increase the shipping activity and increase the competiveness for Louisiana farmers and the timber industry.

Expansion at the Port's Inland Rivers Terminal

At the port's Inland Rivers Marine Terminal (IRMT), a $1.2 million expansion for a new roadway was completed. The new roadway will access the additional 24 acres of property that was purchased by the port in 2011 to expand the facility's ability to accommodate future growth and development. The additional 400 acres of prime maritime and industrial property on the Gulf Intracoastal Waterway is receiving interest from companies considering a new location which have a need for access to marine and transportation infrastructure.

Rail Improvements at Port

Rail lines are being upgraded as part of infrastructure improvements currently underway at the port. Nearly $2.5 million is being invested in rail improvements including a $1 million grant from the U.S. Economic Development Administration for rail upgrades at the Inland Rivers Marine Terminal. It is anticipated that construction on this project will begin in the summer of 2014.

The Port has also received approval through the State of Louisiana Department of Transportation, Port Construction and Development Priority Grant Program, to upgrade rail on the general cargo docks and within the port for the new biomass exporting facility currently under construction by Baton Rouge Transit, LLC.

Due to the increased rail activity from all of the new projects that have come on-line, the Port is also working with its existing partners and stakeholders towards solutions to justify the need to upgrade and expand the rail system throughout the deepwater port facility. These rail improvements would certainly impact all of the port's existing rail users within the port. Port companies such as Louis Dreyfus Commodities, Westway Terminal Company, Center Point

Terminals, Biologic Rail Transfer Facility, Baton Rouge Transit, LLC and Katoen Natie, LLC would stand to benefit from rail improvements and would provide for greater safety and efficiencies in their operations. The cost for these future rail improvements is estimated to be a $25 million project. This project is currently in the early stages of discussion, study and planning and this will continue to be a priority in 2014 as upgrading this critical rail infrastructure would complement the Port's overall development plan and companies located at the port.

Louisiana Port Construction and Development Priority Grant Program

The Wood Pellet Rail Car Unloading Facility Tracks for Baton Rouge Transit, LLC, State Project Number H.010101) has been approved by the Louisiana Department of Transportation Port Construction and Development Priority Program (PCDPP) in the amount of $5,130,834 to construct and rehabilitate rail infrastructure and ancillary public infrastructure associated with the project. The Greater Baton Rouge Port Commission will provide the 10 percent match (estimated at $688,000).

General Cargo Dock Ship Fender Rehabilitation

The proposed project is to improve and upgrade the Dock Fender System at the deep water terminal. The deep water terminal is capable of docking three vessels simultaneously. The primary objective of this project is to insure adequate berthing for ships calling on the facility. The current dock fendering system is in need of rehabilitation to support larger vessels such as post-panamax vessels which are expected to be calling the docks.

The total project cost is estimated at $5,130,834. The construction cost is estimated at $4,910,834 of which $4,419,751 is being acquired from the PCDPP. The Project is estimated to take one year to complete.

Existing Companies at the Port Make Announcements

Westway Terminal Company, LLC which completed a large expansion at the port in 2010 that doubled their terminal capacity continues to expand and improve its liquid bulk facility. In 2013, the company invested $3.5 million with the addition of 2 new million gallon tanks as well as starting construction on on a new elevated pipe bridge from the liquid bulk terminal to the port's general cargo dock. This project is expected to be completed in the summer of 2014. The improvement will increase the terminal's maximum capacity to 24 million gallons. Westway's terminal, located at the port in Port Allen, Louisiana is the third largest terminal in revenues and fourth in total volume for the Westway Group terminals throughout the United States and Europe. A change in ownership also occurred in 2013, when the company was purchased by a private company, EQT Partners, headquartered in Sweden.

As announced in March 2013, Horizon Milling, the existing flour mill located at the Port that began operations in the 1960's, announced a joint venture which combines the operations of ConAgra Mills and Horizon Milling. Ardent Mills announced this new venture on May 29, 2014. The existing flour mill at the port is part of 40 other facilities located throughout North America. No significant changes are expected as a result of this business decision at the facility.

New Companies Locating at the Port of Greater Baton Rouge

Baton Rouge Transit, LLC a wholly owned subsidiary of Drax Biomass International Inc. selected the Port of Greater Baton as the location for its storage and exporting facility. Drax Biomass International is a development and operating company focused on manufacturing wood pellets for renewable low-carbon power generation from sustainable biomass. Drax will transport wood pellets by rail to the Port of Greater Baton Rouge from a manufacturing facility in Bastrop, Louisiana and by truck from a manufacturing facility in Gloster, Mississippi. The pellets will be stored at the port and then loaded onto deep draft vessels for shipment to the United Kingdom. Wood pellets are used widely in Europe as a renewable energy fuel and increasingly as a replacement for coal. Baton Rouge Transit, LLC is investing $40 million of private investment on this project at the port and is expecting its facility to be fully operational by the end of 2014. Construction on the new bulk storage facilities, which will be located on 10 acres of port property, began in the winter of 2013. The project is capable of storing approximately 80,000 metric tons of wood pellets and upon completion; the storage facilities will include conveyors on top, stretching their vertical measurement to nearly 145 feet tall.

This project has high strategic importance to the port, state and region over the long term. This project will help diversify the port's cargo and industry base by making the port a key player in the sustainable biomass energy sector. This is a remarkable boost for the state of Louisiana, the Baton Rouge region and the port. It will support and improve Louisiana's timber and forest products sector, create new jobs and increase the number of ship calls at the docks. It is anticipated that this new export facility will add an additional 20 ships to call on the Port of Greater Baton Rouge as well as increase truck and rail traffic.

DAL-CO, LLC is one of the newest businesses to locate at the port. Recognizing a need to provide additional launch services as a result of the increase in shipping activity for vessels and barge fleets within the Baton Rouge harbor and along the Mississippi, DAL-CO, LLC began operations at the port in 2013. DAL-CO is a full service launch service. The company operates 24 hours a day, seven days a week to service the many tug boats, barges and vessels in the Mississippi River. The launch service provides mid-stream deliveries including groceries, equipment, parts, supplies, crew changes, mechanics, inspectors, electronics, refrigeration, emergency response, mail services and airport and bus station transfers.

A Look towards the Future

The maritime business environment is dynamic, constantly changing, and is an ultra-competitive global industry so the leadership and management of the port is continually evaluating business opportunities and planning for future port needs to meet the demands of the marine industry. The diversification of the port's cargo base and revenue streams, improved utilization of the marine infrastructure and assets, continue to be at the center and at the forefront of the port's overall success and sustainability as a market leader among U.S. Gulf of Mexico ports well into the future. Our efforts to build upon these public infrastructure assets to create jobs, increase international trade and U.S. exports is part of the continuing mission.

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 to create jobs, increase international trade and U.S. exports. Our marketing 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, 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.

Our Board of Commissioners and staff share the same common goal and are committed to the 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 years ahead will continue to be directed at 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.

It is an exciting time in the growth and development of the Port of Greater Baton Rouge. The Port's Board of Commissioner's 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 sincere appreciation and 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. In 2014 the port looks forward to working closely with the recently announced projects and welcomes Genesis Energy, LLC and Ralph Stewart Logging Company, LLC to our growing list of companies that consider the port and its transportation infrastructure an excellent location resulting in additional ship calls and jobs at the Port.

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 20, 2014

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, 2013, 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 Finance and Administration 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

Fueled by a heavy industrial and petrochemical boom, the nine-parish Baton Rouge metro area is projected to add 21,700 new jobs over the next two years. Louisiana gained 23,900 jobs in 2013, with the majority of these jobs created by the private sector, the Louisiana Workforce Commission reported. In 2013, the Baton Rouge Metropolitan Statistical Area (MSA) showed signs of a strong recovery due to the enormous amount of private investment announcements and plant expansions located on the Mississippi River with $60 billion in new and ongoing plant additions. The October 2013 employment count of 390,400 jobs was the highest ever for the region, showing a full recovery from the recession's declines. The Louisiana Workforce Commission reported on December 2013 that the Baton Rouge MSA unemployment rate for 2013was 4.2%. The unemployment rate for Louisiana in December 2013 was 5.7%, and the national unadjusted rate in December 2013 was 6.8%.

Heavy industry and the large industrial chemical manufacturers are in a race to locate and build new manufacturing plants or simply increase their existing footprint on the Mississippi River. Land purchases to accommodate these greenfield sites and plant expansions range from 50 to over 1,000 acres for these projects. The continued availability of low cost natural gas used as a feed stock to the petrochemical manufacturers has been an economic driver for the United States and Louisiana and a major reason for the industrial boom occurring currently. Other contributing factors are the availability to tie into existing pipeline systems which allow plants to transfer products for their respective manufacturing purposes, the proximity of rail and highway/interstate roadways, labor and local/state economic incentives.

The nine-parish Baton Rouge MSA is heading into an industrial expansion like no other in its history. Louisiana's petrochemical industry manufactures one-quarter of America's petrochemicals. This includes basic chemicals, plastics, and fertilizers. Louisiana ranks first in crude oil production and second in natural gas production in the U.S., including offshore production. Nearly 100 petrochemical facilities operate in the state, valued at more than $19.6 billion, with the Capital Region home to 65 of these petrochemical facilities. Most of these facilities are located along the Mississippi River.

The 2014-15 Louisiana Economic Outlook for the Capital Region projects that approximately 21,700 new jobs over the next two years will be added within the area. This represents a 5.6% increase to the Capital Region's current total of 381,500 jobs. The report forecasts an additional 12,500 jobs in 2014 and another 9,200 in 2015.

The demand for industrial real estate strengthened throughout 2013. These trends indicate that the Port has experienced similar growth along of the Mississippi River Industrial Corridor and it is anticipated that public port facilities will continue this trend into 2014 and beyond. Area real estate experts expect the market to grow with commercial and industrial vacancy running between 8% to 9%. New construction will continue to meet owner-occupant demand or build-to-suit projects. Speculative building will be limited to free standing facilities 20,000 square feet or less. Larger distribution centers/bulk warehousing will be built with tenants in place pre-construction and some speculative space may be added to these projects. This region's commercial and industrial real estate market has made a strong rebound in the market. The increased demand and supply has benefitted this real estate sector because all sides of the supply market from oil/gas pipelines and liquid bulk storage tanks, which provide feed stocks to our chemical manufacturers are in need of storage and distribution space. The Port warehouse and transit sheds have experienced this absorption with over 600,000 sq. ft. or 90% currently under lease.

International Trade Update

In 2013, the Port of Greater Baton Rouge increased its ranking to 9th in the nation in total tonnage with over 59.9 million short tons moving through the port's jurisdiction. 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 and this trend is projected to continue upward.

Louisiana's 2013 worldwide merchandise exports increased by 0.3% over 2012 according to a report released by the World Trade Center of New Orleans. For the year, Louisiana exports totaled $63.1 billion, compared to $62.9 billion in 2012, and $55 billion in 2011. Louisiana's principal export markets for 2013 were China ($8.23 billion, down 11.6%), Mexico ($6.3 billion, down 2.9%), and Canada ($3.1 billion, up 14.9%), followed by Japan, the Netherlands, Singapore, and Brazil. Rounding out the top ten, were France, Colombia, and Panama. In terms of exports, 2013 was an incredible year for both the State of Louisiana and the United States as a whole. Louisiana surpassed Florida to become the sixth highest producing export state.

Exports for all 50 states and Puerto Rico, the U.S. Virgin Islands, and the District of Columbia set a record in 2013, totaling $1.58 trillion, a 2.14% increase over 2012, with Texas, California and New York remaining the top three exporters and Louisiana moved up the ranks to number 6, one spot higher than last year.

In terms of overall growth in Louisiana, exports continue to be driven by investments in manufacturing and refining on the Lower Mississippi River, as we continue to strive to reach the President's goal of doubling U.S. exports by 2016. Petroleum, transportation equipment, coal, and grain attribute to the large gains.

The value of Louisiana's petroleum and coal exports rose 9.7% in 2013, from $23.2 billion to $25.5 billion, and remained the top export products from Louisiana. Agriculture products and chemicals followed, accounting for $15.8 billion and $9.1 billion of Louisiana's exports, respectively. When compared to last year, there were no major fluctuations in terms of ranking of Louisiana's top ten industries. The few shifts in industry ranking occurred in the areas of transportation equipment, fabricated metal products, and beverage and tobacco products.

Transportation equipment moved to the 8th position, up from number ten in 2012. Fabricated metal products and beverages and tobacco products, however, suffered a decrease in the rankings, finishing in positions 9th and 10th, respectively, in 2013 among Louisiana's top ten industries. In terms of growth, the largest growth was experienced by Transportation Equipment (64.22%), Primary Metal Manufacturing (29.59%) and Fabricated Metal Products (27.27%).

While Louisiana had an outstanding year in 2012 by being ranked as the number one state in exports per capita, the state has been able to build upon those successes and increase its exports more during the first quarter of 2013. Our state saw remarkable improvement, which is reflected in the 2013 first quarter (Q1) export statistics. Louisiana rose in the U.S. state export ranks from number 7 in 2012 to number 5 in (Q1) 2013 statistics. This is the highest ranking in the recent history for Louisiana.

2013 Major Port Initiatives

In 2013, Louis Dreyfus Commodities, LLC, the operator of the export grain elevator located at the port, opened for business and the facility was dedicated and began receiving grain for the 2013 fall harvest. The export grain facility was upgraded, a new grain dock and barge unloader was constructed and equipment installed to make this facility one of the largest, most modern grain handling facility on the Mississippi River and the U.S. Gulf Coast. The completion of this project and the increase in shipping activity and number of ship calls will benefit the port well into the future as well as provide a positive impact on the port's future revenue stream and will provide additional jobs in the agriculture, rail, barge and marine sectors in the port region.

At the Inland Rivers Marine Terminal, a $1.2 million expansion for a new roadway was completed in 2013 which further improves the port infrastructure to accommodate future growth and new projects for the Port.

Baton Rouge Transit, LLC, a wholly owned subsidiary of Drax Biomass International Inc., selected the Port of Greater Baton Rouge as the location for its storage and export facility. Baton Rouge Transit, LLC began construction in 2013 and is investing $40 million of private investments on this project. The Port received approval through the State of Louisiana Department of Transportation, Port Construction and Development Priority Program, for $6 million to upgrade and dock infrastructure. In addition to the increase in jobs, this project is expected to make a significant positive impact on Louisiana's transportation and timber industry. New ship calls and dockage revenues to the Port will provide for an additional diversified revenue stream well into the future.

Westway Terminal Company, LLC which completed a large expansion at the port in 2010 that doubled their terminal capacity continues to expand and improve its liquid bulk facility. In 2013, the company invested $3.5 million with the addition of two new one million gallon tanks as well as an elevated pipe bridge from the liquid bulk terminal to the port's general cargo dock. This project is expected to be completed in the summer of 2014.

Operating Revenues

The port's operating revenues for 2013 increased considerably from 2012. Overall Port Revenues changed from $6,805,794 in 2012 to $7,446,565 in 2013, an increase of 9.4%. Combined operating and non-operating revenues were recorded at $7,519,626, which was up by $461,795 over the same period in 2012. Increases in rentals, dockage and wharfage contributed to the increase for 2013. Net assets increased by $2,845,492 due to an increase in capital contributions. Total net assets were $73,361,266 at year-end, as compared to $70,515,774 the previous year.

As port staff continues to focus on diversification and future growth for the port, our dedicated, talented employees, will carry out daily port operations to enhance and improve the public port facilities. We will also strive to provide opportunities and incentives so that the port has the ability to expand and entice new business to locate and operate within the port's jurisdiction. As the port region continues to grow, there will be opportunities to increase the port's revenue base as well as to stimulate new opportunities for our local, state, and national economies as the port continues to be an economic driver for the region.

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, which is 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 Controls

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 $4,335,309.00 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 Louisiana 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, 2012. This was the 17th 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 and Administration Department, and the 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 2013 Comprehensive Annual Financial Report.

Respectfully Submitted,

Katie G. LeBlanc

Katie G. LeBlanc
Director of Finance and Administration

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Government Finance Officers Association

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, 2012

Jeffrey R. Emer

Executive Director/CEO

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GREATER BATON ROUGE PORT COMMISSION

A Political Subdivision of the State of Louisiana

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Travis Medine
Roy Pickren

Randy Poche
Lynn Robertson
Jimmy Sanchez
Bobby Watts

Recognizing the tremendous impact for Louisiana farmers and the maritime industry, Greater Baton Rouge Port Commissioners and other state officials participated in the dedication and opening of the export grain elevator.

Front Row, L to R: Donald Bohach, Commissioner; Lynn Robertson, Commissioner; Timothy W. Hardy, 2013 President of the Port Commission; Dr. Mike Strain, Commissioner of Agriculture & Forestry; Clint Seneca, Secretary; Bobby Watts, Commissioner; Louisiana Representative Major Thibaut

Back Row, L to R: Travis Medine, Commissioner; Jay Hardman, Port Executive Director; Corey Sarullo, Treasurer; Lee Harang, Commissioner; Raymond Loup, Commissioner.

PORT STAFF

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

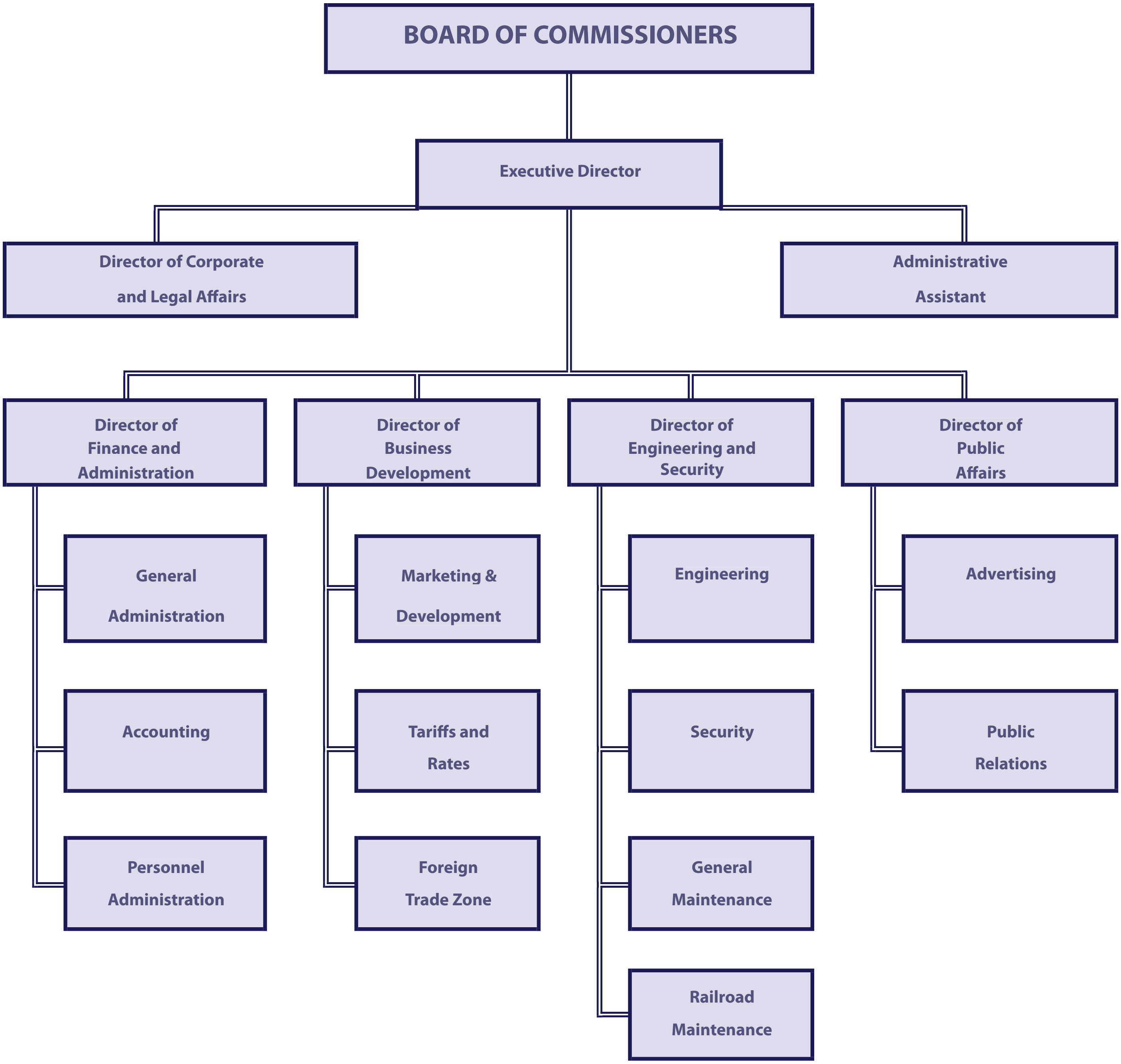
Greg Johnson
Director of Business Development

Katie G. LeBlanc
Director of Finance and Administration

Karen K. St. Cyr
Director of Public Affairs

T. Barry Wilkinson
Director of Corporate and Legal Affairs

Cortney White, P.E.
Director of Engineering and Security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Foreign Trade Zone
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Financial

The official ribbon cutting at the export grain elevator opening

On October 1, 2013 Louis Dreyfus Commodities LLC inaugurated a state-of-the-art grain and oilseed export elevator at the Port of Greater Baton Rouge.

Margarita Louis-Dreyfus and Governor Bobby Jindal (center) officially cut the ribbon along with other state, local and port officials at the opening ceremony. *Also pictured (left to right) John Claude Brunet, Counsel General of France, New Orleans; Timothy W. Hardy, 2013 Port Commission President; LCDR Nicole Rodriguez, U.S. Coast Guard, Baton Rouge Marine Safety Unit; Mayor Kip Holden, City of Baton Rouge/East Baton Rouge Parish; Representative Major Thibaut, Louisiana House of Representatives, District 18; Margarita Louis-Dreyfus, Chairperson of the Louis Dreyfus Group, Chairperson of the Supervisory Board of Louis Dreyfus Commodities, B.V.; Governor Bobby Jindal, State of Louisiana; Dr. Mike Strain, Commissioner Louisiana Department of Agriculture and Forestry; Ronnie Anderson, President, Louisiana Farm Bureau Federation, Inc.*

FINANCIAL REPORT

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013

Submitted by:

Department of Finance

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Greater Baton Rouge Port Commission, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required supplementary information other than MD&A, as required by the Government Accounting Standards Board, and other supplementary information are presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The required supplementary information other than MD&A and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A and other supplementary information are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2014, 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* in considering Commission's internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
May 30, 2014

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of **Greater Baton Rouge Port Commission's (the Commission)** financial performance provides a narrative overview and analysis of the Commission's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Commission's basic financial statements.

FINANCIAL HIGHLIGHTS

1. Cash increased by $2,216,737 during the year primarily related to less capital spending.

2. Operating revenues increased $640,000 during 2013 due to rental income.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. Government Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments,* provides that special purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- Management's Discussion and Analysis (MD&A)
- Statement of Net Position
- Statement of Revenues, Expense, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- RSI other than MD&A, if applicable.

Enterprise Fund 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 Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information to present the change in the Commission's financial condition for the current year's operations. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and their changes. Net position – the difference between assets and liabilities – is a measure of the financial position of the Commission. Increases or decreases in the Commission's net position are an indicator of whether the Commission's financial position is improving or deteriorating.

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating, non-capital financing activities, capital and related financing activities, and investing activities.

FINANCIAL ANALYSIS OF THE ENTITY

GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF NET POSITION
(In thousands)

	2013	2012	% Change
Current and other assets	$ 18,550	$ 17,406	7
Capital assets	63,303	62,614	1
Total assets	81,853	80,020	2
Current and other liablilities	2,696	3,230	(17)
Long-term obligations	5,796	6,190	(6)
Total liabilities	8,492	9,420	(10)
Components of Net Position:			
Net investment in capital assets	$ 59,496	$ 58,278	2
Restricted for debt service	79	95	(17)
Unrestricted	13,787	12,143	14
Total net position	$ 73,362	$ 70,516	4

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

Net position of the Commission increased by $2,846,000, or 4%, during December 31, 2013. The primary reason is due to the increase in rental income and capital contributions.

GREATER BATON ROUGE PORT COMMISSION
CHANGES IN NET POSITION
(In thousands)

	2013	2012	% Change
Operating revenues	$ 7,446	$ 6,806	9
Operating expenses	(7,953)	(7,586)	5
Operating income loss	(507)	(780)	(35)
Non-operating revenues	74	252	(71)
Non-operating expenses	(208)	(442)	(53)
Loss before capital contributions	(641)	(970)	(34)
Capital contributions	3,486	2,462	42
Change in net position	2,845	1,492	91
Net position- beginning of year	70,516	69,024	2
Net position - end of year	$ 73,361	$ 70,516	4

The Commission's operating revenues increased by 9%, or $640,000, due to additional rental income throughout the year. Operating expenses increased by 5%, primarily related to the increase in depreciation of capital assets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal years ended December 31, 2013 and 2012, the Commission had $63,303,000 and $62,614,000, respectively, invested in a broad range of capital assets, including land, construction in progress, 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 $689,000 over the last year. Accumulated depreciation at the end of 2013 and 2012 was $69,727,000 and $66,878,000, respectively. For additional information on capital asset activity, see Note 4 in the Notes to the Financial Statements section. Capital assets at December 31, net of accumulated depreciation, are as follows:

CAPITAL ASSETS
(In thousands)

	2013	2012
Land	11,203	11,203
Construction in progress	5,369	10,483
Building and improvements	36,478	30,285
Infrastructure	7,296	7,448
Equipment	2,956	3,195
Total	$ 63,302	$ 62,614

Debt

The Commission had $3,806,000 in revenue bonds outstanding as of December 31, 2013, compared to $4,335,000 in the prior year, a decrease of 12%. No new debt was issued during the year ended December 31, 2013. The Commission carries a BBB- debt rating on its debt. Additional information concerning the revenue bonds is disclosed in Note 5 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS

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 FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, customers, investors, and creditors with an overview of the Commission's finances and to show the Commission's accountability for the revenues and other funding it receives. If you have any questions about this report or need additional information, contact Katie LeBlanc, Director of Finance, Greater Baton Rouge Commission at P.O. Box 380, Port Allen, Louisiana 70767 or (225) 342-1660.

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Exhibit A

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF NET POSITION

December 31, 2013

ASSETS

CURRENT	
Cash	$ 7,646,057
Investments	8,872,150
Accounts receivables, net	1,197,683
Accrued interest receivable	39,410
Prepaid expenses	55,738
Restricted investments	739,747
Total current assets	18,550,785
CAPITAL ASSETS	
Non-depreciable	16,572,057
Depreciable, net	46,730,461
Total capital assets	63,302,518
Total assets	$ 81,853,303

Exhibit A
(Continued)

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF NET POSITION

December 31, 2013

LIABILITITES

CURRENT		
Payable from unrestricted assets:		
Accounts payable	$	314,884
Contracts payable		304,720
Other accrued liabilities		418,818
Revenues received in advance		996,411
Total current liabilities - payable from unrestricted assets		2,034,833
Payable from restricted assets:		
Current portion of long-term debt		545,000
Accrued interest payable		67,744
Unredeemed bonds and coupons		48,405
Total current liabilities - payable from restricted assets		661,149
Total current liabilities		2,695,982
ENVIRONMENTAL REMEDIATION LIABILITY		35,048
OTHER POST EMPLOYMENT BENEFITS PAYABLE		2,499,547
LONG TERM DEBT, less current maturities		3,261,460
Total noncurrent liabilities		5,796,055
Total liabilities		8,492,037
NET POSITION		
Net investment in capital assets		59,496,058
Restricted for debt service		78,598
Unrestricted		13,786,610
Total net position		73,361,266
Total liabilities and net position	$	81,853,303

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Exhibit B

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the year ended December 31, 2013

OPERATING REVENUES	
Lease rentals	$ 4,337,658
Dockage and wharfage	1,598,090
Rail car, vessel and other	1,510,817
Total operating revenues	7,446,565
OPERATING EXPENSES	
Direct	2,431,313
Administrative	2,671,877
Depreciation	2,849,402
Total operating expenses	7,952,592
Operating loss	(506,027)
NON-OPERATING	
Investment income	66,811
Insurance recoveries	4,105
Interest expense	(207,543)
Gain on sale of capital assets	2,145
Total nonoperating	(134,482)
Change in net assets before capital contributions	(640,509)
Capital contributions, net	3,486,001
Increase in net position	2,845,492
NET POSITION	
Beginning of year	70,515,774
End of year	$ 73,361,266

Exhibit C

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 7,676,731
Payments to suppliers for goods and services	(2,637,812)
Payments to employees for services	(2,568,847)
Net cash provided by operating activities	2,470,072
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Repayment of loans	(528,850)
Interest paid on loans	(216,619)
Acquisition/construction of capital assets	(3,767,109)
Capital contributions	3,486,001
Insurance recoveries	4,105
Net cash used in capital and related financing activities	(1,022,472)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from calls and maturities of investment securities	393,855
Interest and dividends earned on investment securities	375,282
Net cash provided by investing activities	769,137
Net increase in cash	2,216,737
CASH	
Beginning of the year	5,429,320
End of the year	$ 7,646,057

Exhibit C
(Continued)

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	$ (506,027)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Allowance for doubtful accounts	87,900
Depreciation	2,849,402
Change in operating assets and liabilities	
Accounts receivable	180,955
Prepaid expenses	103,030
Accounts payable and other accrued liabilities	(381,772)
Revenue received in advance	(38,689)
OPEB benefits	175,273
Net cash provided by operating activities	$ 2,470,072
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Change in unrealized loss on investments	$ (174,401)
Change in investment premiums and discounts	$ (96,356)

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Exhibit D

GREATER BATON ROUGE PORT COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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. Estimates are primarily used when accounting for valuation and collection of receivables, depreciation, obligations for post-employment benefits, and deferred revenue.

Exhibit D
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (State) 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.

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 position, a statement of revenues, expenses, and changes in net position, 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 position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

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.

Exhibit D
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 of $90,000 has been made for doubtful accounts based on a periodic aging of accounts receivable. Receivables are comprised of dock and wharf fees as well as lease rentals.

Exhibit D
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 - 40
Buildings and structures	5 - 40
Roadways and surface drainage	5 - 33
Equipment	5 - 25
Office furniture and fixtures	3 - 10
Transportation equipment	3 - 5

Restricted assets

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

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, 2013, the net balance of these accounts was sufficient to meet all requirements.

Lease Revenue Recognition

Lease rentals, as further explained in Note 7, are accounted for under the operating method whereby revenue is recognized currently as rentals become due.

Compensated Absences

Employees accrue and accumulate annual and sick leave at varying rates in accordance with state law based on full-time service. The leave is accumulated without limitation. Upon separation of employment, employees or their heirs are compensated for accumulated annual leave not to exceed 300 hours at their current rate of pay. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned. The liability for compensated absences increased by $23,109 during 2013.

Exhibit D
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

Equity has classifications of net position that are displayed in three components:

- Net investment in capital assets - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

- Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets."

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 lease rentals. 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 position available, it is the Commission's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

The Commission applies the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net assets by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in a statement of net position.

Exhibit D
(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2013, the Commission has cash (book balances) totaling $7,646,057 as follows:

Demand deposits	$ 7,645,057
Petty cash	1,000
	$ 7,646,057

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, 2013, the Commission's total demand deposit bank balance of $7,755,193 was entirely secured by federal deposit insurance or pledged securities held by the Commission's agent in the Commission's name.

Investments

As of December 31, 2013, investments of the Commission consisted of the following:

	Fair Market Value	Cost
Obligations of federally sponsored entities	$ 8,623,443	$ 8,634,155
Government money market fund - restricted	739,747	739,549
Louisiana Asset Management Pool	248,707	248,707
Stock	-	3,355
	$ 9,611,897	$ 9,625,766

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.

Exhibit D
(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

Description	CUSIP	Fair Market Value
Federal Farm Credit Bank	31331VGU4	$ 1,086,980
Federal National Mortgage Association	3136FPJQ1	1,058,372
Federal National Mortgage Association	3135GOWB5	976,330
Federal National Mortgage Association	31398AXJ6	842,306
Federal Home Loan Bank	3133XWNB1	741,269
Federal National Mortgage Association	3137EACH0	627,836
Federal Home Loan Mortgage	3128X23A1	606,426
Federal Home Loan Bank	3133XXP43	501,828
Federal Home Loan Bank	3133EAX29	493,460
Federal Farm Credit Bank	3133ECHS6	491,875
Federal National Mortgage Association	3135GOTU7	490,950
		$ 7,917,632

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

As of December 31, 2013, the Commission had the following investment in debt securities:

Investment Type	Fair Value	Investment Maturities (In Years) Less than 1	1 - 5
Obligations of federally sponsored entities	$ 8,623,443	$ 1,868,165	$ 6,755,278
Government money market fund - restricted	739,549	739,549	-
Louisiana Asset Management Pool	248,707	248,707	-
	$ 9,611,699	$ 2,856,421	$ 6,755,278

Exhibit D
(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2013, the Commission invested in obligations of federally sponsored entities in the amount of $8,623,443, which are not rated. The Commission's investment in Hancock Horizon Government Money Market Fund is rated AAAm by Standard and Poors. The investment in Louisiana Asset Management Pool (LAMP) 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.

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, 2013, 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, 2013, the stock had a fair market value of zero.

Exhibit D
(Continued)

NOTE 3 - 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 Statute 11:102. The contribution rate for the years ended December 31, 2013, 2012 and 2011, was 28%, 29%, and 22%, respectively, of annual covered payroll. The Commission's contribution to the System for the years ended December 31, 2013, 2012 and 2011 was $374,521, $384,004, and $302,286, respectively, and equal to the required contribution for the year.

Exhibit D
(Continued)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 11,202,740	$ -	$ -	$ 11,202,740
Construction in progress	10,483,364	2,830,126	7,944,172	5,369,318
Total capital assets not being depreciated	21,686,104	2,830,126	7,944,172	16,572,058
Capital assets being depreciated				
Railroad tracks and yards	4,334,601	-	-	4,334,601
Roadways and surface drainage	10,650,803	-	-	10,650,803
Buildings and structures	83,297,940	7,950,173	-	91,248,113
Equipment	8,272,101	609,500	-	8,881,601
Office furniture and fixtures	834,694	5,595	-	840,289
Transportation equipment	415,592	86,941	-	502,533
Total capital assets being depreciated	107,805,731	8,652,209	-	116,457,940
Less accumulated depreciation for:				
Railroad tracks and yards	2,807,401	57,760	-	2,865,161
Roadways and surface drainage	4,730,224	348,971	-	5,079,195
Buildings and structures	53,013,355	1,756,227	-	54,769,582
Equipment	5,307,034	618,691	-	5,925,725
Office furniture and fixtures	659,200	34,774	-	693,974
Transportation equipment	360,864	32,979	-	393,843
Total accumulated depreciation	66,878,078	2,849,402	-	69,727,480
Capital assets being depreciated, net	40,927,653	5,802,807	-	46,730,460
Net capital assets	$ 62,613,757	$ 8,632,933	$ 7,944,172	$ 63,302,518

Depreciation expense for the year ended December 31, 2013 was $2,849,402.

NOTE 5 - 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.

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 established a construction fund to receive bond proceeds and make payments on private activity and governmental projects for which the bond proceeds were lent.

Exhibit D
(Continued)

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Revenue Bonds (continued)

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 debt service payments, including principal, interest, and reserve requirements for the Authority's two bond issues. At December 31, 2013, the outstanding indebtedness consisted of the following:

Bond Series	Maturing	Call Prices (%)	Interest Rate	Payable at 1/1/13	Additions	Reductions	Payable at 12/31/13
1999A	2019	100-102	8% - 5.5%	$ 2,710,000	$ -	$ 330,000	$ 2,380,000
1999B	2019	100-102	8% - 5.25%	1,570,000	-	190,000	1,380,000
Unamortized premium on bonds payable				55,309	-	8,850	46,459
				$ 4,335,309	$ -	$ 528,850	3,806,459
Less: Amounts due within one year payable from restricted assets							(545,000)
Amounts due after one year							$ 3,261,459

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at December 31, 2013, are as follows:

Year	Principal	Interest	Total
2014	545,000	188,440	733,440
2015	575,000	158,325	733,325
2016	610,000	126,282	736,282
2017	640,000	92,482	732,482
2018-2019	1,390,000	75,988	1,465,988
	$ 3,760,000	$ 641,517	$ 4,401,517

Exhibit D
(Continued)

NOTE 6 - NET POSITION

Net investment in capital assets

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

Beginning balance	$ 58,278,447
Net change in capital assets	688,761
Reduction in related debt	528,850
Ending balance	$ 59,496,058

Restricted net assets

Restricted net assets relate to debt service. The requirements for debt service at December 31, 2013 were computed as follows:

Assets restricted for loan repayment	$ 739,747
Current liabilities payable from restricted assets	(661,149)
Ending balance	$ 78,598

NOTE 7 - 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.

The carrying values and depreciation expense of the properties leased under long-term leases by the Commission are as follows as of December 31, 2013:

Railroad tracks and yards	$ 562,680
Roadways and surface drainage	4,908,723
Buildings and structures	40,196,264
Equipment	2,308,409
	47,976,076
Less: Accumulated depreciation	(35,186,237)
Net leased property	$ 12,789,839

Depreciation expense for leased property during 2013 was $1,015,565.

Exhibit D
(Continued)

NOTE 7 - LEASES (CONTINUED)

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2013:

Year	Future Rental Revenues
2014	$ 2,551,616
2015	2,491,129
2016	2,418,577
2017	2,185,827
2018	2,146,881
There after	19,125,747
	$ 30,919,777

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.

NOTE 8 - 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 four OGB Medicare Advantage plans which includes three HMO plans and one PPO plan.

Exhibit D
(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Depending upon the plan selected, during the year ended December 31, 2013, employee premiums for a single member receiving benefits range from \$36 to \$87 per month for retiree-only coverage with Medicare or from \$136 to \$144 per month for retiree-only coverage without Medicare. The premiums for a retiree and spouse for the year ended December 31, 2012 range from \$70 to \$157 per month for those with Medicare or from \$442 to \$468 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Commission contributing anywhere from \$115 to \$262 per month for retiree-only coverage with Medicare or from \$880 to \$928 per month for retiree-only coverage without Medicare during the year ended December 31, 2013. Also, the Commission's contributions range from \$231 to \$470 per month for retiree and spouse with Medicare or \$1,352 to \$1,425 for retiree and spouse without Medicare.

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

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 years beginning July 1, 2013, 2012 and 2013 was \$356,600, \$381,600 and \$510,600, respectively.

Exhibit D
(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

The following table presents the Commission's OPEB Obligation for the year ended December 31, 2013, the amount actually contributed to the plan, and changes in the Plan's net OPEB obligation:

Annual required contribution (ARC)	$ 356,600
Interest on net OPEB obligation	84,600
ARC adjustment	(80,900)
Annual OPEB cost	360,300
Claims costs	(185,027)
Increase in net OPEB obligation	175,273
Beginning net OPEB obligation	2,324,274
Ending net OPEB obligation	$ 2,499,547

Utilizing the pay-as-you-go method, the Commission contributed 52%, 45% and 39% of the annual post-employment benefits cost during the years ended December 31, 2013, 2012 and 2011, respectively.

Trend Information

The Commission's net OPEB obligation, annual OPEB cost, and the percentage of annual OPEB cost contributed to the plan for the year ended December 31, 2013, and the two preceding years were as follows:

Year ended December 31,	Annual OPEB cost	Annual net OPEB cost contributed	Net OPEB obligation
2013	$ 356,600	52%	$ 2,499,547
2012	384,800	45%	2,324,274
2011	513,100	39%	2,116,356
2010	587,445	25%	1,805,156

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. As of July 1, 2012, the most recent actuarial valuation, the actuarial accrued liability (AAL) of $5,979,300 at December 31, 2013 is unfunded. Exhibit E-1 is the Schedule of Funding Progress, which presents information about the actuarial value of plan assets and the AAL for benefits.

Exhibit D
(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

The funded status of the plan as of the most recent valuation date of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	$ 5,979,300
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 5,979,300
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	$ 1,293,790
UAAL as a percentage of covered payroll	462%

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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare inflation rate of 7.5% and 8.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as level percentage of payroll on an open basis. The remaining amortization period at June 30, 2013 was thirty years.

Exhibit D
(Continued)

NOTE 9 - 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, 2013, the Commission is a codefendant in multiple 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 is estimated to be in a range of $400,000 to $2,000,000. Management intends to vigorously defend these matters.

NOTE 10 - 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’s contribution for the year ended December 31, 2013 was $41,280.

NOTE 11 - CONSTRUCTION IN PROGRESS

Details of construction in progress at December 31, 2013 is as follows:

Grain elevator upgrades	$ 2,852,439
IRMT project	1,483,424
Boat Launch (4)	906,661
Other projects (4)	126,794
Total	$ 5,369,318

NOTE 12 - 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.

Exhibit D
(Continued)

NOTE 12 - ENVIRONMENTAL REMEDIATION LIABILITIY (CONTINUED)

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 in 2013 on this cost. The liability balance as of December 31, 2013 is $35,048.

NOTE 13 - OTHER COMMITMENTS

At December 31, 2013, the Port Commission had commitments outstanding, in the form of contracts relating to construction projects, of approximately $53,056.

NOTE 14 - 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.

NOTE 15 - SUBSEQUENT EVENTS

The Commission evaluated its December 31, 2013 financial statements for subsequent events through the date of the independent accountants' compilation report, 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 16 - CAPITAL CONTRIBUTIONS

The Commission received capital contributions from federal and state sources for the year ended December 31, 2013 in the amount of $3,486,001. The following is the breakdown of the source of these contributions for the year ended December 31, 2013:

State grants	$ 3,245,372
Federal grants	240,629
Total	$ 3,486,001

The state grants received during 2013 were for construction, Port security, and the remaining State match of 25% related to above noted federal grant.

SUPPLEMENTAL INFORMATION

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Exhibit E-1

GREATER BATON ROUGE PORT COMMISSION

Required Supplemental Information Schedule

December 31, 2013

Schedule of Funding Progress for OPEB Plan

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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, 2012	-	$ 5,979,300	$ (5,979,300)	0%	$ 1,293,790	462%
July 1, 2011	-	5,812,300	(5,812,300)	0%	1,330,276	437%
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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GREATER BATON ROUGE PORT COMMISSION

Other Supplemental Information Schedules

December 31, 2013

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.

Exhibit E-2

GREATER BATON ROUGE PORT COMMISSION

Schedule of Lease Information
December 31, 2013

Lessee	Facility	Minimum Annual Rent for 2014	Current Lease Date of Expiration
Agway Systems	Five Tracts of Land	$ 45,000	December 31, 2028
Baton Rouge Transit	Tract of Land	66,307	July 29, 2023
Community Coffee	Building & Land	70,428	April 30, 2039
Criterion Catalysts	Warehouse	22,917	Month-to-month
Criterion Catalysts	Rail Track Rental	24,000	December 31, 2017
Dal-Co, LLC	Tract of Land	6,000	August 31, 2020
Dow Chemical	Container Yard	200,000	May 31, 2021
ExxonMobil - Paxon	Railroad Servitude	1,000	Year-to-year
Horizon Milling, LLC	Tract of Land	106,000	March 31, 2032
Kateon Natie of Louisiana	Warehouse	130,115	September 30, 2020
Kinder Morgan Bulk Terminal	Barge Terminal	233,971	December 31, 2016
LogiBio Louisiana LLC	Rail Track Rental	18,000	December 31, 2014
Louis Dreyfus Commodities	Facility	1,000,000	June 15, 2031
Louis Dreyfus Commodities	Office Space	9,600	June 15, 2031
Louisiana Sugar Products	Tract of Land	32,967	September 30, 2026
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	4,167	Year-to-year
Rail Link, Inc.	Office Space	1,000	Month-to-month
South Louisiana Cement, Inc.	Tract of Land	44,740	December 31, 2015
Stone Oil Distributor	Tract of Land	104,400	October 31, 2018
West Baton Rouge Parish Communications District	Building	18,000	December 31, 2032
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 Terminal Company	Tract of Land	166,886	December 31, 2026
Others	Various	13,120	Varies
		$ 2,551,618	

Exhibit E-3

GREATER BATON ROUGE PORT COMMISSION

Schedule of Future Lease Rent Revenue Without Options
December 31, 2013

	2014	2015	2016	2017	2018	Later	Options End
Agway Systems	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 450,000	December 31, 2028
Baton Rouge Transit	66,307	66,307	66,307	66,307	66,307	303,905	July 29, 2023
Community Coffee	70,428	70,489	70,489	70,489	70,489	1,433,285	April 30, 2039
Criterion Catalysts	22,917	-	-	-	-	-	Month-to-month
Criterion Catalysts	24,000	24,000	24,000	24,000	-	-	December 31, 2017
Dal-Co, LLC	6,000	8,000	12,000	12,000	12,000	20,000	August 31, 2020
Dow Chemical	200,000	202,450	204,200	204,200	206,654	503,635	May 31, 2021
ExxonMobil - Paxon	1,000	-	-	-	-	-	Year-to-year
Horizon Milling, LLC	106,000	106,000	106,000	106,000	106,000	1,404,500	March 31, 2032
Kateon Natie of Louisiana	130,115	130,115	130,115	130,115	130,115	227,701	September 30, 2020
Kinder Morgan Bulk Terminal	233,971	233,971	233,971	-	-	-	December 31, 2016
LogiBio Louisiana LLC	18,000	-	-	-	-	-	December 31, 2014
Louis Dreyfus Commodities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,458,333	June 15, 2031
Louis Dreyfus Commodities	9,600	9,600	9,600	9,600	9,600	115,567	June 15, 2031
Louisiana Sugar Products	32,967	32,967	35,409	36,630	36,630	303,724	September 30, 2026
Lowe Transportation	400	-	-	-	-	-	Month-to-month
Mammoet USA, Inc.	4,500	-	-	-	-	-	Month-to-month
Petroleum Fuel & Terminal	188,500	188,500	188,500	188,500	188,500	204,208	January 31, 2020
Ports America	4,167	-	-	-	-	-	Year-to-year
Rail Link, Inc.	1,000	-	-	-	-	-	Month-to-month
South Louisiana Cement, Inc.	44,740	44,740	-	-	-	-	December 31, 2015
Stone Oil Distributor	104,400	104,400	104,400	104,400	87,000	-	October 31, 2018
West Baton Rouge Parish Communications District	18,000	18,000	18,000	18,000	18,000	252,000	December 31, 2032
West Baton Rouge Parish Waterworks District #2	3,600	3,600	3,600	3,600	3,600	112,800	April 30, 2050
Westway Feed Products	36,000	36,000	-	-	-	-	December 31, 2015
Westway Terminal Company	166,886	166,886	166,886	166,886	166,886	1,335,088	December 31, 2026
Others	13,120	100	100	100	100	1,000	Varies
	$ 2,551,618	$ 2,491,125	$ 2,418,577	$ 2,185,827	$ 2,146,881	$ 19,125,746	

Exhibit E-4

GREATER BATON ROUGE PORT COMMISSION

Schedule of Operating Expenses by Major Category
December 31, 2013

Major Category		
Personnel Services	$	2,673,444
Depreciation		2,849,402
Operating Services		1,666,607
Supplies		227,584
Professional Fees		224,169
Travel		16,057
Other		295,329
Total	$	7,952,592

Exhibit E-5

GREATER BATON ROUGE PORT COMMISSION

Schedule of Administrative Expenses
December 31, 2013

Salaries and Wages	$	730,784
Contributions to State Retirement System, Payroll Taxes, and Group Insurance		760,418
Director's Salary		179,680
Annual, Sick and Compensatory Leave		99,274
Commissioner's Per Diem		21,825
Advertising		138,883
Legal		116,172
Legislative Consultant Fees		48,000
Engineering		45,205
Consulting Fees		14,792
Trustee Fees		3,850
Office Repairs and Maintenance		77,337
Trade and Sales Solicitation		48,017
Office Supplies and Postage		42,029
Insurance		40,987
Dues and Subscriptions		22,785
Travel		16,057
Outside Administrative Services		20,662
Education Expenses		18,786
Utilities		16,611
Telephone		7,831
Debt Issue		93,156
Bad Debt		87,900
Miscellaneous		20,836
Total administrative expenses	$	2,671,877

Exhibit E-6

GREATER BATON ROUGE PORT COMMISSION

Schedule of Operating Income (Loss) by Facility
December 31, 2013

	Operating Revenue	Operating Expense	Depreciation	Operating Income (Loss)
Grain Elevator	$ 1,206,825	$ 62,133	$ 115,769	$ 1,028,923
General Cargo Docks	1,320,386	297,347	1,086,827	(63,788)
Baton Rouge Barge Terminal	416,376	7,524	211,500	197,352
Molasses Tank Farm	355,908	59,979	41,627	254,302
West Bank railroad Facility	194,562	185,850	21,662	(12,950)
Petroleum Terminal	814,200	62,693	-	751,507
Midstream Bulk Handling Facility	-	-	-	-
Miscellaneaous River Activities	536,550	-	-	536,550
Miscellaneous East and West Bank Activities	1,835,935	1,568,544	908,858	(641,467)
Inland Rivers Marine Terminal	685,059	187,445	381,786	115,828
Foreign Trade Zone	35,000	-	-	35,000
Total before administrative expense	7,400,801	2,431,515	2,768,029	2,201,257
Administrative expense	45,764	2,671,675	81,373	(2,707,284)
Total	$ 7,446,565	$ 5,103,190	$ 2,849,402	$ (506,027)

Exhibit E-7

GREATER BATON ROUGE PORT COMMISSION

Schedule of Commissioners' Per Diem
December 31, 2013

Commissioner	Number of Days for Which Paid	Amount Paid
Donald Bohach	16	$ 1,200
Lee Harang	20	1,500
Timothy Hardy	21	1,575
Brenda Hurst	20	1,500
Jerald Juneau	24	1,800
Raymond Loupe	19	1,425
Travis Medine	17	1,275
Roy Pickern	7	525
Randy Poche	22	1,650
Lynn Robertson	20	1,500
Jimmy Sanchez	20	1,500
Corey Sarullo	19	1,425
Clint Seneca	23	1,725
Blaine Sheets	20	1,500
Bobby Watts	23	1,725
Total		$ 21,825

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Statistical

The upgrade at the landside grain storage bins and elevator and the loading operations on the Mississippi River includes all the technology, equipment and infrastructure to move grain off trucks and barges, sorted by quality, stored in massive bins, and transferred onto ships. The grain facility is capable of processing five to six million metric tons of grains and oilseeds annually. The new barge unloader will be capable of emptying 20 to 24 barges per day, or approximately 4,000 barges annually. The port expects up to 100 additional ship calls annually at the grain dock bound for export markets worldwide.

STATISTICAL REPORT

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013

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, 2013

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 Position
2) Ten Year Comparative Schedule of Revenues, Expenses, and Changes in Net Position

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) Ten Year Comparative Schedule of Revenue by Type and Related Average
2) Ten Year Comparative Schedule of 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) Ten Year Comparative Schedule of Note Indebtedness

Demographics and Economic Information:
The following schedules contain 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 Port Jurisdiction
2) Population by Four Parishes within Port Jurisdiction

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) Ten Year Comparative of Port Staffing by Department
2) Ten Year Tonnage Comparison

Exhibit F-1

GREATER BATON ROUGE PORT COMMISSION

NET ASSETS
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net position										
Invested in capital assets, net of related debt	$ 59,496	$ 58,278	$ 52,530	$ 48,749	$ 47,206	$ 47,428	$ 46,242	$ 45,978	$ 46,672	$ 46,973
Restricted	78	95	116	181	199	213	313	287	273	1,290
Unrestricted	13,787	12,143	16,378	15,762	16,429	17,262	18,294	15,974	14,962	13,758
Total Net Assets	$ 73,361	$ 70,516	$ 69,024	$ 64,692	$ 63,834	$ 64,903	$ 64,849	$ 62,239	$ 61,907	$ 62,021

Exhibit F-2

GREATER BATON ROUGE PORT COMMISSION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating Revenues										
Dockage and wharfage	$ 1,598	$ 1,406	$ 1,716	$ 2,168	$ 1,504	$ 1,970	$ 2,136	$ 1,705	$ 1,286	$ 1,148
Rentals	4,337	3,896	2,921	2,220	1,961	2,423	2,989	2,531	2,328	2,093
Freight handling	-	-	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	-	-	-	-
Other	1,511	1,503	1,254	1,326	1,521	1,685	1,506	1,562	1,561	1,332
Total operating expenses	7,446	6,805	5,891	5,714	4,986	6,078	6,631	5,798	5,175	4,573
Operating Expenses										
Direct	2,431	2,332	2,369	2,146	2,171	2,226	2,023	2,202	1,922	1,836
Administrative	2,672	2,436	2,412	2,679	2,714	2,710	1,964	1,846	2,168	3,083
Depreciation	2,849	2,818	2,516	2,503	2,538	2,538	2,499	2,658	2,349	2,332
Total operating expenses	7,952	7,586	7,297	7,328	7,423	7,474	6,486	6,706	6,439	7,251
Non-operating revenues (expenses)										
Investment income	67	247	595	585	280	648	902	699	292	407
Interest expense	(208)	(234)	(260)	(283)	(306)	(331)	(356)	(380)	(403)	(425)
Gain of sale of capital assets	2	-	-	-	-	526	-	29	1	1
Insurance recoveries	4	5	9	19	153	22	-	-	-	-
Gain/(loss) from litigation	-	(200)	-	-	-	-	-	-	-	(80)
Intergovernmental revenues	-	-	-	-	2	-	-	175	-	-
Environmental remediation expense	-	-	-	-	-	-	-	-	(167)	-
Amortization of debt issue and bond premium, net	-	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Trustee's fees	-	-	(5)	(15)	(4)	(4)	(4)	(4)	(4)	(4)
Total non-operating	(135)	(189)	332	299	118	854	535	512	(288)	(108)
Net Income (loss)	(641)	(970)	(1,074)	(1,315)	(2,319)	(542)	680	(396)	(1,552)	(2,786)

Exhibit F-3

GREATER BATON ROUGE PORT COMMISSION

REVENUE BY TYPE AND RELATED AVERAGE
LAST TEN FISCAL YEARS

(accrual basis of accounting)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Dockage	$ 624,476	$ 464,226	$ 851,327	$ 1,208,253	$ 914,708	$ 1,088,312	$ 1,164,277	$ 1,145,320	$ 745,507	$ 609,944
Wharfage	973,614	942,221	864,941	960,157	588,825	881,474	971,608	559,182	540,682	537,610
Rentals	4,337,658	3,896,287	2,920,944	2,220,062	1,961,005	2,422,887	2,989,287	2,530,810	2,327,843	2,093,115
Other operating revenue	1,510,817	1,503,060	1,254,452	1,325,576	1,521,213	1,685,450	1,505,752	1,561,518	1,561,408	1,332,373
Total operating revenue	$ 7,446,565	$ 6,805,794	$ 5,891,664	$ 5,714,048	$ 4,985,751	$ 6,078,123	$ 6,630,924	$ 5,796,830	$ 5,175,440	$ 4,573,042
Cargo tonnage	3,809,487	2,330,980	2,972,452	3,848,207	3,272,024	4,776,290	4,840,869	3,539,841	5,521,304	6,603,422
Average wharfage revenue per cargo ton	$ 0.26	$ 0.40	$ 0.29	$ 0.25	$ 0.18	$ 0.18	$ 0.20	$ 0.16	$ 0.10	$ 0.08
Number of ships	60	51	58	59	64	58	84	46	62	37
Average dockage revenue per ship	$ 10,408	$ 9,102	$ 14,678	$ 20,479	$ 14,292	$ 18,764	$ 13,860	$ 24,898	$ 12,024	$ 16,485

Exhibit F-4

GREATER BATON ROUGE PORT COMMISSION

REVENUE RATES
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Unaudited)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Dockage Rates at General Cargo Docks (LOA)										
Ships & Ocean Going Barges										
First day, per ft										
0-199	$ 2.46	$ 2.46	$ 2.32	$ 2.32	$ 2.06	$ 2.06	$ 2.06	$ 2.06	$ 1.94	$ 1.94
200-399	3.23	3.23	3.05	3.05	2.70	2.70	2.70	2.70	2.55	2.55
400-499	4.40	4.40	4.15	4.15	3.68	3.68	3.68	3.68	3.48	3.48
500-599	5.91	5.91	5.57	5.57	4.95	4.95	4.95	4.95	4.67	4.67
600-699	6.85	6.85	6.47	6.47	5.75	5.75	5.75	5.75	5.43	5.43
700-799	8.71	8.71	8.21	8.21	7.30	7.30	7.30	7.30	6.89	6.89
800-899	10.50	10.50	9.89	9.89	8.79	8.79	8.79	8.79	8.30	8.30
900 ft +	12.55	12.55	11.83	11.83	10.53	10.53	10.53	10.53	9.93	9.93
Additional days, per ft, per day										
0-199	1.23	1.23	1.16	1.16	1.03	1.03	1.03	1.03	0.97	0.97
200-399	1.62	1.62	1.53	1.53	1.35	1.35	1.35	1.35	1.27	1.27
400-499	2.20	2.20	2.08	2.08	1.84	1.84	1.84	1.84	1.74	1.74
500-599	2.96	2.96	2.79	2.79	2.48	2.48	2.48	2.48	2.33	2.33
600-699	3.43	3.43	3.24	3.24	2.88	2.88	2.88	2.88	2.71	2.71
700-799	4.36	4.36	4.11	4.11	3.65	3.65	3.65	3.65	3.44	3.44
800-899	5.25	5.25	4.95	4.95	4.40	4.40	4.40	4.40	4.15	4.15
900 ft +	6.28	6.28	5.92	5.92	5.27	5.27	5.27	5.27	4.96	4.96
Liquid Bulk Barges										
First day, per ft										
0-199	0.90	0.90	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
200-399	0.95	0.95	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
400-449	1.20	1.20	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
450-499	1.45	1.45	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Each day thereafter	25.00	25.00	15.00	15.00	15.00	15.00	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	0.19	0.19	0.19	0.19
Barges (per day)	-	-	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00

Exhibit F-4 (Continued)

GREATER BATON ROUGE PORT COMMISSION

REVENUE RATES
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Unaudited)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Wharfage Rates (per ton)										
All articles (not provided for below)	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00
Automobiles										
Each, set up	2.34	2.34	2.34	2.34	2.34	-	-	-	-	-
Each, knocked down	1.74	1.74	1.74	1.74	1.74	-	-	-	-	-
Bulk Commodities										
Bauxite	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fluorspar	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Groats	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Lead Concentrates	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Logs	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Zinc Residue	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
Bulk Liquids										
Liquid Fertilizers	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Molasses	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Other Bulk Liquid	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Bundled Galvanized Pipe	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Campers, each	3.25	3.25	3.25	3.25	3.25	-	-	-	-	-
Caustic Soda	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Flitches	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Freight Trailers, each	3.25	3.25	3.25	3.25	3.25	-	-	-	-	-
Heavy Lifts, in excess of 6,000 lbs	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Iron, steel, or other metal										
Fabrications or structures	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Coils, rails, bars, ingots, etc.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Limestone Blocks	1.61	1.61	1.61	1.61	1.61	-	-	-	-	-
Lumber	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Motor Homes, each	3.25	3.25	3.25	3.25	3.25	-	-	-	-	-
Paper Products, in rolls (Linerboard, Newsprint, Bleachboard, Pulpboard)	1.47	1.47	1.47	1.47	1.47	-	-	-	-	-
Particle Board	1.61	1.61	1.61	1.61	1.61	1.61	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	1.40	1.40	1.40	1.40	1.40	1.40
Over 20,000 short tons	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plywood	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Project Cargo	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price
PVC Plastics	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Silica Sand	1.61	1.61	1.61	1.61	1.61	-	-	-	-	-
Single Lifts, in excess of 50,000 lbs	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price
Tractors, each	3.25	3.25	3.25	3.25	3.25	-	-	-	-	-
Woodpulp, baled or rolled	1.37	1.37	1.37	1.37	1.37	-	-	-	-	-

Exhibit F-5

GREATER BATON ROUGE PORT COMMISSION

NOTE INDEBTEDNESS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Fiscal Year End	1999A Revenue & Refunding Notes Principal Paid	Interest Paid	Total Payment	Year End Balance	1999B Revenue & Refunding Notes Principal Paid	Interest Paid	Total Payment	Year End Balance	Combined Balance	Per Capita
2013	$ 330,000	$ 139,300	$ 469,300	$ 2,380,000	$ 190,000	$ 77,319	$ 267,319	$ 1,380,000	$ 3,760,000	$ 6
2012	$ 310,000	$ 156,183	$ 466,183	$ 2,710,000	$ 180,000	$ 86,778	$ 266,778	$ 1,570,000	$ 4,280,000	$ 7
2011	$ 295,000	$ 172,064	$ 467,064	$ 3,020,000	$ 170,000	$ 95,618	$ 265,618	$ 1,750,000	$ 4,770,000	$ 8
2010	$ 280,000	$ 187,088	$ 467,088	$ 3,315,000	$ 160,000	$ 103,868	$ 263,868	$ 1,920,000	$ 5,235,000	$ 9
2009	$ 265,000	$ 202,053	$ 467,053	$ 3,595,000	$ 155,000	$ 112,324	$ 267,324	$ 2,080,000	$ 5,675,000	$ 10
2008	$ 250,000	$ 217,863	$ 467,863	$ 3,860,000	$ 145,000	$ 121,311	$ 266,311	$ 2,235,000	$ 6,095,000	$ 10
2007	$ 240,000	$ 233,788	$ 473,788	$ 4,110,000	$ 140,000	$ 130,217	$ 270,217	$ 2,380,000	$ 6,490,000	$ 11
2006	$ 225,000	$ 249,013	$ 474,013	$ 4,350,000	$ 130,000	$ 138,655	$ 268,655	$ 2,520,000	$ 6,870,000	$ 12
2005	$ 215,000	$ 263,694	$ 478,694	$ 4,575,000	$ 125,000	$ 146,780	$ 271,780	$ 2,650,000	$ 7,225,000	$ 13
2004	$ 205,000	$ 270,285	$ 475,285	$ 4,790,000	$ 115,000	$ 152,493	$ 267,493	$ 2,775,000	$ 7,565,000	$ 14

(1) Please refer to footnote 5 in the financial section for a detailed description of the notes and the usage of funding.
(2) Notes will mature in 2019
(3) Used total population of all four parishes within the Port's jurisdiction to calculate debt per capita.

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Exhibit F-6

GREATER BATON ROUGE PORT COMMISSION

PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION
CURRENT YEAR AND TEN YEARS AGO

Ascension Parish
2013

Employer	Number of Employees	Percent of Total
BASF	1,000	13.95%
St. Elizabeth Hospital and Physicians	750	10.46%
Parish of Ascension	744	10.38%
Kellog Company	703	9.81%
Wal-Mart Stores	700	9.77%
Shell Chemical	600	8.37%
Volks Constructors	600	8.37%
Field Hospitality Group LLC	550	7.67%
LeBlanc's Food Stores	520	7.26%
Community Health Care, Inc.	500	6.98%
PCE Constructors, Inc.	500	6.98%
Total	7,167	

East Baton Rouge Parish
2013

Employer	Number of Employees	Percent of Total
Turner Industries Group LLC	9,028	16.25%
East Baton Rouge Parish School District	6,700	12.06%
Louisiana Dept. of Transportation & Development	5,000	9.00%
CB&I	4,243	7.64%
Our Lady of the Lake	4,099	7.38%
Performance Contractors	4,000	7.20%
General Health System Management, Inc.	4,000	7.20%
Abmb-Hntb Joint Venture LLC	3,500	6.30%
Mid-City Medical Center	3,000	5.40%
Cajun Contractors	2,000	3.60%
ExxonMobil Corporation	2,000	3.60%
Invensys Systems, Inc.	2,000	3.60%
LSU System	2,000	3.60%
Ochsner Clinic Foundation	2,000	3.60%
General Health System	2,000	3.60%
Total	55,570	

Source: Baton Rouge Area Chamber
(1) Data for 2003, or ten years ago was not available

Exhibit F-6 Continued

GREATER BATON ROUGE PORT COMMISSION

PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION
CURRENT YEAR AND TEN YEARS AGO

Iberville Parish 2013		
Employer	Number of Employees	Percent of Total
Dow Chemical Company	2,200	34.35%
LA Dept. of Public Safety and Corrections	1,200	18.74%
Syngenta Crop Protection, Inc.	885	13.82%
Axiall, LLC	393	6.14%
Maintenance Enterprise II, Inc.	380	5.93%
Parish of Iberville (Police Protection)	315	4.92%
Crown Enterprises, Inc.	250	3.90%
LA Dept. of Military Affairs	250	3.90%
Louisiana State University System	205	3.20%
National Institutes of Health	167	2.61%
Cora Texas Manufacturing Company, LLC	160	2.50%
Total	6,405	

West Baton Rouge Parish 2013		
Employer	Number of Employees	Percent of Total
Scaffolding Rental & Erection Services	460	19.37%
Turner Industries Piping	375	15.79%
Petrin Corporation	375	15.79%
Trinity Marine	370	15.58%
Wal-Mart Stores	300	12.63%
Placid Refining Company LLC	200	8.42%
BASF Catalysts LLC	157	6.61%
The Martin-Brower Company LLC	138	5.81%
Parish of West Baton Rouge	125	5.26%
Beard Construction Group LLC	100	4.21%
Entergy Corporation	100	4.21%
Total	2,375	

Source: Baton Rouge Area Chamber
(1) Data for 2003, or ten years ago was not available

Exhibit F-7

GREATER BATON ROUGE PORT COMMISSION

POPULATION BY FOUR PARISHES WITHIN THE JURISDICTION OF THE GREATER BATON ROUGE PORT COMMISSION LAST TEN FISCAL YEARS

(Unaudited)

Year	Ascension Parish	East Baton Rouge Parish	Iberville Parish	West Baton Rouge Parish	Total
2013	114,393	445,227	33,367	24,573	617,560
2012	112,286	444,526	33,228	24,106	614,146
2011	109,985	441,438	33,230	24,109	608,762
2010	107,215	440,171	33,387	23,788	604,561
2009	104,822	434,633	32,505	22,638	594,598
2008	102,461	431,024	32,899	22,629	589,013
2007	99,702	430,700	32,915	22,636	585,953
2006	95,986	430,886	32,885	22,181	581,938
2005	89,382	411,859	32,180	21,534	554,955
2004	86,085	412,772	32,332	21,730	552,919

Source: U.S. Census Bureau

Exhibit F-8

GREATER BATON ROUGE PORT COMMISSION

FULL-TIME EQUIVALENT EMPLOYEES
BY DEPARTMENT
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees Allotted in Annual Budget									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Executive	3	3	3	3	3	3	3	2	3	3
Finance & Administrative	3	3	4	5	5	5	7	7	7	7
Operations	-	-	-	-	-	-	-	1	1	1
Engineering & Security	14	14	16	17	16	17	18	17	18	20
Business Development	2	2	1	1	1	1	1	1	1	1
Public Affairs	1	1	1	1	1	1	1	1	1	1
Total employees	23	23	25	27	26	27	30	29	31	33

Exhibit F-9

GREATER BATON ROUGE PORT COMMISSION

TONNAGE COMPARISON
LAST TEN FISCAL YEARS

(Unaudited)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Cargo Docks	177,469	171,839	223,039	256,978	36,366	146,563	174,445	90,280	116,359	41,921
Coke Handling Facility	588,404	531,875	823,025	772,829	422,527	1,104,710	970,552	813,198	1,188,287	1,150,328
Inland Rivers Marine Terminal	149,969	212,385	266,625	229,413	189,332	226,724	260,595	178,612	258,918	259,497
Midstream Buoys	-	46,855	-	-	-	-	-	-	-	-
Petroleum Terminal	2,071,525	1,101,552	1,289,332	1,896,890	1,737,768	2,444,888	2,510,500	1,937,477	1,540,970	1,556,460
Molasses Terminal	244,493	266,474	249,283	198,772	227,419	299,180	164,469	296,505	516,632	405,830
Grain Elevator	577,627	-	121,148	493,325	658,612	554,225	760,308	223,769	173,886	163,144
Burnside Terminal	-	-	-	-	-	-	-	-	1,726,252	3,026,242
Total	3,809,487	2,330,980	2,972,452	3,848,207	3,272,024	4,776,290	4,840,869	3,539,841	5,521,304	6,603,422

Compliance

First ship arrives at the export grain elevator

The first bulk ship to arrive at the new Louis Dreyfus Export Grain Elevator located at the Port of Greater Baton Rouge was the ***Equinox Dream***. This historic photograph was taken upon the ship's arrival on October 11, 2013 at 12:05 p.m. The length of the vessel was 646 ft. and was loaded with 30,000 short tons of yellow soybeans for export to China.

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

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

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

We have audited, in accordance with the 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, the financial statements of the business-type activities of the Greater Baton Rouge Port Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard and Company

Lake Charles, Louisiana
May 30, 2014

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

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GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements
Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weakness identified?	________ yes	__X__ no
• Significant deficiencies identified that are not material weaknesses?	________ yes	__X__ no
• Noncompliance material to financial statements noted?	________ yes	__X__ no

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COMPLIANCE REPORTS

GREATER BATON ROUGE
PORT COMMISSION
(STATE OF LOUISIANA)

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2013

Submitted by:

Department of Finance & Administration

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Greater Baton Rouge Port Commission
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2013

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Z. Liabilities Payable from Restricted Assets
AA. Prior-Year Restatement of Net Position
BB. Assets Restricted by Enabling Legislation
CC. Impairment of Capital Assets
DD. Employee Termination Benefits
EE. Pollution Remediation Obligations
FF. American Recovery and Reinvestment Act (ARRA)
GG. Restricted Assets – Other Purposes
HH. Service Concession Arrangements

Schedules

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
15 Schedule of Comparison Figures and Instructions
16 Schedule of Cooperative Endeavors

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended December 31, 2013

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

LLAFileroom@lla.la.gov.

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, 2013 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 19th day of June, 2014.

Signature of Agency Official

NOTARY PUBLIC
T. BARRY WILKINSON
BAR ROLL NO. 13,482

Prepared by: Katie G. LeBlanc

Title: Director of Finance & Administration

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

Date: June 19, 2014

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, 2013

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission in the Financial Section of this Comprehensive Annual Financial Report for the year ending December 31, 2013.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2013

Statement A

ASSETS		
CURRENT ASSETS		
Cash and Cash equivalents	$	7,646,057
Restricted Cash and Cash Equivalents		
Investments		8,872,150
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		1,237,093
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		55,738
Notes Receivable		
Other Current Assets		
Total current assets		17,811,038
NONCURRENT ASSETS		
Restricted assets (Note F):		
Cash		
Investments		739,747
Receivables		
Investments		
Notes Receivable		
Captial assets, net of depreciation (Note D)		
Land non-depreciable easements		11,202,740
Buildings and improvements		36,478,531
Machinery and equipment		3,210,881
Infrastructure		7,041,048
Intangible assets		
Construction/Development-in-progress		5,369,318
Other noncurrent assets		
Total noncurrent assets		64,042,265
Total assets	$	81,853,303
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	$	
Total assets and deferred outflow of resourc	$	81,853,303

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

STATE OF LOUISIANA **Statement A**
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2013

LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	314,884
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		996,411
Amounts held in custody for others		
Other current liabilities		418,818
Current portion of long-term liabilities: (Note K)		
Contracts payable		304,720
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		661,149
Total current liabilities		2,695,982
NONCURRENT LIABILITIES		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		35,048
Bonds payable (include unamortized costs)		
OPEB payable		2,499,547
Other long-term liabilities		3,261,460
Total noncurrent liabilities		5,796,055
Total liabilities		8,492,037
DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging derivatives	$	
Deferred service concession arrangement receipts		
Total deferred inflows of resources		-
NET POSITION		
Net investment in capital assets		59,496,058
Restricted for:		
Capital projects		
Debt service		78,598
Unemployment compensation		
Other specific purposes		
Unrestricted		13,786,610
Total net position		73,361,266
Total liabilities, deferred inflows of resources, and net position	$	81,853,303

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

STATE OF LOUISIANA **Statement B**
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATING REVENUE		
Sales of commodities and services	$	
Assessments		
Use of money and property		
Licenses, permits, and fees		5,935,748
Federal grants and contracts		
State, local and nongovernmental grants and contracts		
Other		1,510,817
Total operating revenues		7,446,565
OPERATING EXPENSES		
Cost of sales and services		2,431,313
Administrative		2,671,877
Depreciation		2,849,402
Amortization		
Total operating expenses		7,952,592
Operating income(loss)		(506,027)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations		
Intergovernmental revenues(expenses)		
Taxes		
Use of money and property		
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		2,145
Federal grants		
Interest expense		(207,543)
Other revenue		
Other expense		70,916
Total non-operating revenues(expenses)		(134,482)
Income(loss) before contributions, extraordinary items, & transfers		(640,509)
Capital contributions		3,486,001
Extraordinary item		
Transfers in		
Transfers out		
Change in net assets		2,845,492
Total net assets – beginning		70,515,774
Total net assets – ending	$	73,361,266

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

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Statement C

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	$ 8,160,135	$ 7,446,565	$	$ 3,486,001	$ 2,772,431
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					
Miscellaneous					73,061
Special items					
Extraordinary item					
Transfers					
Total general revenues, special items, and transfers					73,061
Change in net assets					2,845,492
Net position - beginning as restated					70,515,774
Net position - ending					$ 73,361,266

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, 2013

Statement D
(continued)

Cash flows from operating activities		
Cash receipts from customers	7,676,731	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(2,637,812)	
Cash payments to employees for services	(2,568,847)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		2,470,072
Cash flows from non-capital financing activities		
State Appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	-	
Interest paid on notes payable	-	
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related 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	(528,850)	
Interest paid on notes payable	(216,619)	
Acquisition/construction of capital assets	(3,767,109)	
Proceeds from sale of capital assets		
Capital contributions	3,486,001	
Deposits with trustees		
Other - insurance recoveries	4,105	
Net cash provided(used) by capital and related financing activities		(1,022,472)
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities	393,855	
Interest and dividends earned on investment securities	375,282	
Net cash provided(used) by investing activities		769,137
Net increase(decrease) in cash and cash equivalents		2,216,737
Cash and cash equivalents at beginning of year		5,429,320
Cash and cash equivalents at end of year		$ 7,646,057

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Statement D
(concluded)

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

Operating income(loss)		$ (506,027)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	2,849,402	
Provision for uncollectible accounts	87,900	
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	180,955	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	103,030	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(381,772)	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	(38,689)	
Increase(decrease) in OPEB payable	175,273	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		$ 2,470,072

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	(174,401)
Change in investment premiums and discounts	(96,356)
Total noncash investing, capital, and financing activities:	$ (270,757)

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

INTRODUCTION

The Greater Baton Rouge Port Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 29, Article VI. The following is a brief description of the operations of the Greater Baton Rouge Port 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.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

B. BUDGETARY ACCOUNTING

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

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

Original approved budget	$	4,990,000
Amendments:		
Final approved budget	$	4,990,000

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendices Packet - Appendix A at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm, 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 Commission may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position 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 STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	$ 7,645,057	$	$	$
Deposits in bank accounts per bank	$ 7,755,193	$	$	$
Bank balances exposed to custodial credit risk:	$	$	$	$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution	7,755,193			
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 statement of net position" due to outstanding items.

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

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

Banking Institution	Program	Amount
1. Hancock Bank		$ 7,755,193
2.		
3.		
4.		
Total		$ 7,755,193

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 statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

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

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

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

	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 Statement of Net Position	Fair Value
Negotiable CDs	$	$	$	$
Repurchase agreements				
U.S. Government Obligations **			8,623,443	8,623,443
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			248,707	248,707
Hancock Horizon Government MMF			739,549	739,549
Total investments	$ -	$ -	$ 9,611,699	$ 9,611,699

* 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 Appendices Packet, Appendix A, at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial credit risk (See Appendix A in the Appendices Packet for a discussic of FNMA & FHLMC)

**** 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).

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Rating Agency	Rating		Fair Value
N/A	Not Rated	$	8,623,443
Standard and Poors	AAAm		739,549
Standard and Poors	AAAm		248,707
	Total	$	9,611,699

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	$ 8,623,443	$ 1,868,165	$ 6,755,278	$	$
Government MMF	739,549	739,549			
LAMP	248,707	248,707			
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	$ 9,611,699	$ 2,856,421	$ 6,755,278	$ -	$ -

2. There were no debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment.

C. Concentration of Credit Risk

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	$	2,156,080	25.00%
FNMA		4,282,480	49.66%
Federal Farm Credit Bank		1,578,765	18.31%
Total	$	8,017,325	

D. Foreign Currency Risk

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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, the 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 obligation; 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 mutual or trust fund institutions; certain guaranteed investment contract; and investment grade commercial paper of domestic United States corporations.

All investment policies conform to state law.

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

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. There were no investments in pools managed by other governments or mutual funds.

b. There were no securities with underlying reverse repurchase agreements.

c. There were no unrealized investment losses.

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d. There were no commitments as of December 31, 2013 (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>

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 statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

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Schedule of Capital Assets (includes capital leases)

Agency	Balance 12/31/2012	Prior Period Adjustments	Restated Balance 12/31/2012	Additions	* Reclassification of CIP	** Retirements	Balance 12/31/2013
Capital assets not depreciated:							
Land	$ 11,202,740	$	$ 11,202,740	$	$	$	$ 11,202,740
Non-depreciable land improvements			-				-
Non-depreciable easements			-				-
Capitalized collections			-				-
Software - development in progress			-				-
Construction in progress	10,483,364		10,483,364	2,830,126	(7,944,172)		5,369,318
Total capital assets not depreciated	$ 21,686,104	$ -	$ 21,686,104	$ 2,830,126	$ (7,944,172)	$ -	$ 16,572,058
Other capital assets:							
Railroad tracks, yards, and drainage	$ 14,985,405	$	$ 14,985,405	$	$	$	$ 14,985,405
** Accumulated depreciation	(7,537,626)		(7,537,626)	(406,731)			(7,944,357)
Total land improvements	7,447,779	-	7,447,779	(406,731)	-	-	7,041,048
Buildings	83,297,940		83,297,940	6,001	7,944,172		91,248,113
** Accumulated depreciation	(53,013,355)		(53,013,355)	(1,756,227)			(54,769,582)
Total buildings	30,284,585	-	30,284,585	(1,750,226)	7,944,172	-	36,478,531
Machinery & equipment	8,687,693		8,687,693	702,036			9,389,729
** Accumulated depreciation	(5,667,898)		(5,667,898)	(686,444)			(6,354,342)
Total machinery & equipment	3,019,795	-	3,019,795	15,592	-	-	3,035,387
Infrastructure	834,694		834,694				834,694
** Accumulated depreciation	(659,200)		(659,200)				(659,200)
Total infrastructure	175,494	-	175,494	-	-	-	175,494
Software (internally generated & purchased)			-				-
Other intangibles			-				-
** Accumulated amortization - software			-				-
** Accumulated amortization - other intangibles			-				-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 40,927,653	$ -	$ 40,927,653	$ (2,141,365)	$ 7,944,172	$ -	$ 46,730,460
Capital asset summary:							
Capital assets not depreciated	$ 21,686,104	$ -	$ 21,686,104	$ 2,830,126	$ (7,944,172)	$ -	$ 16,572,058
Other capital assets, book value	107,805,732	-	107,805,732	708,037	7,944,172	-	116,457,941
Total cost of capital assets	129,491,836	-	129,491,836	3,538,163	-	-	133,029,999
Accumulated depreciation/amortization	(66,878,079)	-	(66,878,079)	(2,849,402)	-	-	(69,727,481)
Capital assets, net	$ 62,613,757	$ -	$ 62,613,757	$ 688,761	$ -	$ -	$ 63,302,518

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

E. INVENTORIES

The Commission does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Commission at December 31, 2013, reflected at $739,747 in the non-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:

An example disclosure follows:
Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 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, 2013, 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.

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 2012 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the 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) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasersonline.org/uploads/CAFR_2012.pdf

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. 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, 2013, decreased to 28% of annual covered payroll from the 29% and 22% required in fiscal years ended December 31, 2012 and 2011 respectively. The Commission's contributions to the System for the years ending December 31, 2013, 2012, and 2011, were $374,521, $348,004, and $302,286, respectively, equal to the required contributions for each year.

(Continued)

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement 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 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 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	12/31/2013
1. * ARC	$356,600
2. * Interest on NOO (4%)	84,600
3. * ARC adjustment	(80,900)
4. * Annual OPEB Expense (1. + 2. - 3.)	360,300
5. Contributions (employer pmts. to OGB for retirees' cost of 2013 insurance premiums)	(185,027)
6. Increase in Net OPEB Obligation (4. - 5.)	175,273
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	2,324,274
8. **NOO, end of year (6. + 7.)	$2,499,547

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during the fiscal year 2013 amounted to $0.

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

3. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), or both of the criteria for a lessor lease (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, 2013:

	Cost	Accumulated depreciation	Carrying amount
a. Roilroad tracks and yards	$ 562,680	$ 562,680	$ -
b. Roadways and surface drainange	4,908,723	1,546,700	3,362,023
c. Buildings and structures	40,196,264	30,768,447	9,427,817
d. Equipment	2,308,410	2,308,410	-
e. Other			-
Total	$ 47,976,077	$ 35,186,237	$ 12,789,840

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of December 31, 2013:

Year Ended December 31,	Office Space	Equipment	Land & Facilities	Other	Total
2014	$	$	$ 2,551,616	$	$ 2,551,616
2015			2,491,129		2,491,129
2016			2,418,577		2,418,577
2017			2,185,827		2,185,827
2018			2,146,881		2,146,881
2019-2023			19,125,747		19,125,747
2024-2028					-
2029-2033					-
Total	$ -	$ -	$ 30,919,777	$ -	$ 30,919,777

Current year lease revenues received in fiscal year 2013 totaled $4,337,658. There were no contingent rentals received from operating leases received in the fiscal year for office space, equipment or land.

(Continued)

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2013:

	Year ended December 31, 2013				
	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 4,335,309	$	$ 1,073,850	$ 3,261,459	$ 545,000
Bonds payable				-	
Total notes and bonds	4,335,309	-	1,073,850	3,261,459	545,000
Other liabilities:					
Contracts payable				-	
Compensated absences payable				-	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation	50,048		15,000	35,048	
OPEB payable	2,324,274	175,273		2,499,547	
Other long-term liabilities				-	
Total other liabilities	2,374,322	175,273	15,000	2,534,595	-
Total long-term liabilities	$ 6,709,631	$ 175,273	$ 1,088,850	$ 5,796,054	$ 545,000

L. CONTINGENT LIABILITIES

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

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

The Commission is 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 years prior.

At December 31, 2013, the Commission is a codefendant in multiple 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 is estimated to be in a range of $400,000 to $2,000,000. Management intends to vigorously defend these matters.

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 2013 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 during the year ended December 31, 2013.

P. DEFEASED ISSUES

There were no defeased issues during the year ended December 31, 2013, for the Commission.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

There were no pledged revenues as of December 31, 2013.

2. FUTURE REVENUES REPORTED AS A SALE

There were no future revenues reported as of December 31, 2013.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

There were no government-mandated non-exchange transactions (grants) for the fiscal year 2013.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2013, the Commission had no violations of finance-related legal or contractual obligations.

T. SHORT-TERM DEBT

The Commission does not issue short-term notes.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2013, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	$	$	$	$	$ -
Gross receivables	$ 1,287,683	$ -	$ -	$ 39,410	$ -
Less allowance for uncollectible accounts	(90,000)			-	
Receivables, net	$ 1,197,683	$ -	$ -	$ 39,410	$ -
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2013, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$ 314,884	$ 67,324	$ 67,744	$	$ 449,952
					-
Total payables	$ 314,884	$ 67,324	$ 67,744	$ -	$ 449,952

W. SUBSEQUENT EVENTS

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

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT

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 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 or blended component unit:

Segment No. 1: Administration of Port activities with the Greater Baton Rouge Area
Segment No. 2: ______________________________

A. Condensed statement of net position:

	Segment #1	Segment #2
Current assets	$ 18,550,785	$
Due from other funds		
Capital assets	63,302,518	
Other assets		
Total Assets	81,853,303	
Deferred outflow of Resources		
Current liabilities	2,695,982	
Due to other funds		
Long-term liabilities	5,796,055	
Total Liabilities	8,492,037	
Deferred inflow of Resources		
Net investment in capital assets	59,496,058	
Restricted assets - expendable	78,598	
Restricted assets - nonexpendable		
Unrestricted assets	13,786,610	
Total Net Position	73,361,266	

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

	Segment #1	Segment #2
Operating revenues	$ 7,446,565	$
Operating expenses	5,103,190	
Depreciation and amortization	2,849,402	
Operating income (loss)	(506,027)	-
Nonoperating revenues (expenses)	(134,482)	
Capital contributions/additions to permanent and term endowments	3,486,001	
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net position	2,845,492	-
Beginning net position	70,515,774	
Ending net position	73,361,266	-

C. Condensed statement of cash flows

	Segment #1	Segment #2
Net cash provided (used) by operating activities	$ 2,470,072	$
Net cash provided (used) by noncapital financing activities	-	
Net cash provided (used) by capital and related financing activities	(1,022,472)	
Net cash provided (used) by investing activities	769,137	
Beginning cash and cash equivalent balances	5,429,320	
Ending cash and cash equivalent balances	$ 7,646,057	-

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, 2013, reflected at $661,149 in the liabilities section on Statement A, consist of $545,000 in current portion of notes payable, $48,405 in unredeemed bonds and coupons, and $67,744 in accrued interest payable.

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION

There were no adjustments to restate beginning net assets for January 1, 2013.

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total net assets reported on Statement A at December 31, 2013, $0 are restricted by enabling legislation.

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

There were no impaired capital assets at December 31, 2013.

DD. EMPLOYEE TERMINATION BENEFITS

The Commission had no termination benefits liability or expense as of December 31, 2013.

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 technology, or other factors. The Commission paid $15,000 in 2013 on this cost. The liability balance as of December 31, 2013 is $35,048.

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

The Commission did not receive any ARRA revenue and incurred no ARRA expenses in fiscal year 2013 on a full accrual basis.

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

The Commission had no assets restricted for other specific purposes as of December 31, 2013.

HH. SERVICE CONCESSION ARRANGEMENTS

There were no service concession arrangements for the fiscal year 2013.

SCHEDULE 1

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
DECEMBER 31, 2013

Name	Amount
Donald Bohach	$ 1,200
Lee Harang	1,500
Timothy Hardy	1,575
Brenda Hurst	1,500
Jerald Juneau	1,800
Raymound Loupe	1,425
Travis Medine	1,275
Roy Pickern	525
Randy Poche	1,650
Lynn Robertson	1,500
Jimmy Sanchez	1,500
Corey Sarullo	1,425
Clint Seneca	1,725
Blaine Sheets	1,500
Bobby Watts	1,725
Total	$ 21,825

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 3

STATE OF LOUISIANA
GREATER BATON ROUGE PORT COMMISSION
SCHEDULE OF NOTES PAYABLE
DECEMBER 31, 2013

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2012	Redeemed (Issued)	Principal Outstanding 12/31/2013	Interest Rates	Interest Outstanding 12/31/2013
1999A	3/31/99	$5,700,000	$2,710,000	$330,000	$2,380,000	8%-5.5%	$410,571
1999B	3/31/99	3,300,000	1,570,000	190,000	1,380,000	8%-5.5%	230,946
Premium		-0-	55,309	8,850	46,459		
Total		$9,000,000	$4,335,309	$528,850	$3,806,459		$641,517