PORT OF GREATER BATON ROUGE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2018

A COMPONENT UNIT OF THE STATE OF LOUISIANA FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2018

PREPARED BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION

Jay Hardman, *Executive Director*

Katie LeBlanc, *Director of Finance and Administration*

Robert Marionneaux, *Director of Governmental Affairs*

GREATER BATON ROUGE PORT COMMISSION

Comprehensive Annual Financial Report
For the Year Ended December 31, 2018

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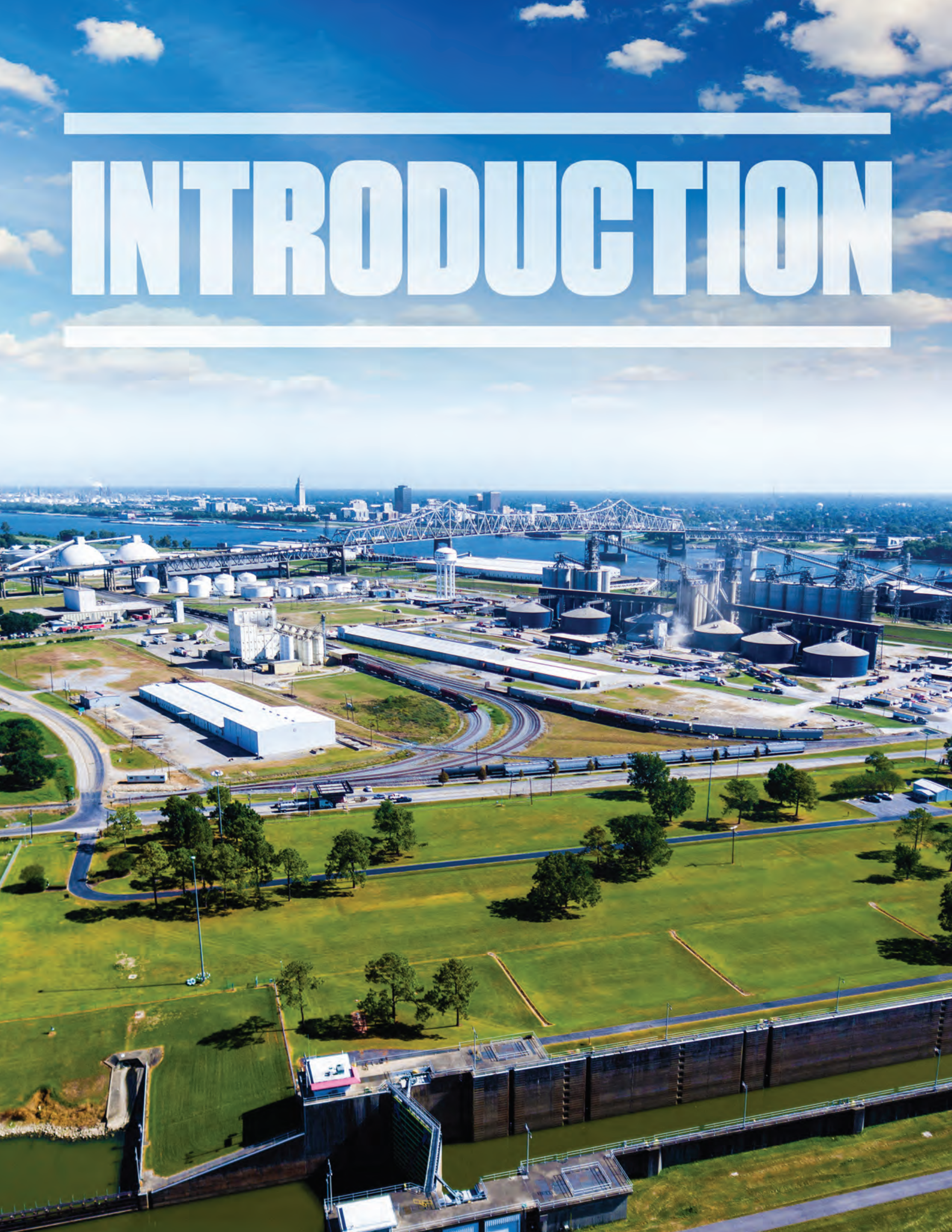
INTRODUCTION



INTRODUCTION

The Port of Greater Baton Rouge experienced continued growth in 2018, which can be attributed to new, as well as existing tenants, becoming fully operational. Additional cargo at the Port has increased the number of ship calls, barge transportation, rail, and trucking within the region.

The Port's public facilities handled 15,704,169 short tons in 2018, as compared to 14,095,407 short tons in 2017, an increase of 12%. The General Cargo Docks showed the largest percentage increase from 2017–up 58%. The Genesis Energy facility became operational and began shipments in September 2016 and loaded/shipped 79 ships in 2018.

In 2017, there were 217 ship calls at the docks, a 28% increase over the previous year. In 2018, there were 250 ship calls at the docks, a 16% increase over the previous year.

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

June 15, 2019

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

Re: 2018 Comprehensive Annual Financial Report

Dear Honorable Commissioners:

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 Louisiana Constitution of 1921 as Section 29, Article VI thereof, and was created as an Executive Department of the State of Louisiana. The Louisiana Constitution of 1974 continued the Greater Baton Rouge Port Commission as a political subdivision. 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.

Report Backdrop

This Comprehensive Annual Financial Report of The Greater Baton Rouge Port Commission for the twelve-month period ending, December 31, 2018, is hereby submitted for your review.

This report was prepared under the guidance of the Executive Director, the Director of Governmental Affairs and Outreach, and by the Director of Finance and Administration. Responsibility for the completeness, accuracy and fairness of the presentation rests with management. 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 and accurately present the financial position of the Port Commission. Disclosures necessary to enable the reader to understand the Commission's financial activities have been included.

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, Ericksen Krentel, LLP, Certified

Public Accountants for the audit years 2017—2019. The auditor's report on the component unit financial statements is included in the financial section of this report.

Management’s Discussion and Analysis (MD&A) can be found in the financial section immediately following the report of the independent auditors. MD&A complements this letter of transmittal and the basic financial statements.

Year in Review

The Port of Greater Baton Rouge experienced continued growth in 2018. This growth can be attributed to new, as well as existing tenants, becoming fully operational. Additional cargo at the Port has increased the number of ship calls, barge transportation, rail and trucking within the region.

The Port’s public facilities handled 15,704,169 short tons in 2018, as compared to 14,095,407 short tons in 2017, an increase of 12%. The General Cargo Docks showed the largest percent increase from 2017 – up 58%. The Genesis Energy facility became operational and began shipments in September 2016, and loaded / shipped 79 ships in 2018.

In 2017, there were 217 ship calls at the docks, a 28% increase over the previous year. In 2018, there were 250 ship calls at the docks, a 16% increase over the previous year.

According to recently released figures by the U.S. Army Corps of Engineers for the year 2017, the Port of Greater Baton Rouge was ranked 8th in the nation for total tonnage, handling 77,013,042 million tons within the Port’s jurisdiction.

Ongoing Key Factors

General Cargo Dock Ship Fender Rehabilitation / Other Improvements - $6.5 million

The Dock Fender System upgrade is underway and stands at about 90% complete. The funding source of the improvement project is a combined effort of the Louisiana Department of Transportation Port Construction and Development Priority Program (PCDPP), and The Greater Baton Rouge Port Commission.

The deep-water terminal is now capable of docking three deep-draft vessels simultaneously. The project will enhance the deepwater dock capabilities and improve berthing capacity for ships at the general cargo docks and support larger vessels such as post-panamax vessels.

Other improvements made to the docks include electric, state of the art mooring capstans. The total project cost is estimated at $6.5 million.

The Port has recently submitted an application to the Louisiana Department of Transportation Port Construction and Development Priority Program (PCDPP), for the expansion of the “Northern Berth,” in the amount of $15,125,000 dollars. This expansion will allow for the handling of a fourth deep draft vessel at the dock at its northern most point.

Genesis Energy Becomes Operational

In 2016, Genesis Energy, L.P., a Houston based company, became fully operational. The construction of the $150 million oil storage and import/export terminal at the Port of Greater Baton Rouge further diversified Port operations. The Port Commission staff expects that 33 million barrels of crude oil and other petroleum products will be run through the terminal annually. In 2018, Genesis Energy, through dockage and wharfage, contributed $2,518,585 to the Port of Greater Baton Rouge, exceeding the previous estimates of $2 million in annual revenue to the Port.

Wood Pellet Export Facility Completed and Expands Other Operations

In the winter of 2013, 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 exporting facility. Drax Biomass International is a development and operating company focused on manufacturing wood pellets from sustainable biomass for renewable low-carbon power generation.

On March 29, 2015, the Port welcomed the bulk carrier, *MV TBC Princess*, as the first ship to arrive at the Port's General Cargo Docks to load biomass pellets from the Baton Rouge Transit, LLC Facility. The facility has the yearly capacity to load 1.5 to 2 million metric tons into vessels, and an additional 30 ships are expected to arrive annually at the General Cargo Docks.

As of December 2018, Drax began receiving product from the following facilities: Bastrop, Louisiana; Urania, Louisiana; Gloster, Mississippi and Pine Bluff, Arkansas. Wood pellets produced in Bastrop, Urania, and Pine Bluff are being transported by the Union Pacific Railroad to the Port of Greater Baton Rouge. Pellets from Gloster are received by truck service.

When Drax operations at the Port began in 2015, Drax expected to call upon 12 ships per year. Additional demand has increased the ship call count to 28 ships in 2018.

Other Improvements Completed and Planned

In recent years, the Port has aggressively worked towards improvements of the rail system within the Port, and continued rail upgrades are a priority for the Port's leadership, management and shippers. The Port completed $9.5 million in improvements to the Port's rail system to provide additional capacity within the Port as well as replacing aging infrastructure.

In addition to the rehabilitation of the North Line Road Rail project, the wood pellet rail car unloading facility tracks for Baton Rouge Transit, LLC were completed at a cost of approximately $5.9 million.

Efforts of the Port of Greater Baton Rouge, along with the Union Pacific Railroad, have seen the completion of the $11 million improvement and addition to the Port's "Interchange Tracks."

Additionally, the State of Louisiana, the Greater Baton Rouge Port Commission, and its stakeholders continue to work towards the construction of a railcar "Chambering Yard," which is estimated to be a $23 million investment.

As of the date of this report, all indications are that the funds for the "Dreyfus intra-facility" rail tracks for utilization by Louis Dreyfus, are included in House Bill (2019 - HB 2) 2, in the amount of approximately $15 million.

The public/private partnership between the Port of Greater Baton Rouge and SEACOR Marine continues to see increases in the number of containers handled at the Inland Rivers Marine Terminal. In 2017, SEACOR handled 8,018 boxes, and in 2018 a total of 13,685 boxes were handled at the Inland Rivers Marine Terminal.

Due to this increase in container movement, the Port has recently begun an expansion of the Inland Rivers Marine Terminal. The expansion is estimated to cost $4,457,510 and will include 17,541 square yards of concrete.

Economic Outlook

The nine-parish Baton Rouge Metropolitan Statistical Area (MSA) is currently in an industrial expansion like no other. 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.

According to the Louisiana State University, Department of Economics, Louisiana Outlook Report for 2018-2019, the sheer volume of announced industrial work in Louisiana is unprecedented—pegged by economists at as much as $140 billion since 2012. A record $8 billion in industrial expansions is underway and construction is expected to have peaked in 2017 for the Baton Rouge area. However, industrial expansions in the area continue to be drive the local economy.

According to Dr. Loren Scott, "The Baton Rouge MSA is ideally situated to capitalize on this boom. Louisiana as a whole began recovering from its 20-month recession in May of 2017, and is expecting to add 22,300 jobs (+1.1%) in 2019."

The Baton Rouge area added 2,500 jobs in February, the 12th month in a row the area has posted a year-to-year gain in employment. Six of Louisiana's nine metro areas added nonfarm jobs over the previous 12 months. Overall, the state gained 5,600 jobs since February 2018, bringing the total number of nonfarm jobs in Louisiana to 1.97 million, according to figures released in March by the Louisiana Workforce Commission.

The Baton Rouge region's unemployment rate, as of March 2019, was 4.0 percent, better than the state unemployment rate of 4.4 percent.

International Trade and Exports

Louisiana shipped $56.5 billion worth of goods around the globe in 2017. That dollar amount represents a 16.7% increase from 2016 to 2017, but a -12.8% downturn since 2014. The value of Louisiana's exports equals 3.8% of the United States' overall exported products for 2017.

Liquid natural gas was the fastest growing among the top 10 export categories, up by 185.5% from 2016.

Louisiana's top five export markets are China, Mexico, Canada, Netherlands and Brazil. Louisiana's top five export commodities or products consisted of agricultural, petroleum/coal, chemicals, processed foods and oil/gas products. Based on the latest 2016 figures from the U.S. Department of Commerce, Louisiana's exports supported approximately 128,623 U.S. jobs, with 89% of these jobs being supported by manufactured goods. Since 2007, exports from Louisiana to Free Trade Agreement (FTA) countries have grown by over 89%, with 2016 values of exports to FTA partners totaling $22.1 billion in 2017 (Department of Commerce, International Trade Administration).

The Port of Greater Baton Rouge ranks 8th in the nation in total tonnage with over 77 million short tons of cargo 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 maritime 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 in an upward fashion.

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 1) that assets are safeguarded against loss from unauthorized use or disposition and 2) 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 $712,213 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.

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.

Financial Reporting

For financial reporting purposes, 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,* Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and* Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.*

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.

Operating Revenues

The Port's operating revenues for 2018 increased considerably from 2017. Overall Port revenues changed from $13,423,276 in 2017 to $15,260,637 in 2018, an increase of 14%.

Combined operating and non-operating revenues were recorded at $15,425,452, which was up by $1,873,431 over the same period in 2017. Increases in dockage and wharfage mostly contributed to the increase for 2018. Net position increased by $6,195,941 due to those same increases. Total net position was $90,949,611 at year-end, as compared to $84,753,670 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.

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, 2017. This was the 24th 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.

Continuous Improvement, Investment and Infrastructure Growth

The diversification of the Port's cargo base and revenue streams and improved utilization of the marine infrastructure and assets continue to be the principal drivers of the Port's overall success and sustainability as a market leader among U.S. Gulf of Mexico ports. This should continue well into the future. Our efforts to build upon these public infrastructure assets to create jobs and increase international trade and U.S. exports are part of our 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 for our existing customers and shippers, and we continually evaluate market conditions, shipping trends, jobs created 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 insure a vertically integrated approach to port growth, sustainability, and maritime security.

Our board of commissioners and staff are committed to the mission of the Port of Greater Baton Rouge. The Port's policies and goals 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 appreciates the effort and support of the local and state legislative delegation, congressional delegation and existing companies located at the Port and on the Mississippi River, as well as the cooperative effort of all of the Port's stakeholders. We express our 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 2019, the Port looks forward to working closely with the many private and public partnerships that consider the Port and its transportation infrastructure to be an excellent location, resulting in additional ship calls and jobs 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.

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. 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, Ericksen Krentel, LLP for the audit years 2017—2019. The auditor's report on the component unit financial statements is included in the financial section of this report.

Respectfully Submitted,

Jay Hardman, P.E.
Executive Director

Katie G. LeBlanc
Director of Finance and Administration

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, 2017

Christopher P. Morrill

Executive Director/CEO

PORT OF GREATER BATON ROUGE

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LIST OF PRINCIPAL OFFICERS

PORT COMMISSION

MR. SCOTTY E. CHABERT, JR.
East Baton Rouge Parish

MS. REBECCA A. CUNARD
East Baton Rouge Parish

MR. HALL L. DAVIS, IV
West Baton Rouge Parish

MR. MICHAEL D. DELAUNE
Ascension Parish

MS. BRENDA R. HURST
West Baton Rouge Parish

MR. ERIC T. JOHNSON
Iberville Parish

MR. JERALD JUNEAU
East Baton Rouge Parish

MR. ROBERT M. 'BOB" KELLY
Louisiana Farm Bureau East Bank

MR. TROY S. LEBOEUF
Ascension Parish

MS. ANGELA R. MACHEN
East Baton Rouge Parish

MR. TRAVIS M. MEDINE
Louisiana Farm Bureau West Bank

MS. LYNN ROBERTSON
West Baton Rouge Parish

MR. CLINT SENECA
Iberville Parish

MR. KEVIN J. STEVENS
East Baton Rouge Parish

MR. BOBBY WATTS
East Baton Rouge Parish

PORT STAFF

JAY HARDMAN, P.E.
Executive Director
hardmanj@portgbr.com

GREG JOHNSON
Director of Business Development
johnsong@portgbr.com

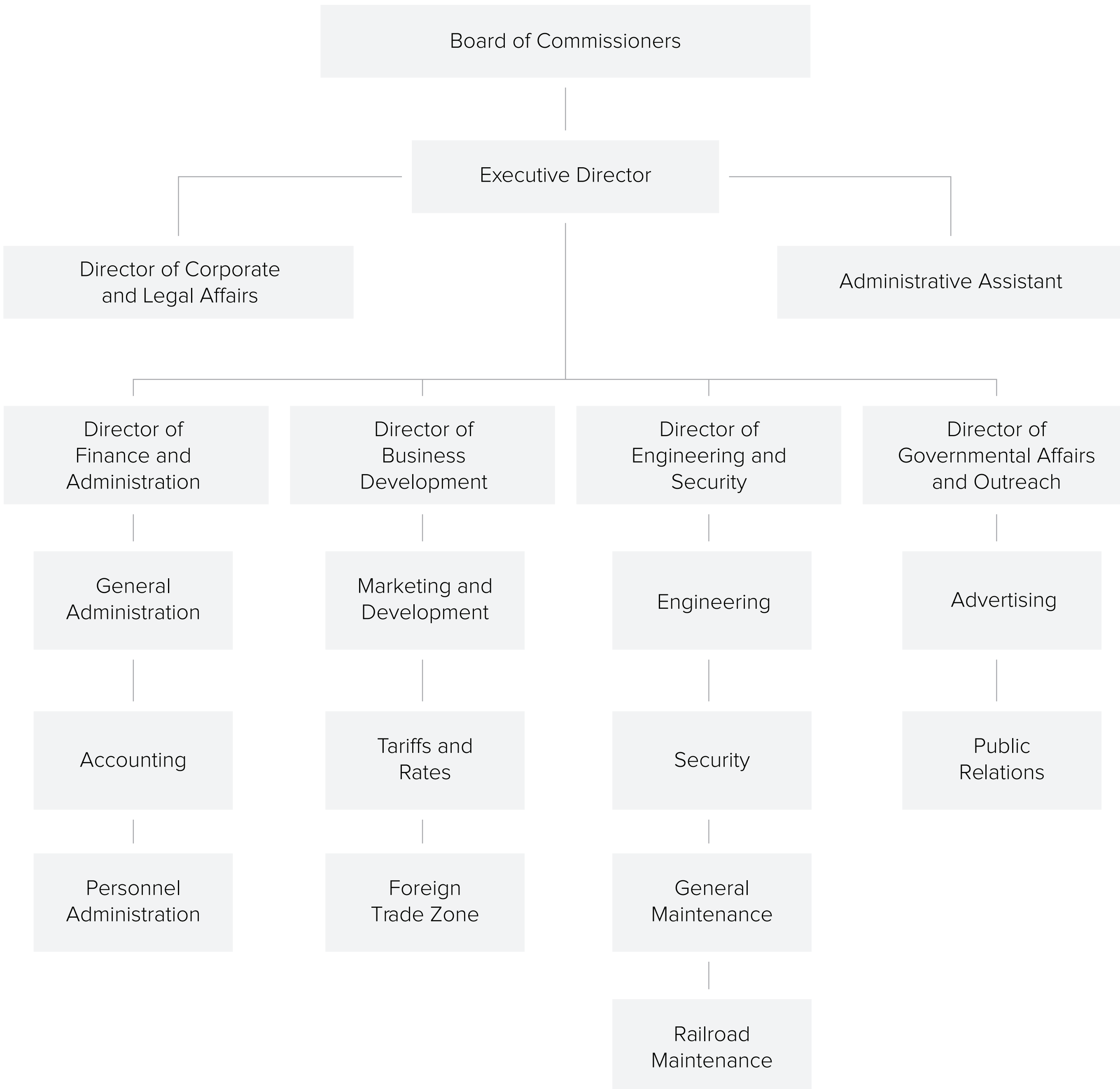
CORTNEY WHITE, P.E.
Director of Engineering and Security
whitec@portgbr.com

ROBERT M. MARIONNEAUX, JR.
Director of Governmental Affairs and Outreach
marionneauxr@portgbr.com

KATIE G. LEBLANC
Director of Finance and Administration
leblanck@portgbr.com

STEPHEN W. GLUSMAN
Attorney at Law
Director of Corporate and Legal Affairs
glusmans@portgbr.com

ORGANIZATIONAL CHART



FINANCIAL

PORT OF GREATER BATON ROUGE

FINANCIAL

The Port's operating revenues for 2018 increased considerably from 2017. Overall Port revenues changed from $13,423,276 in 2017 to $15,260,637 in 2018, an increase of 14%.

Combined operating and non-operating revenues were recorded at $15,569,078, which was up by $1,829,547 over the same period in 2017. Increases in dockage and wharfage mostly contributed to the increase for 2018.

Net position increased by $1,820,942 due to those same increases. Total net position was $90,949,611 at year-end, as compared to $89,128,669 the previous year.

The nine-parish Baton Rouge Metropolitan Statistical Area (MSA) is currently in an industrial expansion like no other. Louisiana's petrochemical industry manufactures one-quarter of America's petrochemicals including basic chemicals, plastics, and fertilizers. 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.

INDEPENDENT AUDITORS' 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, 2018, 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.

Auditors' 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, the *Louisiana Governmental Audit Guide* 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.

4227 Canal Street
New Orleans, LA 70119
P: (504) 486-7275 | F: (504) 482-2516

Ericksen Krentel LLP
www.EricksenKrentel.com

2895 Highway 190, Ste 213
Mandeville, LA 70471
P: (985) 727-0777 | F: (985) 727-6701

To the Board of Commissioners
Greater Baton Rouge Port Commission
June 8, 2019

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 Greater Baton Rouge Port Commission, as of December 31, 2018, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2018, the Greater Baton Rouge Port Commission adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

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), schedule of employer's proportionate share of net pension liability, schedule of pension contributions, notes to the schedules of employer's proportionate share of net pension liability and pension contributions, schedule of employer's proportionate share of the total collective OPEB liability and the notes to the schedule of employer's proportionate share of the total collective OPEB liability, 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.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Greater Baton Rouge Port Commission
June 8, 2019

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, schedule of lease information, schedule of future lease rent revenue without options, schedule of operating expenses by major category, schedule of administrative expenses, schedule of operating income (loss) by facility, and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of Commissioners' per diem is presented for purposes of additional analysis as required by House Concurrent Resolution No. 54 of the 1979 Louisiana Legislative Session and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements.

Such information is the responsibility of management and was 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2019, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

June 8, 2019
New Orleans, Louisiana

Ericksen Krentel LLP

Certified Public Accountants

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GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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, 2018. Please read it in conjunction with the Commission's basic financial statements.

FINANCIAL HIGHLIGHTS

1. Cash increased by $1,496,011 during the year, primarily due to the increase in operating revenues.

2. Operating revenue increased $1,837,361 during 2018 primarily due to an increase in dockage, wharfage, and rail car revenues.

3. Operating expenses decreased $15,215 during 2018 primarily due to a decrease in administrative expenses.

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, Expenses, 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 statement of net position, the statement of revenues, expenses and changes in net position, and the statement 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 its changes. Net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – 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 financials 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)

	2018	Restated 2017	% Change
Current and other assets	$ 29,802	$ 24,611	21.09%
Capital assets	78,037	77,680	0.46%
Total assets	107,839	102,291	5.42%
Deferred outflows of resources	814	613	32.79%
Total assets and deferred outflows	$ 108,653	$ 102,904	5.59%
Current and other liabilities	$ 4,299	$ 4,165	3.22%
Long-term obligations	12,945	13,844	-6.49%
Total liabilities	17,244	18,009	-4.25%
Deferred inflows of resources	459	141	225.53%
Components of net position:			
Net investment in capital assets	76,799	76,279	0.68%
Restricted for debt service	691	668	3.44%
Unrestricted	13,460	7,807	72.41%
Total net position	90,950	84,754	7.31%
Total liabilities, deferred inflows of resources and net position	$ 108,653	$ 102,904	5.59%

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 $6,195,941, or 7%, during the year ended December 31, 2018. The primary reason is due to increases in dockage, wharfage, and rail car revenues.

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

	2018	2017	% Change
Lease rentals	$ 4,167	$ 4,602	-9.45%
Dockage and wharfage	7,617	5,991	27.14%
Rail car, vessel and other	3,476	2,830	22.83%
Total operating revenue	15,260	13,423	13.69%
Direct	(3,755)	(3,552)	5.72%
Administrative and other	(2,952)	(3,039)	-2.86%
Depreciation	(3,349)	(3,481)	-3.79%
Total operating expenses	(10,056)	(10,072)	-0.16%
Operating income	5,204	3,351	55.30%
Non-operating revenues	308	316	-2.53%
Non-operating expenses	(213)	(278)	-23.38%
Total non-operating revenues (expenses)	95	38	150.00%
Income before capital contributions	5,299	3,389	56.36%
Capital contributions	897	735	22.04%
Change in net position	6,196	4,124	50.24%
Net position - beginning of year (restated)	84,754	80,630	5.11%
Net position - end of year	$ 90,950	$ 84,754	7.31%

The Commission's operating revenues increased by 14%, or $1,837,361, due to additional rental income and dockage revenue throughout the year. Operating expenses decreased approximately $15,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2018 and 2017, the Commission had approximately $78,037,067 and $77,680,327, 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. The 2018 amount represents a net increase (including additions and disposals) of $356,740 over the last year. Accumulated depreciation at the end of 2018 and 2017 was $86,145,045 and $83,280,767, respectively. For additional information on capital asset activity, see Note 5 in the Financial Statements section.

Capital assets at December 31, net of accumulated depreciation, are as follows:

CAPITAL ASSETS
(In thousands)

	2018	2017
Land	$ 11,212	$ 11,212
Construction in progress	14,379	10,937
Building and improvements	34,496	36,604
Infrastructure	16,514	16,996
Equipment	1,436	1,931
Total	$ 78,037	$ 77,680

Debt

The Commission had $712,213 in revenue bonds outstanding as of December 31, 2018, compared to $1,401,062 in the prior year, a decrease of 49%. No new debt was issued during the year ended December 31, 2018. The Commission carries a BBB+ debt rating on its debt. Additional information concerning the revenue bonds is disclosed in Note 6 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS

In accordance with the requirements of GASB 34, we are not aware of any known facts, decision 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 Port Commission at P.O. Box 380, Port Allen, Louisiana 70767 or (225) 342-1660.

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF NET POSITION

December 31, 2018

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

CURRENT	
Cash	$ 10,989,907
Investments	14,216,860
Accounts receivable, net	3,729,127
Accrued interest receivable	47,267
Prepaid expenses and other	66,600
Restricted investments	752,185
Total current assets	29,801,946
CAPITAL ASSETS	
Non-depreciable	25,591,107
Depreciable, net	52,445,960
Total capital assets	78,037,067
Total assets	107,839,013
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension liability	650,396
Deferred outflows related to OPEB liability	164,073
Total deferred outflows of resources	814,469
Total assets and deferred outflows of resources	$ 108,653,482

The accompanying notes to the financial statements on Exhibit D are an integral part of this statement.

Exhibit A
(Continued)

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

STATEMENT OF NET POSITION

December 31, 2018

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION

CURRENT		
Payable from unrestricted assets:		
Accounts payable	$	815,125
Construction payable		526,107
Other accrued liabilities		495,271
Revenues received in advance		1,689,408
Total current liabilities - payable from unrestricted assets		3,525,911
Payable from restricted assets:		
Current portion of long-term debt		712,213
Accrued interest payable		12,875
Unredeemed bonds and coupons		48,405
Total current liabilities - payable from restricted assets		773,493
Total current liabilities		4,299,404
NET PENSION LIABILITY		5,929,586
NET OPEB LIABILITY		7,015,764
LONG TERM DEBT, less current maturities		-
Total noncurrent liabilities		12,945,350
Total liabilities		17,244,754
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension liability		88,377
Deferred inflows related to OPEB liability		370,740
Total deferred inflows of resources		459,117
NET POSITION		
Net investment in capital assets		76,798,747
Restricted for debt service		690,905
Unrestricted		13,459,959
Total net position		90,949,611
Total liabilities, deferred inflows of resources, and net position	$	108,653,482

The accompanying notes to the financial statements on Exhibit D are an integral part of this statement.

PORT OF GREATER BATON ROUGE

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GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2018

OPERATING REVENUES		
Lease rentals	$	4,166,953
Dockage and wharfage		7,617,240
Rail car, vessel and other		3,476,444
Total operating revenues		15,260,637
OPERATING EXPENSES		
Direct		3,755,078
Administrative and other		2,952,131
Depreciation		3,349,809
Total operating expenses		10,057,018
Operating income		5,203,619
NON-OPERATING		
Investment income		254,455
Interest expense		(35,680)
Loss on sale of investments		(143,626)
Gain on sale of capital assets		53,986
Other		(33,347)
Total non-operating		95,788
Change in net assets before capital contributions		5,299,407
Capital contributions, net		896,534
Increase in net position		6,195,941
NET POSITION		
Beginning of year (restated)		84,753,670
End of year	$	90,949,611

The accompanying notes to the financial statements
on Exhibit D are an integral part of this statement.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	14,376,041
Payments to suppliers for goods and services		(3,284,111)
Payments to employees for services		(3,321,530)
Net cash provided by operating activities		7,770,400
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of loans		(680,000)
Interest paid on loans		(56,788)
Acquisition/construction of capital assets, net		(3,706,546)
Capital contributions		896,534
Net cash used in capital and related financing activities		(3,546,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities		(7,244,390)
Proceeds from calls and maturities of investment securities		4,270,482
Interest and dividends earned on investment securities		246,319
Net cash used by investing activities		(2,727,589)
Net increase in cash		1,496,011
CASH		
Beginning of the year		9,493,896
End of the year	$	10,989,907

The accompanying notes to the financial statements
on Exhibit D are an integral part of this statement.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$	5,203,619
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		3,349,809
Change in operating assets and liabilities:		
Accounts receivable		(833,601)
Prepaid expenses		(2,102)
Accounts payable and other accrued liabilities		165,052
Revenue received in advance		(50,996)
Change in net pension obligation		40,483
OPEB benefits		(101,864)
Net cash provided by operating activities	$	7,770,400
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in unrealized loss on investments	$	(3,001)
Change in investment premiums and discounts	$	(149,925)

The accompanying notes to the financial statements on Exhibit D are an integral part of this statement.

PORT OF GREATER BATON ROUGE

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GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, shed 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 reported 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, environmental remediation liability, net pension liability and the related deferred outflows and inflows, obligations for post-employment benefits, and revenues received in advance.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

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 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.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

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 the 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 in the State of Louisiana; savings accounts or share of certain savings and loans associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust funds institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

Receivables

Receivables consist of all revenue earned at year-end and not yet received. All known uncollectible accounts have been removed from receivables, and an allowance of $42,000 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.

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 capitalized 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 track 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

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2018, 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 the 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 is included in other accrued liabilities in the statement of net position and increased by $60,417 during 2018. The amount of this liability as of December 31, 2018 and 2017 was $382,876 and $322,459, respectively.

Pensions

The Commission is a participating employer in a defined benefit pension plan as described in Note 3. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within the plan.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

The statement of net position includes a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category includes amounts related to pensions and other post-employment benefits for certain actuarially determined differences projected and actual investment earnings.

The statement of net position also includes a separate section for deferred inflows of resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, this category includes amounts related to pensions and other post-employment benefits for certain actuarially determined differences between projected and actual experience.

Other Post-Employment Benefits

The Commission provides certain health care and life insurance benefits for retired employees and recognizes the costs associated with providing these benefits as claims are paid. In the government-wide financial statements, other post-employment benefits are reported as liabilities.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Position Classifications

Net position is classified in the following three components:

- Net investment in capital assets – this component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, payables, 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 net investment in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- Restricted – This component of net position consists of constraints placed on net position 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 position – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Subsequent Events

The Commission evaluated its December 31, 2018 financial statements for subsequent events through the date of the independent auditor's report, which was the date 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.

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement is effective for financial statements for fiscal years beginning after June 15, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Commission adopted this guidance for the fiscal year beginning January of 2018.

Note 2 – DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2018, the Commission has cash (book balances) totaling $10,989,907 as follows:

Demand deposits	$	10,988,907
Petty cash		1,000
	$	10,989,907

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, 2018, the Commission's total demand deposit bank balance of $11,066,128 was entirely secured by federal deposit insurance and pledged securities held by the Commission's agent in the Commission's name.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of December 31, 2018, investments of the Commission consisted of the following:

		Fair Value		Cost
Obligations of federally sponsored entities	$	13,958,802	$	14,072,327
Government money market fund - restricted		752,185		750,939
Louisiana Asset Management Pool (LAMP)		258,058		257,358
Stock		-		3,355
	$	14,969,045	$	15,083,979

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Application and Measurement,* all investments are reported at fair value with gains and losses included in the statement of revenue, expenses, and changes in net position.

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Port has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

The Commission had the following recurring fair value measurements as of December 31, 2018.

	Amount			
		Level 1		Total
Government securities of U.S. federal agencies	$	13,958,802	$	13,958,802
Government money market fund		752,185		752,185
Louisiana Asset Management Pool (LAMP)		258,058		258,058
	$	14,969,045	$	14,969,045

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

Description	CUSIP	Fair Market Value
Federal Home Loan Bank	313383VN8	$ 995,470
Resolution Funding Corporation	76116FAG2	4,265,190
Federal Home Loan Mortgage Association	3134GBC75	983,650
Federal Farm Credit Bank	3133EGQ84	1,924,680
Federal Farm Credit Bank	3133EJKJ7	995,860
Federal Home Loan Bank	3130A9BK6	1,818,072
Federal Farm Credit Bank	3133EGXP5	1,581,624
Federal Farm Credit Bank	3133EGB87	1,008,452
		$ 13,572,998

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, 2018, the Commission had the following investment in debt securities:

		Investment Maturities (In Years)	
Investment Type	Fair Value	Less than 1	1 - 5
Obligations of federally sponsored entities	$ 13,958,802	$ 1,991,330	$ 11,967,472
Government money market fund - restricted	752,185	752,185	-
Louisiana Asset Management Pool	258,058	258,058	-
	$ 14,969,045	$ 3,001,573	$ 11,967,472

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

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. As December 31, 2018, the commission invested in obligations of federally sponsored entities in the amount of $13,958,802, which are rated AA+ with the exception of Resolution Funding Corporation which is 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 Commission follows the policy of the state of Louisiana and therefore is not exposed to investment credit risk. 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 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, 2018 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, 2018, the stock had a fair value of zero.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN

Louisiana State Employees' Retirement System

Plan Description

Substantially all employees of the Commission are provided with a pension through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS) to provide retirement allowances and other benefits to eligible state officers, employees, and their beneficiaries. Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues publicly available stand-alone audit reports on their financial statements and required supplementary information that can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov and LASERS' website, www.lasersonline.org.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. A rank and file member hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 year of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation, or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Retirement (Continued)

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service or at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular member, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 for the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

GREATER BATON ROUGE PORT COMMISSION
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active members to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less that the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

GREATER BATON ROUGE PORT COMMISSION
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Survivor's Benefits (continued)

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended December 31, 2018 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Regular Employees hired before 7/01/16	Closed	7.50%	37.9%
Regular Employees hired on or after 7/01/06	Closed	8.00%	37.9%
Regular Employees hired on or after 1/01/11	Closed	7.50%	37.9%
Regular Employees hired on or after 7/1/15	Open	8.00%	37.9%

The Commission's contractually required composite contribution rate for the year ended December 31, 2018 was 37.9% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any Net Pension Liability. Contributions to the pension plan from the Agency was $638,125 for the year ended December 31, 2018.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Commission reported a liability of $5,929,586 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.
As June 30, 2018, the Commission's proportion was 0.08695%, which was an increase of 0.00456% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Commission recognized total pension expense of $40,485, which consisted of the Commission's portion of net change in the Net Pension Liability, net change in deferred outflows and inflows of resources, actual contributions to the Plan, and the net effect of the Commission's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At December 31, 2018, the commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 60,338	$ -
Net difference between projected and actual earnings on pension plan investments	76,887	-
Changes in assumptions	-	(66,494)
Changes in proportion and differences between employer contributions and proportionate share contributions	193,673	(21,883)
Employer contributions subsequent to the measurement date	319,498	-
Total	$ 650,396	$ (88,377)

The Commission reported $319,498 as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date that will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2019	$ 240,512
June 30, 2020	168,620
June 30, 2021	(144,909)
June 30, 2022	(21,701)

GREATER BATON ROUGE PORT COMMISSION
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Dates	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.65% per annum, net of investment expense
Inflation Rate	2.75% per annum
Mortality	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

Cost of Living Adjustments	The present value of future benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.48%
Domestic equity	4.31%
Internaitonal equity	5.26%
Domestic fixed income	1.49%
Internaional fixed income	2.23%
Alterntive investmenrts	7.67%
Risk parity	4.96%
Total fund	5.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.65%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (continued)

	1.0% Decrease (6.65%)	Current Discount Rate (7.65%)	1.0% Increase (8.65%)
Proportionate Share of Net Pension Liability	$ 7,483,531	$ 5,929,586	$ 4,591,256

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at http://lasersonline.org.

Note 4 – NET POSITION

Net investment in capital assets

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

Capital assets, depreciable, net	$ 52,445,960
Capital assets, non-depreciable	25,591,107
Total capital assets, net	78,037,067
Related debt, long-term	-
Related debt, short-term	(712,213)
Construction payable	(526,107)
Total related debt	(1,238,320)
Net investment in capital assets	$ 76,798,747

Restricted net position

Restricted net position relates to debt service. The amounts restricted for debt service at December 31, 2018 were computed as follows:

Assets restricted for loan repayment	$ 752,185
Less: current liabilities payable from restricted assets	(61,280)
Ending balance	$ 690,905

Note 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 11,212,425	$ -	$ -	$ 11,212,425
Construction in progress	10,935,981	3,557,501	114,800	14,378,682
Total capital assets not being depreciated	22,148,406	3,557,501	114,800	25,591,107
Capital assets being depreciated				
Railroad tracks and yards	14,596,668	-	-	14,596,668
Roadways and surface drainage	12,103,753	106,527	-	12,210,280
Buildings and structures	99,679,255	10,435	-	99,689,690
Equipment	11,138,514	144,115	428,180	10,854,449
Office furniture and fixtures	806,182	2,771	57,351	751,602
Transportation equipment	488,316	-	-	488,316
Total capital assets being depreciated	138,812,688	263,848	485,531	138,591,005
Less accumulated depreciation for:				
Railroad tracks and yards	3,511,374	308,521		3,819,895
Roadways and surface drainage	6,192,687	279,869		6,472,556
Buildings and structures	63,074,771	2,119,064		65,193,835
Equipment	9,254,258	605,753	428,180	9,431,831
Office furniture and fixtures	769,295	26,668	57,351	738,612
Transportation equipment	478,382	9,934		488,316
Total accumulated depreciation	83,280,767	3,349,809	485,531	86,145,045
Capital assets being depreciated, net	55,531,921	(3,085,961)	-	52,445,960
Net capital assets	$ 77,680,327	$ 471,540	$ 114,800	$ 78,037,067

Depreciation expense for the year ended December 31, 2018 was $3,349,809.

Details of construction in progress at December 31, 2018 is as follows:

Dock Fender Project	$ 11,527,487
IRMT Project	1,196,530
IRMT Container Yard Expansion	235,185
GREL Rail Improvements	1,025,280
MARAD Equipment Project	394,200
Total	$ 14,378,682

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 6 – LONG TERM DEBT

Revenue Bonds

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

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 Series 1999A 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.

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, 2018, the outstanding indebtedness consisted of the following:

Bond Series	Maturing	Call Prices %	Interest Rate	Payable at 1/1/18	Additions	Reductions	Payable at 12/31/18
1999A	2019	100-102	8% - 5.5%	$ 880,000	$ -	$ 430,000	$ 450,000
1999B	2019	100-102	8% - 5.25%	510,000	-	250,000	260,000
Unamortized premium on bonds payable				11,062	-	8,849	2,213
				$ 1,401,062	-	$ 688,849	712,213
Less: Amounts due within one year payable from restricted assets							(712,213)
Long term debt, less current maturities							$ -

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at December 31, 2018, are as follows:

Year	Principal	Interest	Total
2019	$ 710,000	$ 19,200	$ 729,200
	$ 710,000	$ 19,200	$ 729,200

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 6 – LONG TERM DEBT (CONTINUED)

Interest costs incurred and charged to expense were $35,680 for the year ended December 31, 2018.

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, 2018.

Buildings and structures	$	47,705,192
Roadways and surface drainage		4,908,723
Equipment		1,938,543
Railroad tracks and yards		562,680
Total leased property		55,115,138
Less accumulated depreciation		(39,467,830)
Net leased property	$	15,647,308

Depreciation expense for leased property during 2018 was $1,121,847, which is included in depreciation expense on the statement of revenues, expenses, and changes in net position.

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2018:

Year		Future Rental Revenues
2019	$	3,494,722
2020		3,255,857
2021		3,113,835
2022		3,034,668
2023		3,011,606
Thereafter		13,971,975
	$	29,882,663

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 – POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined-benefit, multi-employer other postemployment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3:303. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802. The Plan does not issue a stand-alone report.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, and OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2018. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Employer Contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans. The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

OGB Participation	Employer Share	Retiree Share
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

Note 8 – POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At December 31, 2018, the Commission reported a liability of $7,015,764 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date. The Commission's proportionate share of the restated collective OPEB liability at December 31, 2017, totaling $7,324,295, was determined using a rollback of the same valuation to July 1, 2016, using the discount rate applicable on that date, and assuming no experience gains or losses.

The Commission's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At December 31, 2018, the Commission's proportion was .0807%. Because the beginning balance was restated using a rollback of the July 1, 2017 valuation assuming no experience gains or losses, there is no change to the proportion since the prior measurement date.

The total collective OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, level percentage of pay
Expected Remaining Service Lives	4.48 years
Inflation Rate	Consumer Price Index (CPI) 2.8%
Salary increase rate	Consistent with state's pension plan
Discount rate	3.13% based on the June 30, 2017 Standard & Poor's 20-year municipal bond index rate
Mortality rates	Based on the RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on a fully generational basis by Mortality Improvement Scale MP-2017
Healthcare cost trend rates	7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 8 – POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017.

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate

The following presents the Commission's proportionate share of the total collective OPEB liability using the current discount rate as well as what the Commission's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (2.13%)	Current Discount Rate (3.13%)	1.0% Increase (4.13%)
Proportionate Share of Total Collective OPEB liability	$ 8,237,917	$ 7,015,764	$ 6,051,615

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the healthcare cost trend rates

The following presents the Commission's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates as well as what the Commission's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
	(6.0% decreasing to 3.5%)	(7.0% decreasing to 4.5%)	(8.0% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	$ 6,046,875	$ 7,015,764	$ 8,275,130

GREATER BATON ROUGE PORT COMMISSION
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 8 – POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Commission recognized OPEB expense of $24,165. At December 31, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ -	$ (370,740)
Changes in employer's proportionate share of net OPEB Liability	38,044	-
Amounts paid by the employer for OPEB subsequent to the measurement date	126,029	-
Total	$ 164,073	$ (370,740)

Deferred outflows of resources related to OPEB resulting from the Commission's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Net Amount Recognized in OPEB Expense
2019	$ (95,603)
2020	(95,603)
2021	(95,603)
2022	(45,889)
	$ (332,698)

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; error 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, suites, 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. Except as noted hereafter, settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

Note 9 – RISK MANAGEMENT AND CONTINGENT LIABILITIES (CONTINUED)

At December 31, 2018, the Commission is a codefendant in multiple lawsuits. In the opinion of the Commission's attorney, while it is possible that there may be an unfavorable outcome to the Commission, it is not expected to have a material effect. Management continues 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, 2018 was $47,235.

Note 11 – OTHER COMMITMENTS

At December 31, 2018, the Port Commission had commitments outstanding, in the form of contracts relating to construction projects, of approximately $804,936.

Note 12 – CAPITAL CONTRIBUTIONS

The Commission received capital contributions from federal and state sources for the year ended December 31, 2018 in the amount of $896,534. The following is the breakdown of the source of these contributions for the year ended December 31, 2018:

State grants	$	814,016
Federal grants		82,518
Total	$	896,534

The state and federal grants received during 2018 were for construction.

Note 13 – RESTATEMENT OF BEGINNING NET POSITION

The beginning net position as of January 1, 2018 has been restated to reflect the following adjustment:

Net position at December 31, 2017	$	89,128,669
OPEB GASB 75 adjustment		(4,374,999)
Net position at December 31, 2017, as restated	$	84,753,670

The restatement decreased the Commission's net position by $4,374,999. The restatement was due to the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 82, "Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73." The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, "Financial Reporting for Pension Plans," No. 68, "Accounting and Financial Reporting for Pensions," and No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This Statement did not have a material effect on the Commission's financial statements upon implementation.

The GASB has issued Statement No. 83, "Certain Asset Retirement Obligations." The objective of this Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement establishes criteria for determining the timing and the pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, and requires (1) that recognition occur when the liability is both incurred and reasonably estimable; (2) the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred; (3) the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually; (4) a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays; and (5) disclosure of information concerning the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Commission plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 84. "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Commission plans to adopt this Statement as applicable by the effective date.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 14 – NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 85, "Omnibus 2017." The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. This Statement did not have a material effect on the Commission's financial statements upon implementation.

The GASB has issued Statement No. 86, "Certain Debt Extinguishment Issues." The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. This Statement did not have a material effect on the Commission's financial statements upon implementation.

The GASB has issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Commission plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Commission plans to adopt this Statement as applicable by the effective date.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

Note 14 -- NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.” The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Commission plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 90, “Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61.” The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Commission plans to adopt this Statement as applicable by the effective date.

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF GREATER BATON ROUGE

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Exhibit E-1

Greater Baton Rouge Port Commission
Port Allen, Louisiana
Schedule of Employer's Proportionate Share of Net Pension Liability
Last Ten Fiscal Years (1) (2)

	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	0.08695%	0.08239%	0.08309%	0.07737%
Employer's Proportionate Share of the Net Pension Liability	$ 5,929,586	$ 5,799,081	$ 6,524,921	$ 5,262,124
Employer's Covered Payroll	$ 1,640,175	$ 1,532,619	$ 1,502,999	$ 1,387,840
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	361.52%	378.38%	434.13%	379.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.3%	45.26%	57.70%	62.70%

(1) *Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

(2) *The amounts presented have a measurement date of June 30th of the year shown.*

SEE INDEPENDENT AUDITORS' REPORT

Greater Baton Rouge Port Commission
Port Allen, Louisiana
Schedule of Pension Contributions
Last Ten Fiscal Years (1)

As of the fiscal year ended		Contractually Required Contribution[1]		Contributions in Relation to Contractually Required Contribution[2]		Contribution Deficiency (Excess)		Employer's Covered Payroll[3]	Contributions as a % of Covered Employee Payroll
12/31/2018	$	637,707	$	638,125	$	(418)	$	1,640,175	38.91%
12/31/2017	$	582,167	$	548,677	$	33,490	$	1,549,885	35.40%
12/31/2016	$	555,475	$	555,177	$	298	$	1,521,849	36.48%
12/31/2015	$	555,935	$	554,485	$	1,450	$	1,494,448	37.10%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
For reference only:
1 Employer contribution rate multiplied by employer's covered employee payroll
2 Actual employer contributions remitted to Retirement Systems
3 Employer's covered employee payroll amount for the fiscal year ended December 31, 2018

Notes to Required Supplementary Information
For the Year Ended June 30, 2018

Notes to Required Supplementary Information

Changes of Benefit Terms include:

2015 1) A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
2015 2) Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014, and,
2017 3) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and,
2017 4) Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.
2018 No changes identified in the 2017 RSI template, GASB 68 Note B, LASERS CAFR Note A, & Actuarial Valuation. No additional disclosure required.

Changes of Assumptions include:

2018 There were several changes in assumptions for the June 30, 2017 valuation. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%. In addition, the projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

SEE INDEPENDENT AUDITORS' REPORT

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
Schedule of the Employer's Proportionate Share
of the Total Collective OPEB Liability
For the Year Ended December 31, 2018

	Fiscal Year*	
	2018	**2017**
Employer's proportion of the total collective OPEB liability	0.0807%	0.0807%
Employer's proportionate share of the total collective OPEB liability	$ 7,015,764	$ 7,324,295
Employer's covered-employee payroll	$ 1,683,708	$ 1,519,327
Employer's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll	416.69%	482.07%

*The amounts presented were determined as of the measurement date (July 1).

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

Notes to Required Supplementary Information

There are no assets accumulated in a trust that meet the requirements in paragraph 4 of GASB Statement 75 to pay related benefits.

Changes in assumptions -
In the valuation for 2017, the discount rate increased from 2.71% to 3.13%

Changes in population -
Changes in the Board's census data including a increase of the number of participating employees at July 1, 2017, from 22 employees to 24 employees.

SEE INDEPENDENT AUDITORS' REPORT

PORT OF GREATER BATON ROUGE

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OTHER SUPPLEMENTARY INFORMATION

PORT OF GREATER BATON ROUGE

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GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
Schedule of Lease Informaton
December 31, 2018

Lessee	Facility	Minimum Annual Rent for 2019	Current Lease Date of Expiration
306 Fleet, LLC	Tract of Land	$ 60,000	August 31, 2027
Agway Systems	Five Tracts of Land	45,000	December 31, 2028
Ardent Mills	Tract of Land	111,503	March 31, 2032
Baton Rouge Transit	Tract of Land	69,749	July 29, 2023
Baton Rouge Transit	Tract of Land	4,000	Month-to-Month
BR Port Services	Tract of Land	611,048	February 16, 2024
Community Coffee	Building & Land	70,489	April 30, 2039
Continental Cement Co.	Tract of Land	51,700	August 31, 2028
Criterion Catalysts & Technologies	Warehouse	22,917	Month-to-Month
Criterion Catalysts & Technologies	Rail Track Rental	28,368	December 31, 2027
DAL-CO, LLC	Tract of Land	12,000	August 31, 2020
Dow Chemical	Container Yard	206,654	May 31, 2021
ExxonMobil - Paxon	Railroad Servitude	1,000	Year-to-Year
Kinder Morgan Bulk Terminal	Barge Terminal	257,368	Month-to-Month
Louis Dreyfus Commodities	Facility	1,000,000	June 15, 2031
Louis Dreyfus Commodities	Warehouse & Office Building	244,857	June 15, 2031
Louisiana Sugar Cane Products, Inc.	Tract of Land	36,630	September 30, 2026
Petroleum Fuel & Terminal	Tract of Land	199,459	January 31, 2020
Pine Bluff Sand & Gravel	Tract of Land	35,000	March 31, 2026
Ports America	Tract of Land	2,000	Month-to-Month
Rail Link, Inc.	Office Space	1,000	Month-to-Month
SEACOR	Facility	2,500	Month-to-Month
Stone Oil Distributor	Tract of Land	141,715	October 31, 2028
Stupp Corporation	Tract of Land	13,647	Month-to-Month
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 Terminal Company	Tract of Land	237,708	December 31, 2026
Others	Tracts of Land	6,810	Varies
		$ 3,494,722	

SEE INDEPENDENT AUDITORS' REPORT

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
Schedule of Future Lease Rent Revenue Without Options
December 31, 2018

Lessee	Facility	2019	2020	2021	2022	2023	Later	Options End
306 Fleet, LLC	Tract of Land	$ 60,000	$ 60,000	$ 60,000	$ 63,000	$ 69,000	$ 253,000	8/31/2027
Agway Systems	Five Tracts of Land	45,000	45,000	45,000	45,000	45,000	225,000	12/31/2028
Ardent Mills	Tract of Land	111,503	111,503	111,503	111,503	111,503	919,900	3/31/2032
Baton Rouge Transit	Tract of Land	69,749	69,749	69,749	69,749	40,687	-	7/29/2023
Baton Rouge Transit	Tract of Land	4,000	-	-	-	-	-	Month-to-Month
BR Port Services	Tract of Land	611,048	611,048	611,048	611,048	611,048	76,381	2/16/2024
Community Coffee	Building & Land	70,489	70,489	70,489	70,489	70,489	1,080,838	4/30/2039
Continental Cement Co.	Tract of Land	51,700	51,700	53,423	56,870	56,870	276,767	8/31/2028
Criterion Catalysts & Technologies	Warehouse	22,917	-	-	-	-	-	Month-to-Month
Criterion Catalysts & Technologies	Rail Track Rental	28,368	28,368	28,368	28,368	28,368	113,472	12/31/2027
DAL-CO, LLC	Tract of Land	12,000	8,000	-	-	-	-	8/31/2020
Dow Chemical	Container Yard	206,654	208,400	86,835	-	-	-	5/31/2021
ExxonMobil - Paxon	Railroad Servitude	1,000	-	-	-	-	-	Year-to-Year
Kinder Morgan Bulk Terminal	Barge Terminal	257,368	257,368	257,368	257,368	257,368	-	12/31/2023
Louis Dreyfus Commodities	Facility	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	7,458,333	6/15/2031
Louis Dreyfus Commodities	Warehouse & Office Building	244,857	244,857	244,857	244,857	244,857	1,723,350	6/15/2031
Louisiana Sugar Cane Products, Inc.	Tract of Land	36,630	36,630	39,072	40,293	40,293	110,806	9/30/2026
Petroleum Fuel & Terminal	Tract of Land	199,459	16,622	-	-	-	-	1/31/2020
Pine Bluff Sand & Gravel	Tract of Land	35,000	35,000	35,000	35,000	35,000	78,750	3/31/2026
Ports America	Tract of Land	2,000	-	-	-	-	-	Month-to-Month
Rail Link, Inc.	Office Space	1,000	-	-	-	-	-	Month-to-Month
SEACOR	Facility	2,500	-	-	-	-	-	Month-to-Month
Stone Oil Distributor	Tract of Land	141,715	141,715	141,715	141,715	141,715	684,954	10/31/2028
Stupp Corporation	Tract of Land	13,647	-	-	-	-	-	Month-to-Month
West Baton Rouge Parish Communications District	Building	18,000	18,000	18,000	18,000	18,000	162,000	12/31/2032
West Baton Rouge Parish Waterworks District #2	Tract of Land	3,600	3,600	3,600	3,600	3,600	94,800	4/30/2050
Westway Terminal Company	Tract of Land	237,708	237,708	237,708	237,708	237,708	713,124	12/31/2026
WBR Parish Council	Tract of Land	100	100	100	100	100	500	12/31/2028
Savoie Industries, Inc.	Tract of Land	6,710	-	-	-	-	-	Year-to-Year
		$ 3,494,722	$ 3,255,857	$ 3,113,835	$ 3,034,668	$ 3,011,606	$ 13,971,975	

SEE INDEPENDENT AUDITORS' REPORT

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
Schedule of Operating Expenses by Major Category
December 31, 2018

Major Category	Amount
Personnel Services	$ 3,297,332
Depreciation	3,349,809
Operating services	2,895,861
Other post employment benefits	24,165
Supplies	328,824
Professional fees	123,845
Travel	19,523
Other	17,660
Total	$ 10,057,018

SEE INDEPENDENT AUDITORS' REPORT

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

Schedule of Administrative Expenses

December 31, 2018

		Amount
Salaries and wages	$	1,007,072
Contributions to state retirement system, payroll taxes, and group insurance		926,449
Director's salary		224,383
Annual, sick and compensatory leave		148,880
Commissioners' per diem		86,100
Advertising		132,759
Office repairs and maintenance		56,507
Legal		2,005
Legislative consultant fees		42,000
Engineering		10,013
Auditing		24,645
Consulting fees		3,369
Trade and sales solicitation		75,872
Insurance		49,928
Travel		18,778
Dues and subscriptions		37,492
Office supplies and postage		22,803
Outside administrative services		34,431
Education expenses		9,255
Utilities		14,177
Telephone		7,554
Miscellaneous		17,660
Total administrative expenses	$	2,952,131

SEE INDEPENDENT AUDITORS' REPORT

Exhibit F-5

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

Schedule of Operating Income (Loss) by Facility

December 31, 2018

	Operating Revenue	Operating Expense	Depreciation	Operating Income (Loss)
Grain Elevator	$ 2,287,124	$ 90,884	$ 325,146	$ 1,871,094
General Cargo Docks	4,308,733	751,164	1,010,927	2,546,642
Baton Rouge Barge Terminal	896,905	7,120	4,907	884,878
Molasses Terminal	367,824	81,919	-	285,905
West Bank Railroad Facility	438,241	410,713	18,235	9,293
Petroleum Terminal	665,816	85,761	-	580,055
Miscellaneous River Activities	565,450	-	-	565,450
Miscellaneous East and West Bank Activities	3,267,489	2,155,092	939,033	173,364
Inland Rivers Marine Terminal	1,597,186	172,425	555,692	869,069
Foreign Trade Zone	75,000	-	-	75,000
Total before administrative	14,469,768	3,755,078	2,853,940	7,860,750
Administrative	790,869	2,952,131	495,869	(2,657,131)
Total	$ 15,260,637	$ 6,707,209	$ 3,349,809	$ 5,203,619

SEE INDEPENDENT AUDITORS' REPORT

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

Schedule of Commissioners' Per Diem

December 31, 2018

Commissioner	Number of Days for Which Paid		Amount Paid
Chabert, Scotty	19	$	5,700
Cunard, Rebecca	19		5,700
Davis, Hall	17		5,100
DeLaune, Michael	21		6,300
Hurst, Brenda	24		7,200
Johnson, Eric	20		6,000
Juneau, Jerald	24		7,200
Kelly, Robert	23		6,900
LeBoeuf, Troy	19		5,700
Machen, Angela	24		7,200
Medine, Travis	11		3,300
Robertson, Lynn	20		6,000
Seneca, Clint	24		7,200
Stevens, Kevin	23		6,900
Watts, Bobby	24		7,200
		$	93,600

SEE INDEPENDENT AUDITORS' REPORT

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
December 31, 2018

Agency Head: Jay Hardman

Purpose		Amount
Salary	$	244,892
Benefits - insurance		18,161
Benefits - retirement		92,814
Benefits - deferred compensation		4,000
Vehicle provided by government		678
Travel		1,100
Registration fees		1,232
Conference travel		973
Continuing professional education fees		120
Special meals		605
	$	364,575

SEE INDEPENDENT AUDITORS' REPORT

PORT OF GREATER BATON ROUGE

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STATISTICAL

STATISTICAL

Louisiana shipped $56.5 billion worth of goods around the globe in 2017. That dollar amount represents a 16.7% increase from 2016 to 2017, but a -12.8% downturn since 2014. The value of Louisiana's exports equals 3.8% of the United States' overall exported products for 2017.

Liquid natural gas was the fastest growing Louisiana export among the top 10 export categories, up by 185.5% from 2016.

According to the Louisiana State University, Department of Economics, Louisiana Outlook Report for 2018-2019, the sheer volume of announced industrial work in Louisiana is unprecedented—pegged by economists at as much as $140 billion since 2012. A record $8 billion in industrial expansions is currently underway.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

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.

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.

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.

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.

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.

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.

Exhibit G-1

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)
(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net position										
Net investment in capital assets	$ 76,799	$ 76,279	$ 74,827	$ 70,614	$ 64,639	$ 59,496	$ 58,278	$ 52,530	$ 48,749	$ 47,206
Restricted for debt service	691	668	12	31	56	78	95	116	181	199
Unrestricted	13,460	7,807	10,165	9,399	14,937	13,787	12,143	16,378	15,762	16,429
Total Net Position	$ 90,950	$ 84,754	$ 85,004	$ 80,044	$ 79,632	$ 73,361	$ 70,516	$ 69,024	$ 64,692	$ 63,834

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(in thousands)
(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues										
Rentals	$ 4,167	$ 4,602	$ 4,024	$ 3,653	$ 4,241	$ 4,337	$ 3,896	$ 2,921	$ 2,220	$ 1,961
Dockage and wharfage	7,617	5,991	3,778	2,850	2,461	1,598	1,406	1,716	2,168	1,504
Other	3,477	2,830	2,518	2,277	1,252	1,511	1,503	1,254	1,326	1,521
Total operating revenues	15,261	13,423	10,320	8,780	7,954	7,446	6,805	5,891	5,714	4,986
Operating Expenses										
Direct	3,755	3,552	3,445	2,673	2,277	2,431	2,332	2,369	2,146	2,171
Administrative	2,952	3,039	3,302	2,756	2,738	2,672	2,436	2,412	2,679	2,714
Depreciation	3,350	3,481	3,733	3,461	3,021	2,849	2,818	2,516	2,503	2,538
Total operating expenses	10,057	10,072	10,480	8,890	8,036	7,952	7,586	7,297	7,328	7,423
Non-operating revenues (expenses)										
Investment income	254	312	10	116	105	67	247	595	585	280
Interest expense	(36)	(72)	(106)	(148)	(179)	(208)	(234)	(260)	(283)	(306)
Gain/(loss) on sale of investments	(144)	(188)	(35)	(43)	(2)	-	-	-	-	-
Gain/(loss) on sale of capital assets	54	4	-	-	-	2	-	-	-	-
Other	(33)	(18)	-	-	-	4	(202)	(3)	(3)	144
Total non-operating	95	38	(131)	(75)	(76)	(135)	(189)	332	299	118
Net Income (loss)	5,299	3,389	(291)	(185)	(158)	(641)	(970)	(1,074)	(1,315)	(2,319)
Captial Contributions, net	897	735	5,251	5,531	6,429	3,486	2,462	5,406	2,174	1,250
Change in net position	6,196	4,124	4,960	5,346	6,271	2,845	1,492	4,332	859	(1,069)

Exhibit G-3

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
REVENUE BY TYPE AND RELATED AVERAGE
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Rentals	$ 4,166,953	$ 4,602,288	$ 4,023,924	$ 3,653,246	$ 4,240,888	$ 4,337,658	$ 3,896,287	$ 2,920,944	$ 2,220,062	$ 1,961,005
Wharfage	5,307,780	4,366,169	2,914,849	2,137,468	1,637,646	973,614	942,221	864,941	960,157	588,825
Dockage	2,309,460	1,625,283	863,165	712,638	823,130	624,476	464,226	851,327	1,208,253	914,708
Other operating revenue	3,476,444	2,829,536	2,517,699	2,276,433	1,251,903	1,510,817	1,503,060	1,254,452	1,325,576	1,521,213
Total operating revenue	$ 15,260,637	$ 13,423,276	$ 10,319,637	$ 8,779,785	$ 7,953,567	$ 7,446,565	$ 6,805,794	$ 5,891,664	$ 5,714,048	$ 4,985,751
Cargo tonnage	15,704,169	14,095,407	10,446,997	9,605,775	9,281,421	4,263,425	2,783,791	3,287,541	4,172,623	3,671,411
Per ton wharfage	$ 0.34	$ 0.31	$ 0.28	$ 0.22	$ 0.18	$ 0.23	$ 0.34	$ 0.26	$ 0.23	$ 0.16
Number of ships	250	217	170	149	124	60	51	58	59	64
Per ship dockage	$ 9,238	$ 7,490	$ 5,077	$ 4,783	$ 6,638	$ 10,408	$ 9,102	$ 14,678	$ 20,479	$ 14,292

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
REVENUE RATES
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Dockage Rates at General Cargo Docks (LOA)										
Ships & Ocean Going Barges										
First day, per ft										
0-199	$ 2.94	$ 2.85	$ 2.77	$ 2.61	$ 2.61	$ 2.46	$ 2.46	$ 2.32	$ 2.32	$ 2.06
200-399	3.86	3.75	3.64	3.43	3.43	3.23	3.23	3.05	3.05	2.70
400-499	5.26	5.10	4.95	4.67	4.67	4.40	4.40	4.15	4.15	3.68
500-599	7.06	6.85	6.65	6.27	6.27	5.91	5.91	5.57	5.57	4.95
600-699	8.19	7.96	7.72	7.28	7.28	6.85	6.85	6.47	6.47	5.75
700-799	10.40	10.10	9.80	9.24	9.24	8.71	8.71	8.21	8.21	7.30
800-899	12.53	12.16	11.81	11.13	11.13	10.50	10.50	9.89	9.89	8.79
900 ft +	14.98	14.54	14.12	13.31	13.31	12.55	12.55	11.83	11.83	10.53
Additional days, per ft, per day										
0-199	1.47	1.43	1.39	1.31	1.31	1.23	1.23	1.16	1.16	1.03
200-399	1.93	1.88	1.82	1.72	1.72	1.62	1.62	1.53	1.53	1.35
400-499	2.63	2.55	2.48	2.34	2.34	2.20	2.20	2.08	2.08	1.84
500-599	3.53	3.43	3.33	3.14	3.14	2.96	2.96	2.79	2.79	2.48
600-699	4.10	3.98	3.86	3.64	3.64	3.43	3.43	3.24	3.24	2.88
700-799	5.20	5.05	4.90	4.62	4.62	4.36	4.36	4.11	4.11	3.65
800-899	6.27	6.08	5.91	5.57	5.57	5.25	5.25	4.95	4.95	4.40
900 ft +	7.49	7.27	7.06	6.66	6.66	6.28	6.28	5.92	5.92	5.27
Liquid Bulk Barges										
First day, per ft										
0-199	1.15	1.15	1.15	1.00	1.00	0.90	0.90	0.75	0.75	0.75
200-399	1.20	1.20	1.20	1.05	1.05	0.95	0.95	0.80	0.80	0.80
400-449	1.40	1.40	1.40	1.30	1.30	1.20	1.20	1.05	1.05	1.05
450-499	1.75	1.75	1.75	1.55	1.55	1.45	1.45	1.30	1.30	1.30
Each day thereafter	50.00	50.00	50.00	40.00	40.00	25.00	25.00	15.00	15.00	15.00
Dockage Rates at Grain Elevator										
Ships (per GRT, per day)	-	-	-	-	-	-	-	0.19	0.19	0.19
Barges (per day)	-	-	-	-	-	-	-	45.00	45.00	45.00

Source: Port Tariff No. 1, Item 145

Exhibit G-4
(Continued)

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
REVENUE RATES
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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
Bulk Commodities										
Bauxite	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Fluorspar	-	-	-	-	-	0.90	0.90	0.90	0.90	0.90
Groats	-	-	-	-	-	0.90	0.90	0.90	0.90	0.90
Lead Concentrates	-	-	-	-	-	0.90	0.90	0.90	0.90	0.90
Logs	Quoted price	Quoted price	Quoted price	1.00	1.00	0.90	0.90	0.90	0.90	0.90
Zinc Residue	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Bulk Liquids, utilizing pipeline										
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	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00
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
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	1.85	1.85	1.85	1.85	1.85	1.61	1.61	1.61	1.61	1.61
Coils, rails, bars, ingots, etc.	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00
Lumber	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
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	1.60	1.60	1.60	1.60	1.60	1.40	1.40	1.40	1.40	1.40
Over 20,000 short tons	1.20	1.20	1.20	1.20	1.20	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
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

Source: Port Tariff No. 1, Item 180

Exhibit G-5

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

NOTE INDEBTEDNESS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

	1999A Revenue & Refunding Notes				1999B Revenue & Refunding Notes				Unamortized		
Fiscal Year End	Principal Paid	Interest Paid	Total Payment	Year End Balance	Principal Paid	Interest Paid	Total Payment	Year End Balance	Premium Balance	Combined Balance	Per Capita
2018	$ 430,000	$ 36,575	$ 466,575	$ 450,000	$ 250,000	$ 20,213	$ 270,213	$ 260,000	$ 2,213	$ 712,213	$ 1.14
2017	$ 405,000	$ 59,538	$ 464,538	$ 880,000	$ 235,000	$ 32,944	$ 267,944	$ 510,000	$ 11,062	$ 1,401,062	$ 2.23
2016	$ 385,000	$ 81,263	$ 466,263	$ 1,285,000	$ 225,000	$ 45,019	$ 270,019	$ 745,000	$ 19,912	$ 2,049,912	$ 3.27
2015	$ 365,000	$ 101,888	$ 466,888	$ 1,670,000	$ 210,000	$ 56,438	$ 266,438	$ 970,000	$ 28,761	$ 2,668,761	$ 4.27
2014	$ 345,000	$ 121,240	$ 466,240	$ 2,035,000	$ 200,000	$ 67,200	$ 267,200	$ 1,180,000	$ 37,611	$ 3,252,611	$ 5.23
2013	$ 330,000	$ 139,300	$ 469,300	$ 2,380,000	$ 190,000	$ 77,319	$ 267,319	$ 1,380,000	$ 46,459	$ 3,806,459	$ 6.16
2012	$ 310,000	$ 156,183	$ 466,183	$ 2,710,000	$ 180,000	$ 86,778	$ 266,778	$ 1,570,000	$ 55,309	$ 4,335,309	$ 7.06
2011	$ 295,000	$ 172,064	$ 467,064	$ 3,020,000	$ 170,000	$ 95,618	$ 265,618	$ 1,750,000	$ 64,159	$ 4,834,159	$ 7.94
2010	$ 280,000	$ 187,088	$ 467,088	$ 3,315,000	$ 160,000	$ 103,868	$ 263,868	$ 1,920,000	$ 73,008	$ 5,308,008	$ 8.78
2009	$ 265,000	$ 202,053	$ 467,053	$ 3,595,000	$ 155,000	$ 112,324	$ 267,324	$ 2,080,000	$ 81,857	$ 5,756,857	$ 9.68

(1) Please refer to footnote 6 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.

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION
CURRENT YEAR

(Unaudited)

Ascension Parish

2018

Employer	Number of Employees
Geismar Neighborhood Care Help	1,200
BASF	1,047
Parish of Ascension	744
Our Lady of the Lake Regional Medical Center	700
CF Industries	700
Walmart Stores	700
Shell Chemical	650
LeBlanc's Food Stores	600
Total	6,341

East Baton Rouge Parish

2018

Employer	Number of Employees
Turner Industries Group LLC	9,875
LSU System	6,250
Perfomance Contractors	5,500
Our Lady of the Lake Regional Medical Center	4,500
ExxonMobil Corporation	4,214
Baton Rouge General Medical Center	4,000
Parish Water Company	3,196
AT&T	3,000
Total	40,535

Source: Baton Rouge Area Chamber

GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION
CURRENT YEAR

(Unaudited)

Iberville Parish
2018

Employer	Number of Employees
Dow Chemical Company	2,200
LA Dept. of Public Safety and Corrections	1,200
Syngenta Crop Protection, Inc.	700
Axiall, LLC	300
Maintenance Enterprises, LLC	300
Crown Enterprises, Inc.	250
Diamond Plastics Corporation	250
Louisiana State University System	205
Total	5,405

West Baton Rouge Parish
2018

Employer	Number of Employees
Turner Industries Piping	571
Scaffolding Rental & Erection Services	460
Petrin Corporation	375
Wal-Mart Stores	350
Westgate Electrical & Instrumentation	350
Shintech	222
Placid Refining Company LLC	210
Total	2,538

Exhibit G-7

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
DEMOGRAPHIC STATISTICS BY PARISH WITHIN THE JURISDICTION OF THE GREATER BATON ROUGE PORT COMMISSION
LAST TEN FISCAL YEARS

(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Ascension Parish										
Population	124,672	122,948	121,587	119,455	117,029	114,393	112,286	109,985	107,215	104,822
Personal Income (in thousands)	Unavailable	$ 5,862,091	$ 5,670,901	$ 5,570,826	$ 5,263,034	$ 4,938,326	$ 4,773,106	$ 4,511,956	$ 4,276,001	$ 4,066,056
Per Capita Personal Income	Unavailable	$ 47,679	$ 46,641	$ 46,635	$ 44,972	$ 43,170	$ 42,508	$ 41,023	$ 39,882	$ 38,790
Unemployment Rate	4.1	4.3	4.9	5.0	5.4	5.6	6.2	7.1	7.5	5.9
East Baton Rouge Parish										
Population	440,953	446,268	447,037	446,753	446,042	445,279	444,296	441,518	440,171	434,633
Personal Income (in thousands)	Unavailable	$ 21,764,720	$ 21,179,652	$ 20,438,940	$ 20,208,155	$ 19,596,352	$ 19,350,106	$ 18,631,247	$ 17,596,474	$ 17,181,191
Per Capita Personal Income	Unavailable	$ 48,771	$ 47,378	$ 45,750	$ 45,305	$ 44,009	$ 43,552	$ 42,198	$ 39,976	$ 39,530
Unemployment Rate	4.3	4.4	5.1	5.3	5.8	6.2	6.8	7.6	7.6	6.2
Iberville Parish										
Population	32,721	33,027	32,920	33,095	33,327	33,438	33,350	33,367	33,387	32,505
Personal Income (in thousands)	Unavailable	$ 1,289,546	$ 1,241,388	$ 1,217,285	$ 1,190,271	$ 1,166,974	$ 1,160,954	$ 1,147,911	$ 1,085,290	$ 1,048,308
Per Capita Personal Income	Unavailable	$ 39,045	$ 37,709	$ 36,782	$ 35,715	$ 34,900	$ 34,811	$ 34,403	$ 32,506	$ 32,251
Unemployment Rate	6.2	6.2	6.8	7.1	7.8	8.4	9.5	10.4	10.0	9.5
West Baton Rouge Parish										
Population	26,427	26,265	25,795	25,490	25,085	24,555	24,068	24,079	23,788	22,638
Personal Income (in thousands)	Unavailable	$ 1,198,259	$ 1,170,040	$ 1,141,608	$ 1,087,258	$ 1,003,551	$ 975,594	$ 961,690	$ 910,548	$ 859,702
Per Capita Personal Income	Unavailable	$ 45,622	$ 45,359	$ 44,787	$ 43,343	$ 40,870	$ 40,535	$ 39,939	$ 38,278	$ 37,976
Unemployment Rate	4.4	4.6	5.3	5.6	5.8	6.2	7.0	7.8	7.9	6.7

Sources:
1 U.S. Census Bureau
2 U.S. Department of Commerce
3 U.S. Department of Labor

Exhibit G-8

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
FULL-TIME EQUIVALENT EMPLOYEES
BY DEPARTMENT
LAST TEN FISCAL YEARS

(Unaudited)

	Full-time Equivalent Employees									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Executive	3	3	3	3	3	3	3	3	3	3
Finance & Administrative	5	5	5	5	5	3	3	4	5	5
Engineering & Security	13	15	14	13	14	14	14	16	17	16
Business Development	1	1	1	1	1	2	2	1	1	1
Governmental Affairs	1	1	1	-	-	-	-	-	-	-
Public Affairs	-	-	1	1	1	1	1	1	1	1
Total employees	23	25	25	23	24	23	23	25	27	26

Source: GBRPC Human Resources

Exhibit G-9

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
TONNAGE COMPARISON
LAST TEN FISCAL YEARS

(Unaudited)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Cargo Docks	6,648,634	4,248,537	650,161	313,214	159,371	177,469	171,839	223,039	256,978	36,366
Coke Handling Facility	930,354	949,571	842,046	794,450	797,815	588,404	531,875	823,025	772,829	422,527
Inland Rivers Marine Terminal	124,734	202,225	203,655	231,668	185,594	149,969	212,385	266,625	229,413	189,332
Midstream Buoys	-	-	-	-	-	-	46,855	-	-	-
Petroleum Terminal	1,743,042	1,820,939	2,110,845	2,517,724	2,976,558	2,071,525	1,101,552	1,289,332	1,896,890	1,737,768
Molasses Terminal	175,861	138,201	186,848	227,045	276,073	244,493	266,474	249,283	198,772	227,419
Grain Elevator	5,539,949	6,181,359	6,162,013	5,180,163	4,156,532	577,627	-	121,148	493,325	658,612
Miscellaneous Rental Facilities	541,595	554,575	291,429	341,511	729,478	453,938	452,811	315,089	324,416	399,387
Total	15,704,169	14,095,407	10,446,997	9,605,775	9,281,421	4,263,425	2,783,791	3,287,541	4,172,623	3,671,411

COMPLIANCE

PORT OF GREATER BATON ROUGE

COMPLIANCE

The diversification of the Port's cargo base and revenue streams and improved utilization of the marine infrastructure and assets continue to be the principal drivers of the Port's overall success and sustainability as a market leader among U.S. Gulf of Mexico ports.

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 insure a vertically integrated approach to port growth, sustainability, and maritime security.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

INDEPENDENT AUDITORS' 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 Greater Baton Rouge Port Commission (the Commission), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 8, 2019.

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 Greater Baton Rouge Port 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 Commission'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*.

4227 Canal Street
New Orleans, LA 70119
P: (504) 486-7275 | F: (504) 482-2516

Ericksen Krentel LLP
www.EricksenKrentel.com

2895 Highway 190, Ste 213
Mandeville, LA 70471
P: (985) 727-0777 | F: (985) 727-6701

To the Board of Commissioners
Greater Baton Rouge Port Commission
June 8, 2019

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 8, 2019
New Orleans, Louisiana

Ericksen Krentel LLP
Certified Public Accountants

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2018

SECTION I SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Greater Baton Rouge Port Commission.

2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' 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.*

3. No instances of noncompliance material to the financial statements of the Greater Baton Rouge Port Commission were reported in the Independent Auditors' 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*.

4. No management letter was issued for the year ended December 31, 2018.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no financial statement findings related to the year ended December 31, 2018.

GREATER BATON ROUGE PORT COMMISSION
Port Allen, Louisiana
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
December 31, 2018

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2017.


PORT OF GREATER
BATON ROUGE
P. 225.342.1660 F. 225.342.1666 • 2425 Ernest Wilson Dr. Port Allen, LA 70767 • www.portgbr.com