



*PORT OF GREATER  
BATON ROUGE*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT 2019





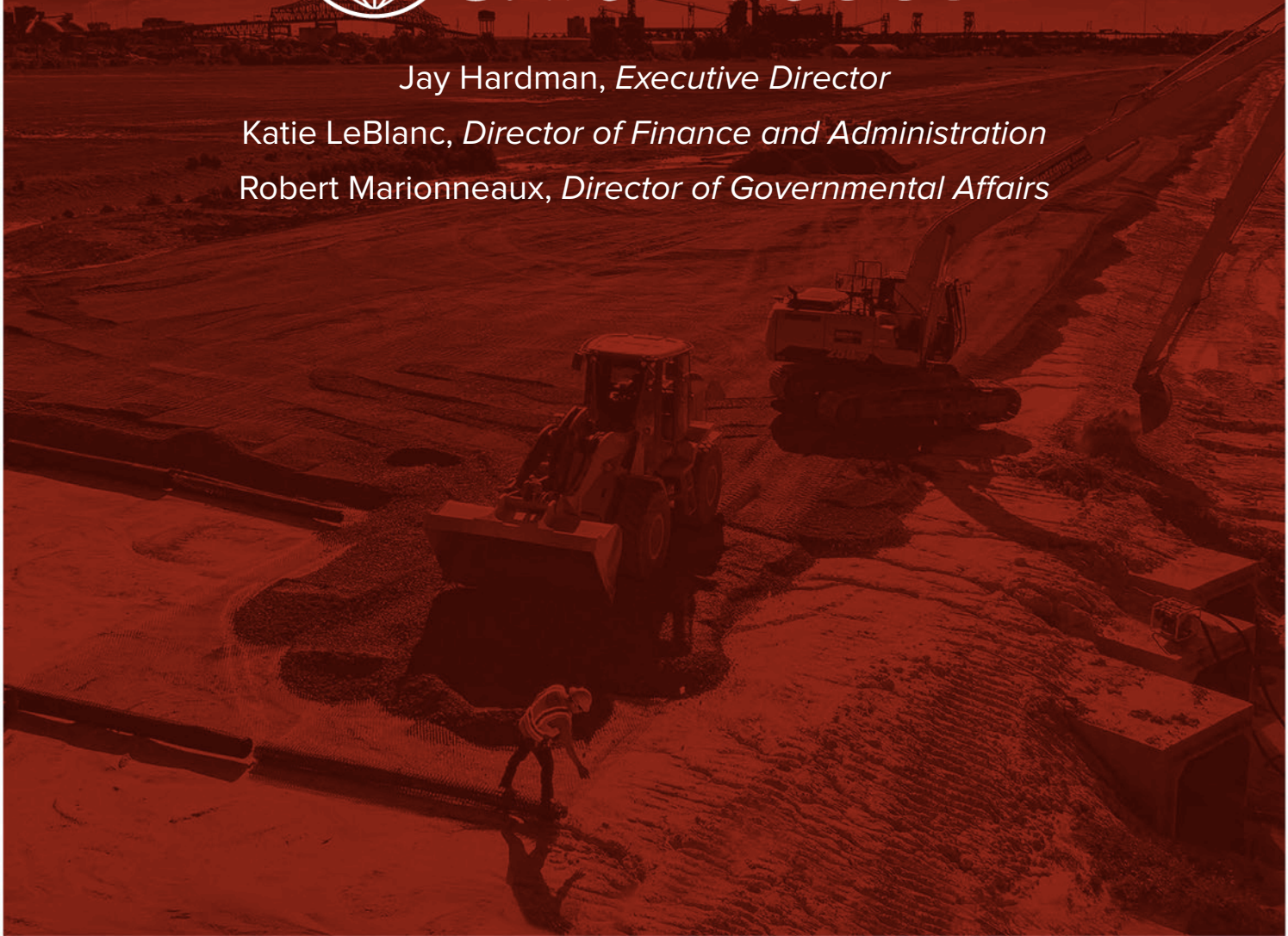


# ***PORT OF GREATER BATON ROUGE***

*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, 2019

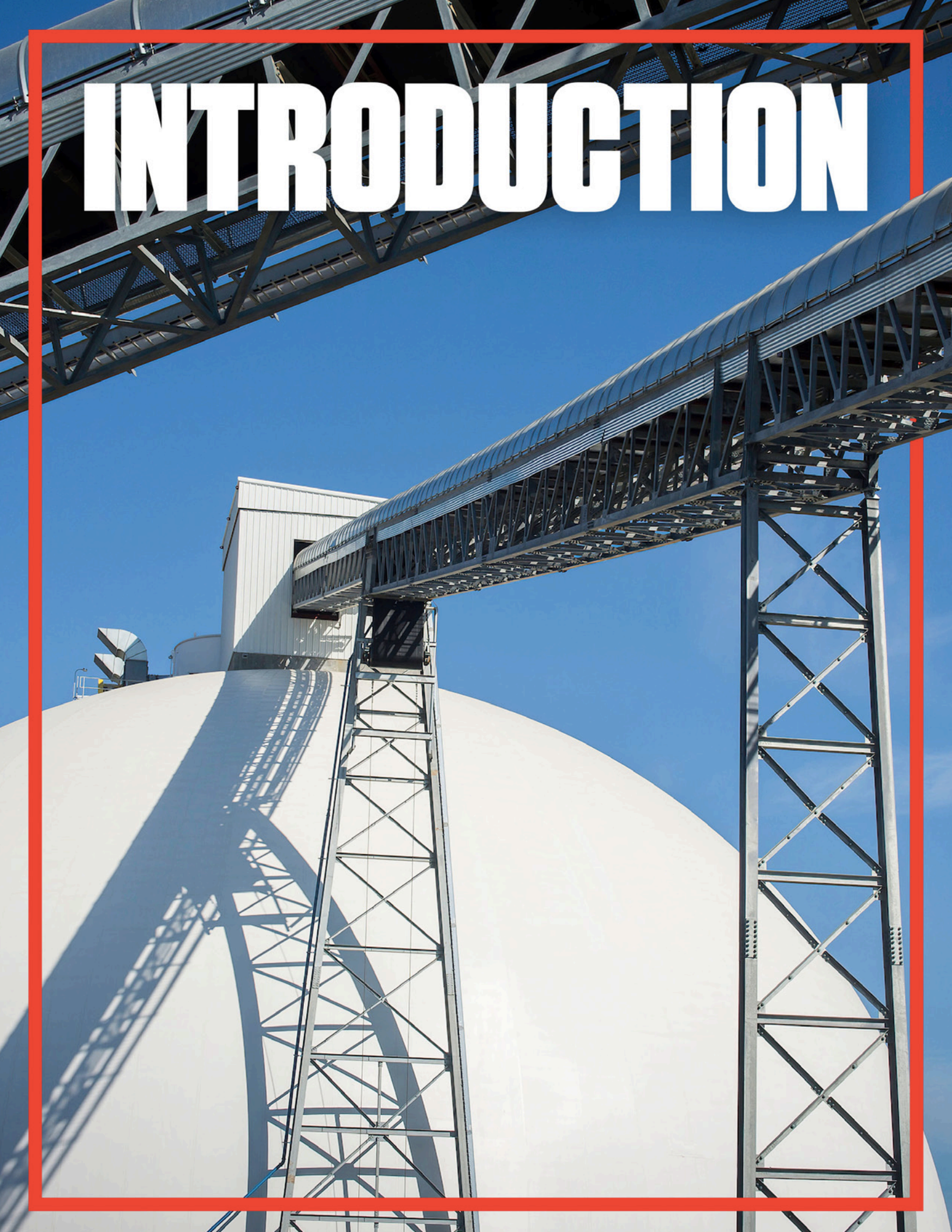
## TABLE OF CONTENTS

	Page	Exhibit
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal	1	
GFOA Certificate of Achievement	9	
List of Principal Officers	11	
Organizational Chart	12	
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report on the Financial Statements	15	
Management's Discussion and Analysis	19	
Basic Financial Statements:		
Statement of Net Position: Assets/Liabilities	24	A
Statement of Revenues, Expenses, and Changes in Net Position	27	B
Statement of Cash Flows	28	C
Notes to The Financial Statements	31	D
Required Supplementary Information		
Schedule of Proportionate Share of Net Pension Liability	59	E-1
Schedule of Pension Contributions	60	E-2
Schedule of Funding Progress for OPEB Plan	61	E-3
Other Supplementary Information		
Schedule of Lease Information	65	F-1
Schedule of Future Lease Rent Revenue Without Options	66	F-2
Schedule of Operating Expenses by Major Category	67	F-3
Schedule of Administrative Expenses	68	F-4
Summary Schedule of Operating Income (Loss) by Facility	69	F-5
Schedule of Commissioners' Per Diem	70	F-6
Schedule of Compensation, Benefits and Other Payments to Agency Head	71	F-7
<b>STATISTICAL SECTION (UNAUDITED)</b>		
Financial Trends:		
Net Position	76	G-1
Changes in Net Position	77	G-2
Revenue Capacity:		
Revenue by Type and Related Average	78	G-3
Revenue Rates	79	G-4
Debt Capacity:		
Note Indebtedness	81	G-5
Legal Debt Margin	82	G-6
Demographics Information:		
Principal Employers by Parishes Within the Port Jurisdiction	83	G-7
Demographic Statistics By Parishes Within The Port Jurisdiction	85	G-8
Operating Information:		
Full-time Equivalent Employees by Department	86	G-9
Tonnage Comparison	87	G-10
<b>COMPLIANCE SECTION</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	91	
Schedule of Audit Findings For Current Year	93	
Summary Schedule of Prior Year Findings	94	





# INTRODUCTION





# INTRODUCTION



**PORT OF GREATER  
BATON ROUGE**



June 29, 2020

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

*Re: 2019 Comprehensive Annual Financial Report*

Dear Honorable Commissioners:

This Comprehensive Annual Financial Report of The Greater Baton Rouge Port Commission for the twelve-month period ending, December 31, 2019, 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.

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**

In 2019, The Port of Greater Baton Rouge began two long awaited construction projects: (1) the Chambering Yard (rail storage facility) which is a public/private partnership between The Port of Greater Baton Rouge, The State of Louisiana (Capital Outlay) and one of the Port's tenants, Drax Biomass with an estimated cost of \$23 million; and (2) the expansion of the Inland Rivers Marine Terminal "Container Yard," a public/private partnership between The Port of Greater Baton Rouge, the Department of Transportation and Development (Port Priority Program) and one of the Port's tenants, SEACOR Marine, with an estimated cost of \$5 million.

The Port's public facilities handled 14,007,416 short tons in 2019, as compared to 15,704,169 short tons in 2018, a decrease of 11%. While overall tonnage was less than the prior year, the General Cargo Docks and Inland Rivers Marine Terminal still had increases in tonnage of 11% and 16% respectively. The Genesis Energy facility became operational and began shipments in September 2016 and loaded/shipped 92 ships in 2019.

In 2018, there were 250 ship calls at the docks, a 16% increase over the previous year. In 2019, there were 210 ship calls at the docks, a 16% decrease from the previous year.

According to recently released figures by the U.S. Army Corps of Engineers for the year 2018, the Port of Greater Baton Rouge was ranked 8<sup>th</sup> in the nation for total tonnage, handling 82,234,811 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 deep-water 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.

Looking to the future, the Port 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. This expansion will allow for the handling of a fourth deep draft vessel at the dock at its northern most point.

### **Genesis Energy**

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 2019, Genesis Energy, through dockage and wharfage, contributed \$3,886,369 to the Port of Greater Baton Rouge, exceeding the previous year's \$2,518,585.

### **Wood Pellet Export Facility**

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 31, 2019, Drax was receiving product from facilities in the following locations: Bastrop, Louisiana; Urania, Louisiana; Gloster, Mississippi and Pine Bluff, Arkansas. Wood pellets produced in Bastrop, Urania, and Pine Bluff, Arkansas are being transported by the Union Pacific Railroad to the Port of Greater Baton Rouge. Pellets from Gloster, Mississippi are received by truck service.

When Drax operations began in 2015, Drax expected to call upon 12 ships per year. Additional demand has increased the ship call count to 35 ships in 2019.

## **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 was 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 have broken ground on 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 (2020 - 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 Marine handled 8,018 containers, in 2018 a total of 13,685 containers, and in 2019 a total of 13,928 containers were handled at the Inland Rivers Marine Terminal. This increase in the utilization of the "container yard" has necessitated the expansion project at the Inland Rivers Marine Terminal. The expansion, estimated to cost \$4,457,510, will include approximately 3.5 acres of additional container storage.

## **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 12<sup>th</sup> 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.

The overall United States and Louisiana economies are expected to contract in 2020 due to the effects of the COVID-19 pandemic. As of the date of this report, the Port Commission staff is pleased to report that the effects on the Port’s operations have been minimal and demand for the Port’s services continues to grow. However, there are many uncertainties related to the virus and future impacts are not able to be predicted.

## **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 8<sup>th</sup> in the nation in total tonnage with over 82 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 Port industry, factors related to the local, national and international economies contribute significantly to the Port's level of success, and this trend is projected to continue in an upward fashion.

## **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.

## **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. At December 31, 2018, the Greater Baton Rouge Port Commission had outstanding Bond indebtedness of \$712,213 through a 1999A and 1999B Series issue. These bonds matured fully in the year ended December 31, 2019.

In November of 2019, the Commission entered into an agreement to issue Greater Baton Rouge Port Commission Taxable Revenue Bonds, Series 2019, in an amount up to \$12,000,000. The debt was taken on to finance a portion of the costs of construction of the Chambering Yard. The bonds mature on December 1, 2031 and are payable through a sinking fund requirement beginning in 2022. As of December 31, 2019, the Commission has drawn down \$1,999,435 from the indebtedness. The remainder will be drawn in 2020.

## 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. 45, *Accounting and Financial Reporting by Employers 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 2019 increased considerably from 2018. Overall Port revenues changed from \$15,260,637 in 2018 to \$17,694,339 in 2019, an increase of 16%.



Combined operating and non-operating revenues were recorded at \$18,213,441 which was up by \$2,644,363 over the same period in 2018. Increases in dockage and wharfage mostly contributed to the increase for 2019. Net position increased by \$8,667,123 due to increases in dockage and wharfage, investment income, and capital contributions. Total net position was \$99,616,734 at year-end, as compared to \$90,949,611 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, 2018. This was the 25th 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 2020, 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**

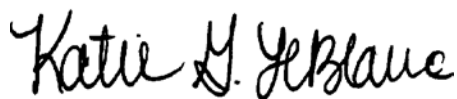
State statutes require an annual audit by either an independent certified public accountant or the Louisiana Legislative Auditor. The Louisiana Legislative Auditor elected to contract this service to the independent Certified Public Accounting firm, Ericksen Krentel, LLP, Certified Public Accountants 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.

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.

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, 2018**

*Christopher P. Morill*

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

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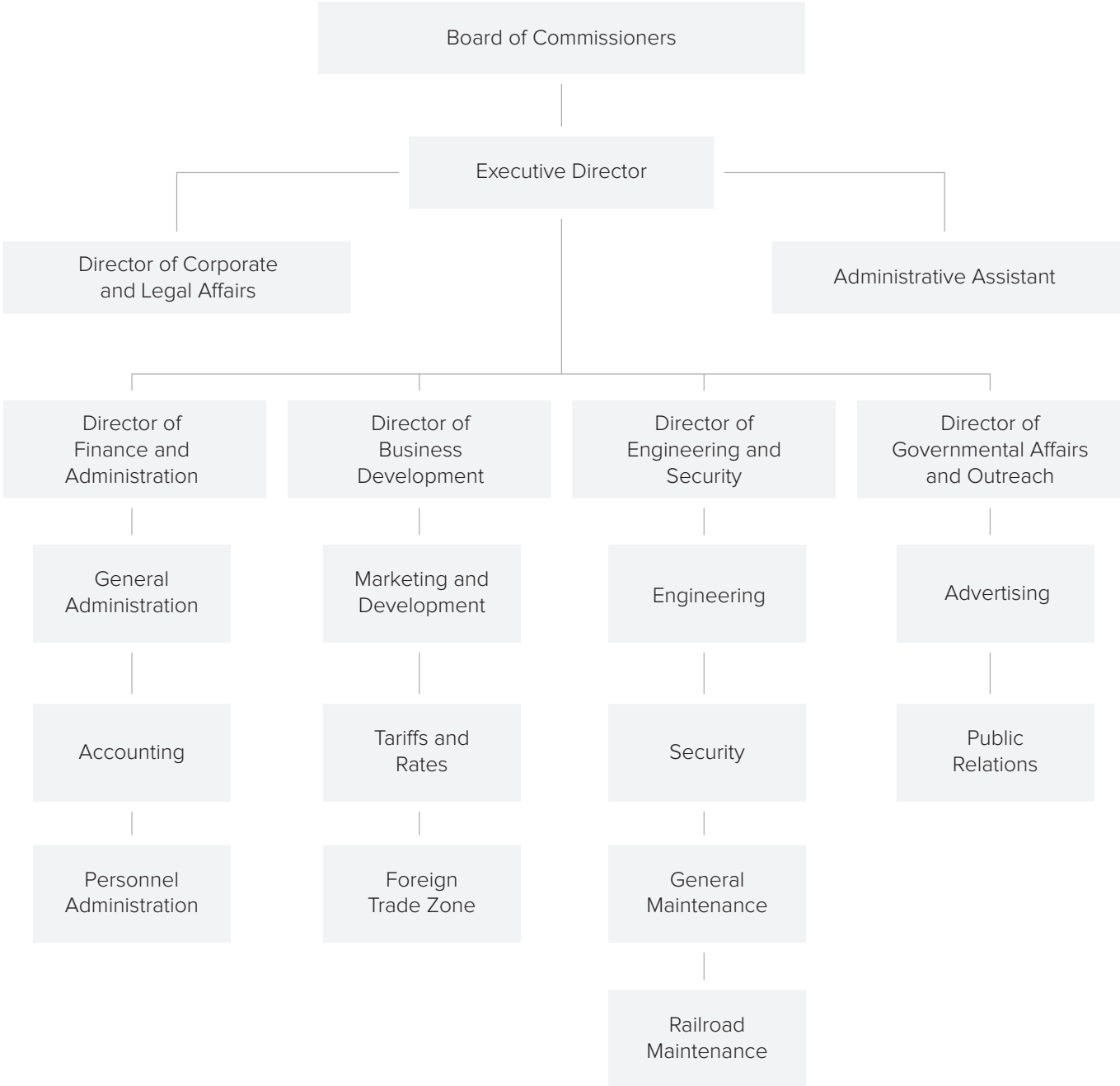
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# ORGANIZATIONAL CHART



# FINANCIAL





# FINANCIAL



**PORT OF GREATER  
BATON ROUGE**

## 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, 2019, 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 an opinion 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 opinion.

To the Board of Commissioners  
Greater Baton Rouge Port Commission  
June 29, 2020

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Greater Baton Rouge Port Commission, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion 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.



To the Board of Commissioners  
Greater Baton Rouge Port Commission  
June 29, 2020

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 29, 2020, 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 29, 2020  
New Orleans, Louisiana



Certified Public Accountants



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BATON ROUGE*

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**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2019

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, 2019. Please read it in conjunction with the Commission's basic financial statements.

**FINANCIAL HIGHLIGHTS**

1. Cash increased by \$2,586,153 during the year, primarily due to the increase in operating revenues.
2. Operating revenue increased \$2,433,703 during 2019 primarily due to an increase in dockage, wharfage, and rail car revenues.
3. Operating expenses increased \$944,583 during 2019 primarily due to an increase in rail 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 financial position is improving or deteriorating.



**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
December 31, 2019

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)

	2019	2018	% Change
Current and other assets	\$ 31,694	\$ 29,802	6.35%
Capital assets	87,572	78,037	12.22%
<b>Total Assets</b>	<b>119,266</b>	<b>107,839</b>	<b>10.60%</b>
Deferred outflows of resources	989	814	21.50%
<b>Total assets and deferred outflows</b>	<b>\$ 120,255</b>	<b>\$ 108,653</b>	<b>10.68%</b>
Current and other liabilities	\$ 4,953	\$ 4,299	15.21%
Long-term obligations	14,947	12,945	15.47%
<b>Total liabilities</b>	<b>19,900</b>	<b>17,244</b>	<b>15.40%</b>
Deferred inflows of resources	738	459	60.78%
<b>Components of Net Position:</b>			
Net investment in capital assets	83,293	76,799	8.46%
Restricted for debt service	-	691	-100.00%
Unrestricted	16,324	13,460	21.28%
<b>Total net position</b>	<b>99,617</b>	<b>90,950</b>	<b>9.53%</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 120,255</b>	<b>\$ 108,653</b>	<b>10.68%</b>

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 \$8,667,123, or 10%, during the year ended December 31, 2019. The primary reason is due to increases in dockage, wharfage, and rail car revenues.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
December 31, 2019

GREATER BATON ROUGE PORT COMMISSION

CHANGES IN NET POSITION  
(In thousands)

	2019	2018	% Change
Lease rentals	\$ 4,985	\$ 4,167	19.63%
Dockage and wharfage	8,608	7,617	13.01%
Rail car, vessel and other	4,101	3,476	17.98%
Operating revenue	<u>17,694</u>	<u>15,260</u>	15.95%
Operating expenses	<u>(11,001)</u>	<u>(10,056)</u>	9.40%
Operating income (loss)	6,693	5,204	28.61%
Non-operating revenues	519	308	68.51%
Non-operating expenses	<u>(17)</u>	<u>(213)</u>	-92.02%
Total non-operating revenues (expenses)	<u>502</u>	<u>95</u>	428.42%
Income before capital contributions	7,195	5,299	35.78%
Capital contributions	<u>1,472</u>	<u>897</u>	64.10%
Change in net position	8,667	6,196	39.88%
Net position - beginning of year (restated)	<u>90,950</u>	<u>84,754</u>	7.31%
Net position - end of year	<u>\$ 99,617</u>	<u>\$ 90,950</u>	9.53%

The Commission's operating revenues increased by 16%, or \$2,433,703, due to additional rental income and dockage revenue throughout the year. Operating expenses increased approximately \$945,000, or 9%, due to increased rail expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2019 and 2018, the Commission had approximately \$87,572,308 and \$78,037,067, 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 2019 amount represents a net increase (including additions and disposals) of \$9,525,240 over the last year. Accumulated depreciation at the end of 2019 and 2018 was \$89,472,206 and \$86,145,045, respectively. For additional information on capital asset activity, see Note 5 in the Financial Statements section.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
December 31, 2019

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

**CAPITAL ASSETS**  
(In thousands)

	2019	2018	
Land	\$ 11,212	\$ 11,212	
Construction in progress	26,758	14,379	
Building and improvements	32,391	34,496	
Infrastructure	15,919	16,514	
Equipment	1,292	1,436	
	\$ 87,572	\$ 78,037	

**Debt**

The Commission had \$1,999,435 in revenue bonds outstanding as of December 31, 2019, compared to \$712,213 in the prior year. The Commission entered into an agreement in November 2019 to issue bonds in the amount of \$12 million and drew approximately \$2 million during the year ended December 31, 2019. Additional information concerning the revenue bonds is disclosed in Note 6 in the Notes to the Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

The Commission expects to use the remainder of the \$12 million bond indebtedness during the 2020 fiscal year. In addition, In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency including the state of Louisiana. It is anticipated that these impacts will continue for some time. While the Commission has not yet noticed any significant decline in demand for its services, the future effects of the pandemic are unknown.

**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.





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**GREATER BATON ROUGE PORT COMMISSION**

Port Allen, Louisiana

**STATEMENT OF NET POSITION**

December 31, 2019

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES****CURRENT**

Cash	\$	13,576,060
Investments		15,115,912
Accounts receivable, net		2,885,649
Accrued interest receivable		59,774
Prepaid expenses and other		55,970

Total current assets		31,693,365
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**CAPITAL ASSETS**

Non-depreciable		37,970,406
Depreciable, net		49,601,902

Total capital assets		87,572,308
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Total assets		119,265,673
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pension liability		804,567
Deferred outflows related to OPEB liability		184,647

Total deferred outflows of resources		989,214
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Total assets and deferred outflows of resources	\$	120,254,887
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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 NET POSITION**

December 31, 2019

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION**

**CURRENT**

Payable from unrestricted assets:

Accounts payable	\$	446,548
Contractor payable		2,084,954
Retainage payable		194,648
Other accrued liabilities		532,790
Revenues received in advance		1,694,341
		1,694,341

Total current liabilities		4,953,281
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<b>NET PENSION LIABILITY</b>		6,338,357
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<b>NET OPEB LIABILITY</b>		6,608,758
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<b>LONG-TERM DEBT, less current maturities</b>		1,999,435
		1,999,435

Total noncurrent liabilities		14,946,550
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Total liabilities		19,899,831
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**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pension liability		29,028
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Deferred inflows related to OPEB liability		709,294
		709,294

Total deferred inflows of resources		738,322
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**NET POSITION**

Net investment in capital assets		83,293,271
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Unrestricted		16,323,463
		16,323,463

Total net position		99,616,734
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Total liabilities, deferred inflows of resources, and net position	\$	120,254,887
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The accompanying notes to the financial statements on Exhibit D are an integral part of this statement.



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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, 2019

**OPERATING REVENUES**

Lease rentals	\$	4,985,227
Dockage and wharfage		8,607,638
Rail car, vessel and other		4,101,474
		<hr/>
Total operating revenues		17,694,339
		<hr/>

**OPERATING EXPENSES**

Direct		4,439,913
Administrative and other		3,194,568
Depreciation		3,367,115
		<hr/>
Total operating expenses		11,001,596
		<hr/>
Operating income		6,692,743
		<hr/>

**NON-OPERATING INCOME (EXPENSE)**

Investment income		501,613
Interest (expense)		(4,187)
Gain on sale of investments		14,842
Gain on sale of capital assets		2,647
Other (expense)		(13,050)
		<hr/>
Total non-operating income (expense)		501,865
		<hr/>

Change in net assets before capital contributions		7,194,608
Capital contributions, net		1,472,515
		<hr/>
Increase in net position		8,667,123

**NET POSITION**

Beginning of year		90,949,611
		<hr/>
End of year	\$	99,616,734
		<hr/> <hr/>

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, 2019

**CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES**

Receipts from customers	\$	18,532,884
Payments to suppliers for goods and services		(2,638,284)
Payments to employees for services		(3,459,839)

Net cash provided by operating activities	12,434,761
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**CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES**

Repayment of loans	(710,000)
Proceeds from loans	1,999,435
Interest paid on loans	(19,200)
Acquisition/construction of capital assets, net	(12,889,556)
Capital contributions	1,472,515

Net cash used in capital and related financing activities	(10,146,806)
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**CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES**

Acquisition of investment securities	(3,653,732)
Proceeds from calls and maturities of investment securities	3,000,000
Proceeds from sale of restricted investments	752,185
Interest and dividends earned on investment securities	199,745

Net cash provided by investing activities	298,198
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Net increase in cash	2,586,153
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**CASH**

Beginning of the year	10,989,907
End of the year	\$ 13,576,060

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, 2019

**RECONCILIATION OF OPERATING INCOME TO NET**

**CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	\$	6,692,743
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		3,367,115
Change in operating assets and liabilities:		
Accounts receivable		843,478
Prepaid expenses		10,630
Accounts payable and other accrued liabilities		1,409,637
Revenue received in advance		4,933
Change in net pension obligation		195,251
OPEB benefits		(89,026)
		12,434,761
Net cash provided by operating activities	\$	12,434,761

**SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:**

Change in unrealized loss on investments	\$	276,854
		276,854
Change in investment premiums and discounts	\$	126,034
		126,034

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



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**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019

**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.

**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.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

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.

**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. Louisiana Revised Statute (LA 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.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Investments**

LA 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 wharfage 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

**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.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

Employees accrue and accumulate annual and sick leave at varying rates in accordance with state law based on full-time service. The leave is accumulated without limitation. Upon separation of employment, employees or their heirs are compensated for accumulated annual leave not to exceed 300 hours at their current rate of pay. Unused annual leave in 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 \$28,051 during 2019. The amount of this liability as of December 31, 2019 and 2018 was \$410,927 and \$382,876, respectively, and is included in other accrued liabilities on the statement of net position.

**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.

**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.



**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.”

**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.

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

The Commission evaluated its December 31, 2019 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 in the financial statements. The Commission is closely monitoring the impact of COVID-19 on its current and future rents and fees. The pandemic could have a detrimental impact on the Commission’s future operations. Additionally, the Commission notes that the Pointe Coupee Port was absorbed into the Commission on January 1, 2020, based on state law.

**Note 2 – DEPOSITS AND INVESTMENTS**

**Deposits**

At December 31, 2019, the Commission has cash (book balances) totaling \$13,576,060 as follows:

Demand deposits	\$	13,575,060
Petty cash		1,000
	\$	13,576,060

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, 2019, the Commission’s total demand deposit bank balance of \$13,953,081 was entirely secured by federal deposit insurance and pledged securities held by the Commission’s agent in the Commission’s name.

**Investments**

As of December 31, 2019, investments of the Commission consisted of the following:

	Fair Value	Cost
Federal obligations	\$ 14,852,072	\$ 14,688,744
Louisiana Asset Management Pool (LAMP)	263,840	263,140
Stock	-	3,355
	\$ 15,115,912	\$ 14,955,239

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:

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

**Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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, 2019.

	Level 1		Total
Federal obligations	\$ 14,852,072	\$	14,852,072
Louisiana Asset Management Pool (LAMP)	263,840		263,840
	\$ 15,115,912	\$	15,115,912

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 Value
Federal Home Loan Bank	3133XD4P3	\$ 995,470
Federal National Mortgage Association	3135G0F73	997,651
Resolution Funding Corporation	76116FAG2	4,416,340
Federal National Mortgage Association	3135G0W33	1,490,130
Federal Farm Credit Bank	3133EGQB4	1,983,240
Federal Home Loan Bank	3130A9BK6	1,894,794
Federal Farm Credit Bank	3133EGXP5	1,639,407
Federal Farm Credit Bank	3133EGB87	1,045,433

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

**Note 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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, 2019, the Commission had the following investment in debt securities:

	Investment Maturities (in Years)		
	Fair Value	Less than 1	1-5
Federal obligations	\$ 14,852,072	\$ 1,987,672	\$ 12,864,400
Louisiana Asset Management Pool (LAMP)	263,840	263,840	-
	\$ 15,115,912	\$ 2,251,512	\$ 12,864,400

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. As December 31, 2019, the commission invested in obligations of federally sponsored entities in the amount of \$14,852,072, which are rated AA+ with the exception of Resolution Funding Corporation which is not rated. 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](http://www.lamppool.com).



**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**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.la.gov](http://www.la.gov) and LASERS' website, [www.lasersonline.org](http://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.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Retirement Benefits (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**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**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 than 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**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

**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, 2019 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Regular Employees hired before 7/01/16	Closed	7.50%	40.70%
Regular Employees hired on or after 7/01/06	Closed	8.00%	40.70%
Regular Employees hired on or after 1/01/11	Closed	8.00%	40.70%
Regular Employees hired on or after 7/1/15	Open	8.00%	40.70%

The Commission’s contractually required composite contribution rate for the year ended December 31, 2019 was 37.9% of annual payroll for the period January 1, 2019 through June 30, 2019 and was 40.70% for the period July 1, 2019 through December 31, 2019. The contribution rate was 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 were \$692,522 for the year ended December 31, 2019.



**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**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, 2019, the Commission reported a liability of \$6,338,357 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 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.

At June 30, 2019, the Commission's proportion was 0.087487%, which was an increase of 0.000542% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Commission recognized total pension expense of \$887,775, 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, 2019, the commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 38,920	\$ (13,171)
Net difference between projected and actual earnings on pension plan investments	218,982	-
Changes in assumptions	54,314	-
Changes in proportion and differences between employer contributions and proportionate share contributions	129,354	(15,857)
Employer contributions subsequent to the measurement date	362,997	-
Total	\$ 804,567	\$ (29,028)

The Commission reported \$362,997 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 December 31, 2020.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Net Amount Recognized in Pension Expense
2020	\$ 327,017
2021	(56,804)
2022	60,246
2023	82,083
	\$ 412,542

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Dates	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.60% per annum, net of investment expense
Inflation Rate	2.50% per annum
Mortality	<u>Non-disabled members</u> – Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale applied on a fully generational basis.
	<u>Disabled members</u> – 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 (2014 - 2018) experience study of the System’s members.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System’s members.

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

**Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

**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.

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 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. 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, 2019 are summarized in the following table:

Asset Class	Lower Range
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic fixed income	2.79%
International fixed income	4.49%
Alternative investments	8.32%
Risk parity	5.06%
Total fund	6.09%

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

**Note 3 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.60%. 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 rates approved by PRSAC taking into consideration the recommendation of the pension plan’s actuary. 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 7.60%, 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 (6.60%) or one percentage-point higher (8.60%) than the current rate:

	1.0% Decrease (6.60%)	Current Discount Rate (7.60%)	1.0% Increase (8.60%)
Proportionate Share of Net Pension Liability	\$ 7,999,815	\$ 6,338,357	\$ 4,934,983
	\$ 7,999,815	\$ 6,338,357	\$ 4,934,983

**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	\$ 49,601,902
Capital assets, non-depreciable	37,970,406
Total capital assets, net	87,572,308
Related debt, long-term	(1,999,435)
Retainage payable	(194,648)
Construction payable	(2,084,954)
Total related debt	(4,279,037)
Net investment in capital assets	\$ 83,293,271

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

Exhibit D  
(Continued)

**Note 5 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	\$ 11,212,425	\$ -	\$ -	\$ 11,212,425
Construction in progress	14,378,682	12,379,299	-	26,757,981
Total capital assets not being depreciated	25,591,107	12,379,299	-	37,970,406
<b>Capital assets being depreciated</b>				
Railroad tracks and yards	14,596,669	-	-	14,596,669
Roadways and surface drainage	12,210,280	-	-	12,210,280
Buildings and structures	99,689,690	13,364	-	99,703,054
Equipment	10,854,449	460,222	1,555	11,313,116
Office furniture and fixtures	751,602	1,000	158	752,444
Transportation equipment	488,316	48,546	38,318	498,544
Total capital assets being depreciated	138,591,006	523,132	40,031	139,074,107
Less accumulated depreciation for:				
Railroad tracks and yards	3,819,895	308,520	-	4,128,415
Roadways and surface drainage	6,472,556	287,159	-	6,759,715
Buildings and structures	65,193,835	2,118,240	-	67,312,075
Equipment	9,431,831	643,667	1,480	10,074,018
Office furniture and fixtures	738,612	4,635	158	743,089
Transportation equipment	488,316	4,895	38,318	454,893
Total accumulated depreciation	86,145,045	3,367,116	39,956	89,472,205
Capital assets being depreciated, net	52,445,961	(2,843,984)	75	49,601,902
Net capital assets	\$ 78,037,068	\$ 9,535,315	\$ 75	\$ 87,572,308

Depreciation expense for the year ended December 31, 2019 was \$3,367,116.



**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

Exhibit D  
 (Continued)

**Note 5 – CAPITAL ASSETS (CONTINUED)**

Details of construction in progress at December 31, 2019 is as follows:

Dock Fender Project	\$	12,204,827
IRMT Project		10,641,791
IRMT Container Yard Expansion		1,940,483
GREL Rail Improvements		1,080,280
MARAD Equipment Project		890,600
Total	<u>\$</u>	<u>26,757,981</u>

**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. During the year ended December 31, 2019, the outstanding indebtedness was paid in full.

In November 2019, the Commission entered into a loan agreement to issue Greater Baton Rouge Port Commission Taxable Revenue Bonds, Series 2019 in the initial original principal amount of \$12,000,000. The purpose of these bonds is to finance a portion of the costs of construction of the Chambering Yard in excess of the Commission contribution and the State contribution and paying the costs of issuance of the bonds.

The bonds mature on December 1, 2031 and bear an interest rate of 3.56%. Interest payments are to be made June 1 and December 1 of each year. There is a sinking fund requirement starting December 1, 2022 as to when principal payments begin. At December 31, 2019, the Commission has drawn down \$1,999,435 from the indebtedness.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

Exhibit D  
(Continued)

**Note 6 – LONG TERM DEBT (CONTINUED)**

**Revenue Bonds (Continued)**

Future principal and interest payments are as follows:

Year	Principal	Interest	Total
2020	\$ -	\$ 439,067	\$ 439,067
2021	-	427,200	427,200
2022	975,000	427,200	1,402,200
2023	1,015,000	392,490	1,407,490
2024	1,065,000	356,356	1,421,356
Thereafter	8,945,000	1,330,550	10,275,550
Total	<u>\$ 12,000,000</u>	<u>\$ 3,372,863</u>	<u>\$ 15,372,863</u>

Interest costs incurred and charged to expense were \$6,400 for the year ended December 31, 2019.

**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, 2019.

Buildings and structures	\$ 47,705,192
Roadways and surface drainage	4,908,723
Equipment	1,938,543
Railroad tracks and yards	<u>562,680</u>
Total leased property	55,115,138
Less accumulated depreciation	<u>(40,588,727)</u>
Net leased property	<u>\$ 14,526,411</u>

Depreciation expense for leased property during 2019 was \$1,120,897, which is included in depreciation expense on the statement of revenues, expenses, and changes in net position.

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

Exhibit D  
 (Continued)

**Note 7 – LEASES (CONTINUED)**

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2019:

Year	Future Rental Revenues
2020	\$ 3,578,829
2021	3,399,072
2022	3,319,905
2023	3,294,973
2024	2,427,023
Thereafter	13,611,807
Total	<u>\$ 29,631,609</u>

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

**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 LA R.S. 42:851 for health insurance benefits and LA 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 LA 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, 2019. 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.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

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

**General Information about the OPEB Plan (Continued)**

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	Employee Share
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

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. 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, 2019, the Commission reported a liability of \$6,608,758 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

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, 2019, the Commission’s proportion was .077419% which was a decrease of .003305% from the Commission’s proportion at December 31, 2018.

The total collective OPEB liability in the July 1, 2018 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

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

Exhibit D  
 (Continued)

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

Discount rate	2.98% based on the S&P Municipal Bond 20-year high grade rate index
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.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018.

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 (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1.0% Increase (8.0% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	\$ 7,601,783	\$ 6,608,758	\$ 5,811,826



**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

Exhibit D  
(Continued)

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

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 (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1.0% Increase (8.0% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	\$ 7,626,443	\$ 6,608,758	\$ 5,791,174

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

For the year ended June 30, 2019, the Commission recognized OPEB benefit of \$89,026. At December 31, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Changes in assumptions or other inputs	\$ -	\$ (445,253)
Differences between expected and actual experience	-	(28,805)
Differences between proportionate share of employer benefit payments and actual benefit payments	64,108	-
Changes in employer's proportionate share of Total OPEB Liability	-	(235,236)
Amounts paid by the employer for OPEB subsequent to the measurement date	120,539	-
	\$ 184,647	\$ (709,294)

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, 2020.

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 December 31, 2019

Exhibit D  
 (Continued)

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

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
2020	\$ (210,929)
2021	(210,929)
2022	(163,483)
2023	(59,845)
	\$ (645,186)

**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 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, 2019 was \$50,377.

**Note 11 – OTHER COMMITMENTS**

At December 31, 2019, the Port Commission had commitments outstanding, in the form of contracts relating to construction projects, of approximately \$15,550,944.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
December 31, 2019

Exhibit D  
(Continued)

**Note 12 – CAPITAL CONTRIBUTIONS**

The Commission received capital contributions from federal and state sources for the year ended December 31, 2019 in the amount of \$1,472,514. The following is the breakdown of the source of these contributions for the year ended December 31, 2019:

State grants	\$ 755,908
Federal grants	<u>716,607</u>
Total	<u>\$ 1,472,515</u>

The state and federal grants received during 2019 were for construction.

**Note 13 – NEW ACCOUNTING PRONOUNCEMENTS**

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, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. 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, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. 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, 2019

**Note 13 – NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

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 June 15, 2021, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. 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, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Commission plans to adopt this Statement as applicable by the effective date.

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, 2020, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. 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, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Commission plans to adopt this Statement as applicable by the effective date.

# **REQUIRED SUPPLEMENTARY INFORMATION**





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BATON ROUGE*

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

	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	0.08749%	0.08695%	0.08239%	0.08309%	0.07737%
Employer's Proportionate Share of the Net Pension Liability	\$ 6,338,357	\$ 5,929,586	\$ 5,799,081	\$ 6,524,921	\$ 5,262,124
Employer's Covered Payroll	\$ 1,712,463	\$ 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 Payroll	376.45%	361.52%	378.38%	434.13%	379.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.9%	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.

**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 <sup>1</sup>	Contributions in Relation to Contractually Required Contribution <sup>2</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll <sup>3</sup>	Contributions as a % of Covered Payroll
12/31/2019	\$ 708,268	\$ 692,522	\$ 15,746	\$ 1,761,345	39.32%
12/31/2018	\$ 637,707	\$ 638,125	\$ (418)	\$ 1,683,708	37.90%
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 payroll

2 Actual employer contributions remitted to Retirement Systems

3 Employer's covered payroll amount for the fiscal year ended December 31, 2019.

Notes to Required Supplementary Information  
For the Year Ended June 30, 2019

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**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 in benefit terms in the June 30, 2017 valuation.
- 2019 No changes in benefit terms in the June 30, 2018 valuation.

**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.
- 2019 For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.70% to 7.65%. The inflation rate was also decreased from 2.75% to 2.5%.

**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, 2019**

	Fiscal Year*		
	2019	2018	2017
Employer's proportion of the total collective OPEB liability	0.0774%	0.0807%	0.0807%
Employer's proportionate share of the total collective OPEB liability	\$ 6,608,758	\$ 7,015,764	\$ 7,324,295
Employer's covered-employee payroll	\$ 1,741,398	\$ 1,683,708	\$ 1,519,327
Employer's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll	379.51%	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.*

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**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 -

There were several changes in assumptions for the July 1, 2018 valuation. The discount rate has decreased from 3.13% to 2.98%. Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revised for the Louisiana State Police Retirement System, the Louisiana School Employees' Retirement system, and the Teachers' Retirement System of Louisiana to reflect experience studies. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2018. The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

**SEE INDEPENDENT AUDITORS' REPORT**



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BATON ROUGE*

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**OTHER SUPPLEMENTARY INFORMATION**

## **GREATER BATON ROUGE PORT COMMISSION**

### **Other Supplementary Information Schedules**

**December 31, 2019**

#### **Schedule of Lease Information**

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

#### **Schedule of Future Lease Rent Revenue Without Options**

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

#### **Schedule of Operating Expenses by Major Category**

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

#### **Schedule of Administrative Expenses**

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

#### **Summary Schedule of Operating Income (Loss) by Facility**

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

#### **Schedule of Commissioner's Per Diem**

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

#### **Schedule of Compensation, Benefits and Other Payments to Agency Head**

The schedule of the agency head's compensation, benefits and other payments is a requirement of Louisiana Revised Statute 24:513 A(3).

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**Schedule of Lease Informaton**  
December 31, 2019

Lessee	Facility	Minimum Annual Rent for 2019	Current Lease Date of Expiration
Agway Systems	Five Tracts of Land	\$ 46,850	December 31, 2028
Ardent Mills	Tract of Land	118,676	March 31, 2032
Baton Rouge Transit	Tract of Land	74,236	July 29, 2023
Baton Rouge Transit	Tract of Land	4,000	Month-to-Month
BR Port Services	Tract of Land	601,591	February 16, 2024
BR Port Services	Facilities	46,727	February 16, 2024
Centerpoint Terminals	Tract of Land	207,923	January 31, 2035
Community Coffee	Building & Land	70,531	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	8,000	August 31, 2020
Dow Chemical	Container Yard	208,404	May 31, 2021
ExxonMobil - Paxon	Railroad Servitude	1,000	Year-to-Year
Louis Dreyfus Commodities	Facility	1,000,000	June 15, 2031
Louis Dreyfus Commodities	Warehouse & Office Building	255,248	June 15, 2031
Louisiana Sugar Cane Products, Inc.	Tract of Land	36,630	September 30, 2026
Pelican Marine Services, LLC	Tract of Land	60,000	December 31, 2029
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	147,729	October 31, 2028
Stupp Corporation	Tract of Land	14,226	Month-to-Month
Watco	Barge Terminal	257,368	December 31, 2023
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	247,795	December 31, 2026
Others	Tracts of Land	6,810	Varies
Total		<u>\$ 3,578,829</u>	

**SEE INDEPENDENT AUDITORS' REPORT**

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**Schedule of Future Lease Rent Revenue Without Options**  
December 31, 2019

<u>Lessee</u>	<u>Facility</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Later</u>	<u>Options End</u>
Agway Systems	Five Tracts of Land	\$ 46,850	\$ 46,850	\$ 46,850	\$ 46,850	\$ 46,850	\$ 187,399	12/31/2028
Ardent Mills	Tract of Land	118,676	118,676	118,676	118,676	118,676	148,345	3/31/2032
Baton Rouge Transit	Tract of Land	74,236	74,236	74,236	43,304	-	-	7/29/2023
Baton Rouge Transit	Tract of Land	4,000	-	-	-	-	-	Month-to-Month
BR Port Services	Tract of Land	601,591	601,591	601,591	601,591	75,199	-	2/16/2024
BR Port Services	Facility	46,727	46,727	46,727	46,727	5,841	-	2/16/2024
Centerpoint Terminals	Tract of Land	207,923	207,923	207,923	207,923	207,923	2,096,557	1/31/2035
Community Coffee	Building & Land	70,531	70,531	70,531	70,531	70,531	1,010,949	4/30/2039
Continental Cement Co.	Tract of Land	51,700	53,423	56,870	56,870	56,870	219,897	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	85,104	12/31/2027
DAL-CO, LLC	Tract of Land	8,000	-	-	-	-	-	8/31/2020
Dow Chemical	Container Yard	208,404	86,835	-	-	-	-	5/31/2021
ExxonMobil - Paxon	Railroad Servitude	1,000	-	-	-	-	-	Year-to-Year
Louis Dreyfus Commodities	Facility	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,458,333	6/15/2031
Louis Dreyfus Commodities	Warehouse & Office Building	255,248	255,248	255,248	255,248	255,248	1,648,476	6/15/2031
Louisiana Sugar Cane Products, Inc.	Tract of Land	36,630	39,072	40,293	40,293	40,293	70,513	9/30/2026
Pelican Marine Services, LLC	Tract of Land	60,000	60,000	63,000	69,000	69,000	345,000	12/31/2029
Pine Bluff Sand & Gravel	Tract of Land	35,000	35,000	35,000	35,000	35,000	43,750	3/31/2026
Ports America	Tract of Land	2,000	-	-	-	-	-	Month-to-Month
Rail Link, Inc.	Office Space	1,000	-	-	-	-	-	Month-to-Month
Savoie Industries, Inc.	Tract of Land	6,710	-	-	-	-	-	Year-to-Year
SEACOR	Facility	2,500	-	-	-	-	-	Month-to-Month
Stone Oil Distributor	Tract of Land	147,729	147,729	147,729	147,729	147,729	566,293	10/31/2028
Stupp Corporation	Tract of Land	14,226	-	-	-	-	-	Month-to-Month
Watco	Barge Terminal	257,368	257,368	257,368	257,368	-	-	12/31/2023
West Baton Rouge Parish Communications District	Building	18,000	18,000	18,000	18,000	18,000	144,000	12/31/2032
West Baton Rouge Parish Waterworks District #2	Tract of Land	3,600	3,600	3,600	3,600	3,600	91,200	4/30/2050
Westway Terminal Company	Tract of Land	247,795	247,795	247,795	247,795	247,795	495,591	12/31/2026
WBR Parish Council	Tract of Land	100	100	100	100	100	400	12/31/2028
<b>Total</b>		<b>\$ 3,578,829</b>	<b>\$ 3,399,072</b>	<b>\$ 3,319,905</b>	<b>\$ 3,294,973</b>	<b>\$ 2,427,023</b>	<b>\$ 13,611,807</b>	

SEE INDEPENDENT AUDITORS' REPORT

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**Schedule of Operating Expenses by Major Category**  
 December 31, 2019

<b>Major Category</b>	<b>Amount</b>
Personnel Services	\$ 3,606,606
Depreciation	3,367,115
Operating Services	3,574,588
Supplies	307,370
Professional Fees	102,442
Travel	20,496
Other	22,979
	<hr/>
Total	<u><u>\$ 11,001,596</u></u>

**SEE INDEPENDENT AUDITORS' REPORT**



**GREATER BATON ROUGE PORT COMMISSION**

Port Allen, Louisiana

**Schedule of Administrative Expenses**

December 31, 2019

	<u>Amount</u>
Salaries and wages	\$ 1,036,413
Contributions to State Retirement System, Payroll Taxes, and Group Insurance	1,133,964
Director's Salary	229,746
Annual, Sick and Compensatory Leave	131,214
Commissioner's Per Diem	90,600
Advertising	114,421
Office Repairs and Maintenance	65,568
Legal	1,300
Legislative Consultant Fees	42,000
Auditing	24,665
Consulting Fees	21,204
Trade and Sales Solicitation	77,318
Insurance	48,220
Travel	20,496
Dues and Subscriptions	39,435
Office Supplies and Postage	20,338
Outside Administrative Services	37,575
Education Expenses	17,544
Utilities	12,659
Telephone	6,909
Miscellaneous	22,979
	<hr/>
Total administrative expenses	<u>\$ 3,194,568</u>

**SEE INDEPENDENT AUDITORS' REPORT**

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**Schedule of Operating Income (Loss) by Facility**  
December 31, 2019

	<u>Operating Revenue</u>	<u>Operating Expense</u>	<u>Depreciation</u>	<u>Operating Income (Loss)</u>
Grain Elevator	\$ 1,798,322	\$ 90,269	\$ 325,146	\$ 1,382,907
General Cargo Docks	6,919,736	1,039,528	1,010,554	4,869,654
Baton Rouge Barge Terminal	641,552	22,878	4,907	613,767
Molasses Terminal	339,433	87,732	-	251,701
West Bank Railroad Facility	376,531	449,976	18,235	(91,680)
Petroleum Terminal	605,265	91,980	-	513,285
Miscellaneous River Activities	494,850	-	-	494,850
Miscellaneous East and West Bank Activities	3,783,892	2,448,295	889,975	445,622
Inland Rivers Marine Terminal	1,588,407	209,255	554,868	824,284
Foreign Trade Zone	60,000	-	-	60,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total before administrative	16,607,988	4,439,913	2,803,685	9,364,390
Administrative	1,086,351	3,194,568	563,430	(2,671,647)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 17,694,339</u>	<u>\$ 7,634,481</u>	<u>\$ 3,367,115</u>	<u>\$ 6,692,743</u>

**SEE INDEPENDENT AUDITORS' REPORT**

**GREATER BATON ROUGE PORT COMMISSION**

Port Allen, Louisiana

**Schedule of Commissioners' Per Diem**

December 31, 2019

<b>Commissioner</b>	<b>Number of Days for Which Paid</b>	<b>Amount Paid</b>
Chabert, Scotty	14	\$ 4,200
Cunard, Rebecca	18	5,400
Davis, Hall	14	4,200
DeLaune, Michael	17	5,100
Hurst, Brenda	22	6,600
Johnson, Eric	23	6,900
Juneau, Jerald	24	7,200
Kelly, Robert	23	6,900
LeBoeuf, Troy	19	5,700
Machen, Angela	24	7,200
Medine, Travis	14	4,200
Robertson, Lynn	21	6,300
Seneca, Clint	23	6,900
Stevens, Kevin	22	6,600
Watts, Bobby	24	7,200
Total		<u>\$ 90,600</u>

**SEE INDEPENDENT AUDITORS' REPORT**

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**Schedule of Compensation, Benefits, and Other Payments to Agency Head**  
 December 31, 2019

**Agency Head:** Jay Hardman

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 249,891
Benefits - insurance	18,237
Benefits - retirement	98,209
Benefits - deferred compensation	4,000
Vehicle provided by government	672
Travel	205
Registration fees	2,025
Conference travel	1,774
Continuing professional education fees	95
Special meals	512
	<hr/>
Total	<u><u>\$ 375,620</u></u>

**SEE INDEPENDENT AUDITORS' REPORT**

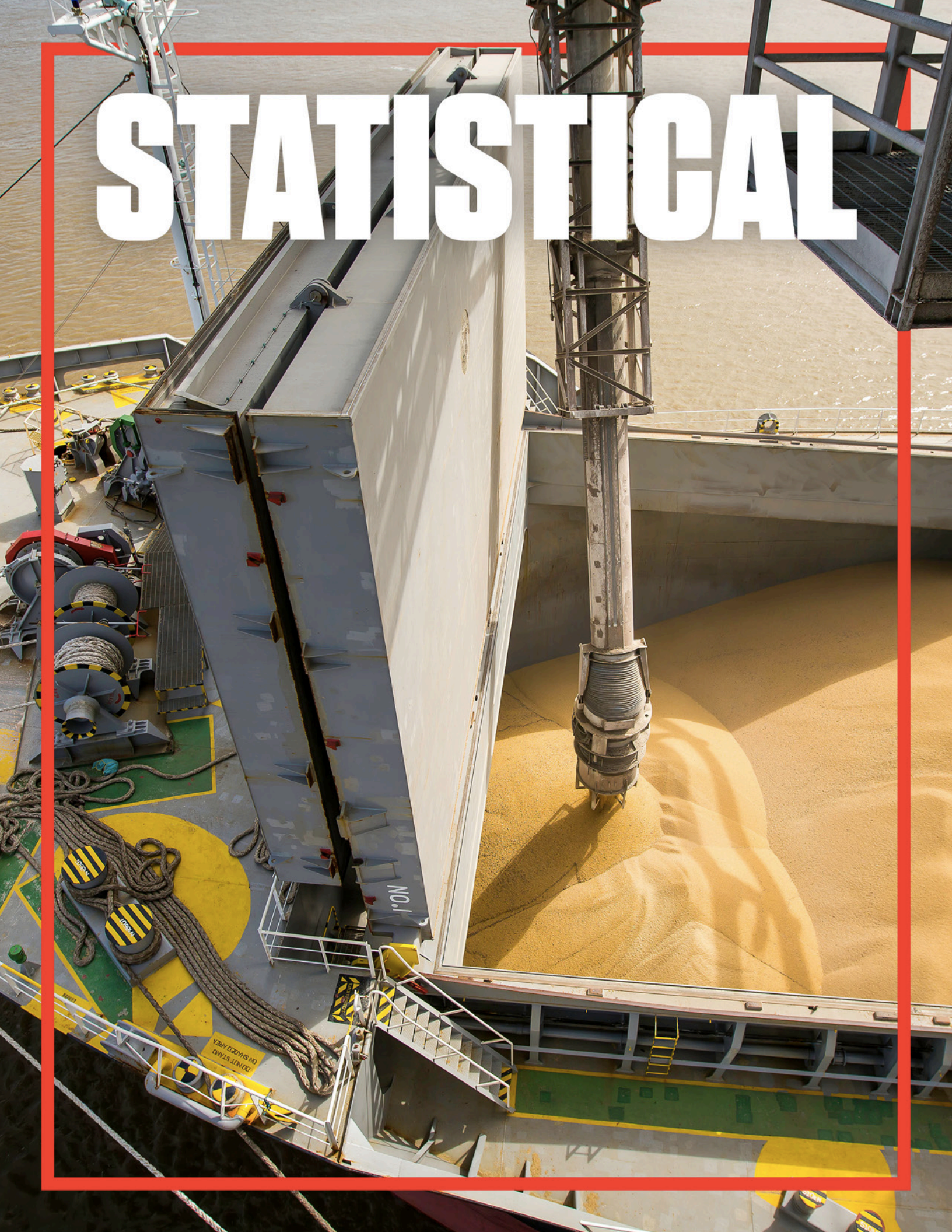


*PORT OF GREATER  
BATON ROUGE*

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# STATISTICAL





# STATISTICAL



**PORT OF GREATER  
BATON ROUGE**

**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.

- Net Position – Last Ten Fiscal Years Exhibit G-1
- Changes in Net Position – Last Ten Fiscal Years Exhibit G-2

**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.

- Revenue by Type and Related Average – Last Ten Fiscal Years Exhibit G-3
- Revenue Rates – Last Ten Fiscal Years Exhibit G-4

**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.

- Note Indebtedness – Last Ten Fiscal Years Exhibit G-5
- Legal Debt Margin – Last Ten Fiscal Years Exhibit G-6

**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.

- Principal Employers by Parish within Port Jurisdiction Exhibit G-7
- Demographic Statistics by Parish within Port Jurisdiction Exhibit G-8

**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.

- Full-Time Equivalent Employees by Department – Last Ten Fiscal Years Exhibit G-9
- Tonnage Comparison – Last Ten Fiscal Years Exhibit G-10

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net position										
Net investment in capital assets	\$ 83,293	\$ 76,799	\$ 76,279	\$ 74,827	\$ 70,614	\$ 64,639	\$ 59,496	\$ 58,278	\$ 52,530	\$ 48,749
Restricted for debt service	-	691	668	12	31	56	78	95	116	181
Unrestricted	16,324	13,460	7,807	10,165	9,399	14,937	13,787	12,143	16,378	15,762
Total Net Position	<u>\$ 99,617</u>	<u>\$ 90,950</u>	<u>\$ 84,754</u>	<u>\$ 85,004</u>	<u>\$ 80,044</u>	<u>\$ 79,632</u>	<u>\$ 73,361</u>	<u>\$ 70,516</u>	<u>\$ 69,024</u>	<u>\$ 64,692</u>

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Operating Revenues</b>										
Rentals	\$ 4,985	\$ 4,167	\$ 4,602	\$ 4,024	\$ 3,653	\$ 4,241	\$ 4,337	\$ 3,896	\$ 2,921	\$ 2,220
Dockage and wharfage	8,608	7,617	5,991	3,778	2,850	2,461	1,598	1,406	1,716	2,168
Other	4,101	3,477	2,830	2,518	2,277	1,252	1,511	1,503	1,254	1,326
Total operating revenues	<u>17,694</u>	<u>15,261</u>	<u>13,423</u>	<u>10,320</u>	<u>8,780</u>	<u>7,954</u>	<u>7,446</u>	<u>6,805</u>	<u>5,891</u>	<u>5,714</u>
<b>Operating Expenses</b>										
Direct	4,440	3,755	3,552	3,445	2,673	2,277	2,431	2,332	2,369	2,146
Administrative	3,195	2,952	3,039	3,302	2,756	2,738	2,672	2,436	2,412	2,679
Depreciation	3,367	3,350	3,481	3,733	3,461	3,021	2,849	2,818	2,516	2,503
Total operating expenses	<u>11,002</u>	<u>10,057</u>	<u>10,072</u>	<u>10,480</u>	<u>8,890</u>	<u>8,036</u>	<u>7,952</u>	<u>7,586</u>	<u>7,297</u>	<u>7,328</u>
<b>Non-operating revenues (expenses)</b>										
Investment income	502	254	312	10	116	105	67	247	595	585
Interest expense	(4)	(36)	(72)	(106)	(148)	(179)	(208)	(234)	(260)	(283)
Gain/(loss) on sale of investments	15	(144)	(188)	(35)	(43)	(2)	-	-	-	-
Gain/(loss) on sale of capital assets	3	54	4	-	-	-	2	-	-	-
Other	(13)	(33)	(18)	-	-	-	4	(202)	(3)	(3)
Total non-operating	<u>503</u>	<u>95</u>	<u>38</u>	<u>(131)</u>	<u>(75)</u>	<u>(76)</u>	<u>(135)</u>	<u>(189)</u>	<u>332</u>	<u>299</u>
Net Income (loss)	7,195	5,299	3,389	(291)	(185)	(158)	(641)	(970)	(1,074)	(1,315)
Capital Contributions, net	1,473	897	735	5,251	5,531	6,429	3,486	2,462	5,406	2,174
Change in net position	<u>8,668</u>	<u>6,196</u>	<u>4,124</u>	<u>4,960</u>	<u>5,346</u>	<u>6,271</u>	<u>2,845</u>	<u>1,492</u>	<u>4,332</u>	<u>859</u>

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Rentals	\$ 4,985,227	\$ 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
Wharfage	4,759,693	5,307,780	4,366,169	2,914,849	2,137,468	1,637,646	973,614	942,221	864,941	960,157
Dockage	3,847,946	2,309,460	1,625,283	863,165	712,638	823,130	624,476	464,226	851,327	1,208,253
Other operating revenue	4,101,474	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
<b>Total operating revenue</b>	<b>\$ 17,694,340</b>	<b>\$ 15,260,637</b>	<b>\$ 13,423,276</b>	<b>\$ 10,319,637</b>	<b>\$ 8,779,785</b>	<b>\$ 7,953,567</b>	<b>\$ 7,446,565</b>	<b>\$ 6,805,794</b>	<b>\$ 5,891,664</b>	<b>\$ 5,714,048</b>
Cargo tonnage	14,007,416	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
Per ton wharfage	\$ 0.34	\$ 0.34	\$ 0.31	\$ 0.28	\$ 0.22	\$ 0.18	\$ 0.23	\$ 0.34	\$ 0.26	\$ 0.23
Number of ships	210	250	217	170	149	124	60	51	58	59
Per ship dockage	\$ 18,324	\$ 9,238	\$ 7,490	\$ 5,077	\$ 4,783	\$ 6,638	\$ 10,408	\$ 9,102	\$ 14,678	\$ 20,479

**GREATER BATON ROUGE PORT COMMISSION**

Port Allen, Louisiana

**REVENUE RATES**

**LAST TEN FISCAL YEARS**

(accrual basis of accounting)

(Unaudited)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Dockage Rates at General Cargo Docks (LOA)</b>										
<b>Ships &amp; Ocean Going Barges</b>										
First day, per ft										
0-199	\$ 3.03	\$ 2.94	\$ 2.85	\$ 2.77	\$ 2.61	\$ 2.61	\$ 2.46	\$ 2.46	\$ 2.32	\$ 2.32
200-399	3.96	3.86	3.75	3.64	3.43	3.43	3.23	3.23	3.05	3.05
400-499	5.41	5.26	5.10	4.95	4.67	4.67	4.40	4.40	4.15	4.15
500-599	7.27	7.06	6.85	6.65	6.27	6.27	5.91	5.91	5.57	5.57
600-699	8.44	8.19	7.96	7.72	7.28	7.28	6.85	6.85	6.47	6.47
700-799	10.71	10.40	10.10	9.80	9.24	9.24	8.71	8.71	8.21	8.21
800-899	12.90	12.53	12.16	11.81	11.13	11.13	10.50	10.50	9.89	9.89
900 ft +	15.43	14.98	14.54	14.12	13.31	13.31	12.55	12.55	11.83	11.83
Additional days, per ft, per day										
0-199	\$ 3.03	1.47	1.43	1.39	1.31	1.31	1.23	1.23	1.16	1.16
200-399	3.96	1.93	1.88	1.82	1.72	1.72	1.62	1.62	1.53	1.53
400-499	5.41	2.63	2.55	2.48	2.34	2.34	2.20	2.20	2.08	2.08
500-599	7.27	3.53	3.43	3.33	3.14	3.14	2.96	2.96	2.79	2.79
600-699	8.44	4.10	3.98	3.86	3.64	3.64	3.43	3.43	3.24	3.24
700-799	10.71	5.20	5.05	4.90	4.62	4.62	4.36	4.36	4.11	4.11
800-899	12.90	6.27	6.08	5.91	5.57	5.57	5.25	5.25	4.95	4.95
900 ft +	15.43	7.49	7.27	7.06	6.66	6.66	6.28	6.28	5.92	5.92
<b>Liquid Bulk Barges</b>										
First day, per ft										
0-199	1.15	1.15	1.15	1.15	1.00	1.00	0.90	0.90	0.75	0.75
200-399	1.20	1.20	1.20	1.20	1.05	1.05	0.95	0.95	0.80	0.80
400-449	1.40	1.40	1.40	1.40	1.30	1.30	1.20	1.20	1.05	1.05
450-499	1.75	1.75	1.75	1.75	1.55	1.55	1.45	1.45	1.30	1.30
Each day thereafter	50.00	50.00	50.00	50.00	40.00	40.00	25.00	25.00	15.00	15.00
<b>Dockage Rates at Grain Elevator</b>										
Ships (per GRT, per day)	-	-	-	-	-	-	-	-	0.19	0.19
Barges (per day)	-	-	-	-	-	-	-	-	45.00	45.00

Source: Port Tariff No. 1, Item 145



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

(accrual basis of accounting)  
(Unaudited)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Wharfage Rates (per ton)</b>										
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
Fluorspar	-	-	-	-	-	-	0.90	0.90	0.90	0.90
Groats	-	-	-	-	-	-	0.90	0.90	0.90	0.90
Lead Concentrates	-	-	-	-	-	-	0.90	0.90	0.90	0.90
Logs	Quoted price	Quoted price	Quoted price	Quoted price	1.00	1.00	0.90	0.90	0.90	0.90
Zinc Residue	-	-	-	-	-	-	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
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	2.00	1.85	1.85	1.85	1.85	1.85	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
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	2.00	1.60	1.60	1.60	1.60	1.60	1.40	1.40	1.40	1.40
Over 20,000 short tons	2.00	1.20	1.20	1.20	1.20	1.20	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

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**NOTE INDEBTEDNESS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)  
 (Unaudited)

<u>Fiscal Year End</u>	<u>Outstanding Bond Indebtedness Balance</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2019	\$ 1,999,435	Unavailable	\$ 3.20
2018	\$ 712,213	11.5%	\$ 1.14
2017	\$ 1,401,062	23.8%	\$ 2.24
2016	\$ 2,049,912	36.1%	\$ 3.27
2015	\$ 2,668,761	47.8%	\$ 4.28
2014	\$ 3,252,611	61.7%	\$ 5.24
2013	\$ 3,806,459	76.9%	\$ 6.17
2012	\$ 4,335,309	90.6%	\$ 7.08
2011	\$ 4,834,159	106.8%	\$ 7.94
2010	\$ 5,308,008	123.9%	\$ 8.76

- 1 Please refer to Footnote 6 in the financial section for a detailed description of the notes and the usage of funding
- 2 See the Schedule of Demographics Statistics for personal income and population data.

**GREATER BATON ROUGE PORT COMMISSION**  
 Port Allen, Louisiana  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

(Unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
Total net debt applicable to limit	<u>(1,999,435)</u>	<u>(712,213)</u>	<u>(1,401,062)</u>	<u>(2,049,912)</u>	<u>(2,668,761)</u>	<u>(3,252,611)</u>	<u>(3,806,459)</u>	<u>(4,335,309)</u>	<u>(4,834,159)</u>	<u>(5,308,008)</u>
Legal debt margin	<u>\$ 98,000,565</u>	<u>\$ 99,287,787</u>	<u>\$ 98,598,938</u>	<u>\$ 97,950,088</u>	<u>\$ 97,331,239</u>	<u>\$ 96,747,389</u>	<u>\$ 96,193,541</u>	<u>\$ 95,664,691</u>	<u>\$ 95,165,841</u>	<u>\$ 94,691,992</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>2.00%</u>	<u>0.71%</u>	<u>1.40%</u>	<u>2.05%</u>	<u>2.67%</u>	<u>3.25%</u>	<u>3.81%</u>	<u>4.34%</u>	<u>4.83%</u>	<u>5.31%</u>

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION**  
**CURRENT YEAR**

(Unaudited)

**Ascension Parish**  
2019

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**  
2019

Employer	Number of Employees
Turner Industries Group LLC	9,875
LSU System	6,250
Performance 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**  
2019

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**  
2019

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

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Ascension Parish</b>										
Personal Income (in thousands)	Unavailable	\$ 6,212,332	\$ 5,880,525	\$ 5,673,180	\$ 5,577,941	\$ 5,274,532	\$ 4,952,730	\$ 4,782,753	\$ 4,525,953	\$ 4,285,109
Population	126,604	124,672	123,028	121,520	119,374	117,287	114,638	112,218	110,065	107,886
Per Capita Personal Income	Unavailable	\$ 49,829	\$ 47,798	\$ 46,685	\$ 46,727	\$ 44,971	\$ 43,203	\$ 42,620	\$ 41,121	\$ 39,719
Unemployment Rate	4.1	4.1	4.3	4.9	5.0	5.4	5.6	6.2	7.1	7.5
<b>East Baton Rouge Parish</b>										
Personal Income (in thousands)	Unavailable	\$ 22,658,991	\$ 21,672,635	\$ 21,270,506	\$ 20,511,298	\$ 20,278,064	\$ 19,694,266	\$ 19,416,780	\$ 18,742,634	\$ 17,667,539
Population	440,059	440,956	443,607	446,029	445,078	444,798	443,840	442,592	441,173	440,559
Per Capita Personal Income	Unavailable	\$ 51,386	\$ 48,855	\$ 47,689	\$ 46,085	\$ 45,589	\$ 44,372	\$ 43,871	\$ 42,484	\$ 40,103
Unemployment Rate	4.4	4.3	4.4	5.1	5.3	5.8	6.2	6.8	7.6	7.6
<b>Iberville Parish</b>										
Personal Income (in thousands)	Unavailable	\$ 1,355,403	\$ 1,302,613	\$ 1,242,701	\$ 1,220,399	\$ 1,191,632	\$ 1,170,577	\$ 1,163,588	\$ 1,152,629	\$ 1,088,263
Population	32,511	32,721	32,920	32,869	33,137	33,135	33,388	33,327	33,358	33,390
Per Capita Personal Income	Unavailable	\$ 41,423	\$ 39,569	\$ 37,808	\$ 36,829	\$ 35,963	\$ 35,060	\$ 34,914	\$ 34,553	\$ 32,592
Unemployment Rate	5.9	6.2	6.2	6.8	7.1	7.8	8.4	9.5	10.4	10.0
<b>West Baton Rouge Parish</b>										
Personal Income (in thousands)	Unavailable	\$ 1,241,438	\$ 1,183,756	\$ 1,165,397	\$ 1,142,113	\$ 1,087,417	\$ 1,005,642	\$ 976,946	\$ 964,411	\$ 912,190
Population	26,465	26,427	26,207	25,906	25,559	25,199	24,660	24,153	24,110	23,954
Per Capita Personal Income	Unavailable	\$ 46,976	\$ 45,169	\$ 44,986	\$ 44,685	\$ 43,153	\$ 40,780	\$ 40,448	\$ 40,000	\$ 38,081
Unemployment Rate	4.5	4.4	4.6	5.3	5.6	5.8	6.2	7.0	7.8	7.9



Exhibit G-9

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

(Unaudited)

	Full-time Equivalent Employees									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Executive	3	3	3	3	3	3	3	3	3	3
Finance & Administrative	5	5	5	5	5	5	3	3	4	5
Engineering & Security	16	13	15	14	13	14	14	14	16	17
Business Development	1	1	1	1	1	1	2	2	1	1
Governmental Affairs	1	1	1	1	-	-	-	-	-	-
Public Affairs	-	-	-	1	1	1	1	1	1	1
Total employees	<u>26</u>	<u>23</u>	<u>25</u>	<u>25</u>	<u>23</u>	<u>24</u>	<u>23</u>	<u>23</u>	<u>25</u>	<u>27</u>

Source: GBRPC Human Resources

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

(Unaudited)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Cargo Docks	7,368,118	6,648,634	4,248,537	650,161	313,214	159,371	177,469	171,839	223,039	256,978
Coke Handling Facility	800,383	930,354	949,571	842,046	794,450	797,815	588,404	531,875	823,025	772,829
Inland Rivers Marine Terminal	144,082	124,734	202,225	203,655	231,668	185,594	149,969	212,385	266,625	229,413
Midstream Buoys	-	-	-	-	-	-	-	46,855	-	-
Petroleum Terminal	1,311,114	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
Molasses Terminal	130,342	175,861	138,201	186,848	227,045	276,073	244,493	266,474	249,283	198,772
Grain Elevator	3,776,174	5,539,949	6,181,359	6,162,013	5,180,163	4,156,532	577,627	-	121,148	493,325
Miscellaneous Rental Facilities	477,203	541,595	554,575	291,429	341,511	729,478	453,938	452,811	315,089	324,416
<b>Total</b>	<b>14,007,416</b>	<b>15,704,169</b>	<b>14,095,407</b>	<b>10,446,997</b>	<b>9,605,775</b>	<b>9,281,421</b>	<b>4,263,425</b>	<b>2,783,791</b>	<b>3,287,541</b>	<b>4,172,623</b>



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BATON ROUGE*

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# COMPLIANCE





# COMPLIANCE



**PORT OF GREATER  
BATON ROUGE**

**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, 2019, 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 29, 2020.

**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.





To the Board of Commissioners  
Greater Baton Rouge Port Commission  
June 29, 2020

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 29, 2020  
New Orleans, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**SCHEDULE OF FINDINGS AND RESPONSES**

**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, 2019.

**SECTION II FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings related to the year ended December 31, 2019.

**GREATER BATON ROUGE PORT COMMISSION**  
Port Allen, Louisiana  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

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



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