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REPORT

GREATER BATON ROUGE PORT COMMISSION (STATE OF LOUISIANA)

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

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FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

COMPLIANCE SECTION

PORT OF GREATER BATON ROUGE

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

June 7, 2006

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

Dear Board of Commissioners:

The year 2005, will remain a very significant year for the Port of Greater Baton Rouge. The year was a time of paramount change for Louisiana's maritime industry and consequently your Port for a variety of reasons.

Port infrastructure was used at maximum capacity in the immediate days following the hurricane event of Katrina to assist in the emergency relief and disaster efforts to our sister ports. The port's infrastructure became extremely important during the emergency efforts. It required extraordinary response and required the leadership of our elected officials, commission and staff and the community. The port is appreciative of the efforts of many individuals to respond to the hurricane evacuees and to our sister ports. It required the efforts of many people under extreme adverse conditions, to respond to this devastating storm in Southeast Louisiana. As a result of these efforts, many shippers and port users have rediscovered the advantages of using the port and view the port's strategic inland location, as an important advantage.

Tonnage statistics for 2005 have had noticeable increases at the general cargo docks, grain elevator, petroleum and molasses terminal. The port's deepwater docks have seen an increase in bulk and break-bulk cargos and new cargoes have moved through the port as a result of the rebuilding efforts underway in South Louisiana. Port tonnage, additional ship dockage, and longshoremen hours are all on the rise and are expected to continue in 2006. A tad out of the ordinary for the port, in September 2005, the port became homeport for the FinnJet, a ferry vessel from Finland; housing the faculty and students from Louisiana State University Medical School at the general cargo docks.

I am very pleased to welcome Westway Feed Products as a new company at the port. Our partners, Westway Terminal Company and Petroleum Fuel Company, have expansions underway or have announced expansions. Combined, these expansions will increase capacity for these terminals and increased activity at the general cargo docks is anticipated.

Collectively, the Port's infrastructure is in the best condition today than it has been in quite some time. During 2005, the Port of Greater Baton Rouge placed sharp focus on economic development initiatives and improvement to port infrastructure, accomplishments and new projects for 2005 include:

- Construction was completed for an additional $950,000 for bagging and packaging operation adding a 21,000+ square-foot expansion to the existing warehouse at IRMT. Construction of a new $ 700,000 rail spur, apron and canopy at the port's Inland Rivers Marine Terminal.
- Security enhancement of $1.6 million from Transportation Security Administration (TSA) was implemented. These funds were used to enhance port security, lighting and fencing and an emergency response vessel for use in the Mississippi River.
- Piling system rehabilitation of $3.8 million continues on General Cargo Dock No. 1.
- Expansion of Westway Liquid Bulk Terminal, $2.4 million.
- Expansion of Petroleum Fuel & Terminal's Bulk Terminal, a Centerpoint Company, $1.7 million.

Reviews of the financial statement data for the twelve-month period, the following results were noted. Operating revenues were $ 5,175,440 as compared to $ 4,573,042 in 2004, an increase of 13.1% this year. Operating expenses in 2005 decreased reporting $ 6,439,870 as compared to $7,250,929 in 2004, a decrease of 11.2% this year. Non-operating revenue of $ 292,688 was reported, most of which was derived from investment income. The income statement indicated a net loss before capital contributions of $ 1,552,309 after depreciation, and the balance sheet indicated a $ 113,278 decrease in total net assets.

Port staff appreciates the substantial support and leadership of the Port Commission. The present is an exciting time for Louisiana's maritime industry. Opportunities exist all around. Together, we will build upon the tradition of success for an even brighter future for the Port of Greater Baton Rouge and the Baton Rouge region.

Sincerely,

Jay Hardman

Jay Hardman, P.E,
Executive Director

JH:kks

PORT OF GREATER BATON ROUGE

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

June 7, 2006

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

The Comprehensive Annual Financial Report of the Greater Baton Rouge Port Commission (the Commission), for the twelve-month period ended December 31, 2005, as prepared by the Finance Department, is hereby submitted for your review. This report was processed under the guidance of the Executive Director by the staffs of the Administration and Finance and Sales and Marketing departments. Responsibility for the completeness, accuracy and fairness of the presentation rests with the Finance Director and support staff.

To the best of our knowledge, all data is accurate with regard to all material aspects and is reported in a manner that is designed to fairly present the financial position of the Commission. Disclosures necessary to enable the reader to understand the Commission's financial activities have been included.

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

ORGANIZATION AND CONTENT

This Comprehensive Annual Financial Report has been prepared in accordance with guidelines recommended by the Governmental Accounting Standards Board and the Government Finance Officers Association. It consists of four sections:

1. **Introductory Section** - This section includes the Executive Director's message, this letter of transmittal, a copy of the 2004 Certificate of Achievement Award, an organizational chart and a list of Commissioners and Directors.

2. **Financial Section** - This section includes the auditor's report, management's discussion and analysis, the audited financial statements, including notes to the statements, and supplementary information.

3. **Statistical Section** - This section contains a revenue and expense comparison for ten years, information relative to cargo handled at the different facilities over five and ten year periods, with related graphs.

4. **Compliance Section** – This section includes the auditor's report on compliance and on internal control over financial reporting, based on their audit of the financial statements.

ECONOMIC OUTLOOK

The year 2005 was extraordinary in several respects, but especially from one. The state's largest natural disaster, Hurricane Katrina, created unprecedented financial hardship at several of the lower Mississippi River ports. Conversely, the Port of Greater Baton Rouge, being farther inland and virtually unharmed by this event, experienced an economic gain due to increased storage and shipping activity at its facilities. As a result, operating revenues increased by 13.1% over 2004. An examination of tonnage indicates an overall tonnage decrease of 16.4 %. Fortunately, the largest and only significant decrease resulted from the tonnage reported at the Burnside bulk handling facility, a facility which the port sold in recent years. The overall state of the local economy was good during the period as the petrochemical manufacturing sector held steady during a continued period of relatively high fuel costs. Natural gas is used as fuel and feed stock for much of the state's industry. Advances in technology was also a benefit for the manufacturing sector. Adopting newer technology has helped to increase overall production on a cost per man hour basis. During the year, a greater utilization of available green space and of existing facilities helped to produce the boost in operating revenue. Again, we believe that maintaining diversified operations at the port provides real business strength. As is typical in most years, some facilities increased cargo movement during the year, while others declined slightly. We expect to continue working toward diversity in order to minimize changes in market conditions that might negatively impact our revenue stream.

As previously mentioned, operating revenue for 2005 was up from 2004. It changed from $4,573,042 in 2004 to $5,175,440 in 2005, up 13.1%. Operating and non-operating revenue was recorded at $5,468,128, which was up by $487,175 over the same period in 2004. The primary reason for the improvement can be attributed to increases in rentals, dockage and other income. Net assets decreased by $113,278 due to an increase in depreciation, a loss from environmental remediation costs, and a decrease in capital contributions from the previous year. Total net assets were $61,907,347 at year-end, compared to $62,020,625 in the previous year.

Factors related to the local, national and international economy continue to play a significant role in our level of achievement. Our goal is to continue current efforts to grow the port as opportunities for cargo expansion and economic development increase within the port's jurisdiction. We also anticipate a moderate expansion of our land holdings to allow for future growth. It is expected that changes such as the strengthening or weakening of the dollar against foreign currencies, world energy demand, a focus in the need to be less fossil fuel dependent, and an overall population growth in the southern region of the United States, will all have an impact on the future of the port.

As staff continues to focus on diversification and growth, it will work to provide opportunities and incentives so that our business community will have the ability to expand or to locate and operate within the port's jurisdiction. When accomplished, this will present an opportunity to increase the port's revenue base and generate a greater economic benefit for our local and state economies.

MAJOR INITIATIVES

Several capital improvement projects were brought to a close during 2005, which opened the door for a new focus. Front and foremost during the year was the decision by the board to aggressively pursue the acquisition of additional land for future development. The vision for this emphasis was begun in 2004 with the acquisition of 188 acres of waterfront property along the Gulf Intracoastal Waterway. Adjoining the 188 acre site was a two-part tract of farm land encompassing approximately 265 acres. As most of the additional land had been utilized for minor agricultural purposes, it was decided that the port would seek to purchase it also. Initial offers to buy the land resulted in a negative stance on the part of the landowners to them. As a result of the actions by one set of owners, the port moved to expropriate approximately half of the available land and to negotiate a purchase price for the remaining section. At the end of the year, offers had been made to purchase both tracts of land but no offer had been accepted and the expropriation proceeding was not completed.

A decision by the owners of the leased petroleum terminal to expand existing capacity was followed through to the point of ground work being started. Similar plans for expansion of the molasses facility were deferred before the end of the year. However, the molasses facility tenant decided to begin a new feed products operation during the year and leased additional land and facilities from the port for this purpose.

The doubling of the size of the Inland Rivers Marine Terminal Warehouse, 21,000 sq. ft., was completed on schedule and made available to the existing tenant. By the end of the year, the tenant did not need the space so staff began marketing it for other purposes. It was expected that one of the other warehouse tenants would need this additional space in 2006.

A substantial portion of protective fencing and equipment purchased through a grant from the Department of Homeland Security was installed and operating by year end. Surveillance equipment now provides a virtual electronic fence along the face of the riverfront docks to provide maximum waterside security.

FINANCIAL CONDITION

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

REPORTING ENTITY

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

FINANCIAL REPORTING

The 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 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.*

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

FUND DESCRIPTION

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

INTERNAL CONTROLS

The management of the Commission is responsible for establishing and maintaining internal controls over its operations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the evaluation of the costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROL

The Commission staff prepares an annual Operations and Maintenance budget that is based on expected collections and expenditures, for the fiscal year. The Board of Commissioners approves and adopts the budget, which constitutes the authority of the Commission to incur liabilities and authorize projected expenditures from the respective budgeted categories. In addition, the Commission approves certain expenses from the general fund account for maintenance of existing facilities and for new construction, on an as needed basis. Monthly financial statements, which compare actual performance with budget, are presented to the Commission for review of the financial status and to measure the effectiveness of the budgetary controls.

DEBT ADMINISTRATION

The Commission is authorized by the state legislature to have outstanding indebtedness of up to $100,000,000 evidenced by negotiable bonds or notes. The Greater Baton Rouge Port Commission has outstanding Bond indebtedness of $7,342,255 through a 1999A and 1999B Series issue. These bonds mature serially to the year 2019. The bonds are limited and special obligations payable solely from lawfully available funds and certain funds held by the Trustee pursuant to the Trust Indenture. No other assets are available for payment of the principal or interest on the Bonds.

CASH MANAGEMENT

Existing Louisiana state statutes provide the Greater Baton Rouge Port Commission with legal authority to promulgate and implement reasonable standards for its cash management and investment operations. Therefore, in 1993 the Commission adopted a Statement of Investment and Cash Management Guidelines and Procedures.

The purpose of this statement is to identify policies and procedures that provide for a prudent and systematic approach to the investment and cash management activities of the Commission, including the active management of the Commission's longer term portfolios, management of cash, projections of cash flow, control of disbursements and cost effective services from bank and financial services institutions.

RISK MANAGEMENT

The Greater Baton Rouge Port Commission is constantly reviewing its property and liability coverage and is cooperating with its insurance underwriters in a program of risk reduction. The Commission requires its tenants and subcontractors to provide comprehensive coverage for all areas of risk, inclusive of worker's compensation insurance. In addition, the Commission offers employee safety education programs to reduce claims for Worker's Compensation.

Programs for employee health and life insurance are provided through the State of Louisiana. The state provides life and health coverage to its employees, their dependents and retirees. The Commission pays 100% for employees and up to 75% of costs for each eligible retiree who participates in the program. Other supplemental insurances are available to employees. Such coverage's are optional and are paid entirely by the individuals electing to carry them.

INDEPENDENT AUDIT

State statutes require an annual audit by either an independent certified public accountant or the Legislative Auditor. The Louisiana Legislative Auditor elected to contract this service to the independent CPA firm, Duplantier, Hrapmann, Hogan & Maher, L.L.P, for the audit years 2005-2007. The auditor's report on the component unit financial statements is included in the financial section of this report.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Commission for its comprehensive annual financial report for the year ended December 31, 2004. This was the 11th consecutive year the Port Commission received this prestigious award. To be awarded a Certificate of Achievement, the Port Commission published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the finance/administration department support of the executive department and the personnel of the firm, Duplantier, Hrapmann, Hogan & Maher, L.L.P. Special recognition is given to Brad Stueber, Accountant Administrator, and his staff, for their extraordinary efforts.

Respectfully submitted,

Alfred D. Starns

Alfred D. Starns
Director Finance and Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Baton Rouge Port Commission, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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

President

Executive Director

The
Greater Baton Rouge
Port Commission

(A Political Subdivision of the State of Louisiana)

PORT STAFF

Roger P. Richard
Chief Executive Officer

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

Alfred D. Starns
Director of Finance and Administration

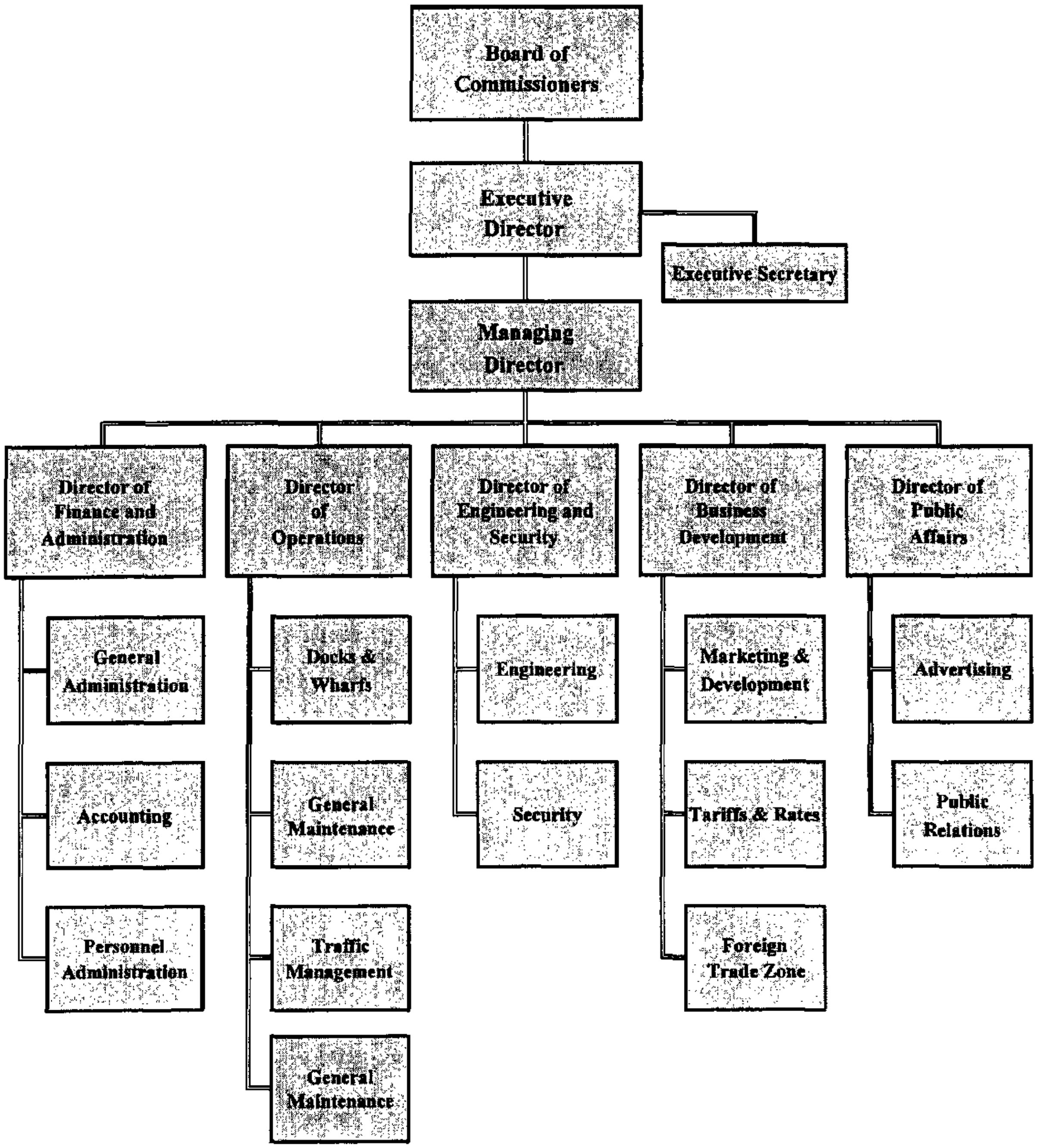
Greg Johnson
Director of Business Development

Karen K. St. Cyr
Director of Public Affairs

James H. LeBlanc
Director of Operations

John Polansky, Jr., P.E.
Director of Engineering and Security

ORGANIZATIONAL CHART



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(1919-1990)
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(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

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

INDEPENDENT AUDITOR'S REPORT

March 8, 2006

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

We have audited the accompanying financial statements of the Greater Baton Rouge Port Commission, a component unit of the State of Louisiana, as of and for the year ended December 31, 2005, as listed in the foregoing table of contents. These financial statements are the responsibility of the Greater Baton Rouge Port Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Greater Baton Rouge Port Commission as of and for the year ended December 31, 2004 were audited by other auditors, whose report dated February 17, 2005, expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Baton Rouge Port Commission as of December 31, 2005, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2006, on our consideration of the Greater Baton Rouge Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 14 through 18 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Greater Baton Rouge Port Commission. The accompanying supplemental information schedules and "Annual Financial Report" as required by the Louisiana Division of Administration listed in the index to report are presented for the purpose of additional analysis and are also not a required part of the basic financial statements. The schedule of expenditures of federal awards, the supplemental information schedules, and the "Annual Financial Report" have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and the statistical section, which are presented for purposes of additional analysis and are also not a required part of the basic financial statements, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Duplantier, Hrapmann, Hogan & Maher LLP

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

The Management's Discussion and Analysis of the Greater Baton Rouge Port Commission performance presents a narrative overview and analysis of the port's financial activities for the year ended December 31, 2005. The report is based on twelve months activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the port's financial statements, which begin on page 19.

The report contains comparative analysis for 2004 and 2005.

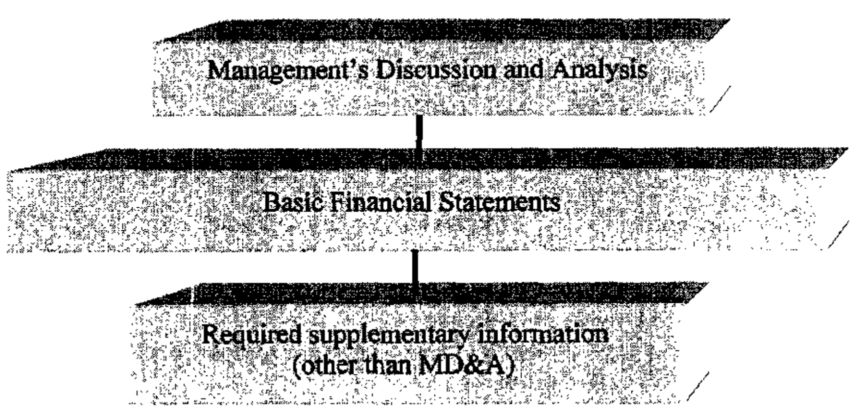
FINANCIAL HIGHLIGHTS

- The Greater Baton Rouge Port Commission's assets exceeded its liabilities at the close of fiscal year 2005 by $61,907,347, which represents a decrease from last fiscal year of $113,278 (or 0.18%).

- During the twelve-month period, operating expense exceeded operating revenue by $1,264,430. Total net non-operating revenue was $1,151,152. When combined, operating and non-operating performance measures indicate a decrease in net assets of $113,278. Operating expenses included the following: depreciation recorded at $2,349,009, representing 36.5% of the total, administrative expenses $2,168,405, or 33.7% and direct expenses of $1,922,456, or 29.8%.

- The unrestricted investment portfolio was valued at $14,112,081 at the end of the year.

OVERVIEW OF THE FINANCIAL STATEMENTS



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Greater Baton Rouge Port Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Assets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statements of Cash Flows.

The Statements of Net Assets (pages 19 – 20) present the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Port Commission is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Assets (page 21) present information as to how the Port Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements (pages 22 - 23) present information showing how the Port Commission's cash changed as a result of current year operations. The cash flow statements are prepared using the direct method and include the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

The following contains condensed Statement of Net Assets information at December 31, 2005 2004, and 2003 (amounts in thousands).

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004	2003
Current and other assets	$ 17,522	$ 17,848	$ 21,669
Capital assets	54,014	53,651	52,001
Total assets	71,536	71,499	73,670
Current and other liabilities	2,641	2,127	3,222
Long-term obligations	6,987	7,351	7,700
Total liabilities	9,629	9,478	10,922
Net assets:			
Invested in capital assets, net of debt	46,672	46,973	47,273
Restricted	273	1,290	3,588
Unrestricted	14,962	13,758	11,887
Total net assets	$ 61,907	$ 62,021	$ 62,748

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

Net assets of the Greater Baton Rouge Port Commission decreased by $113,278 from December 31, 2004 to December 31, 2005. The main cause of the decrease is an increase in depreciation, a loss from environmental remediation costs, and a decrease in capital contributions from the previous year. Net assets decreased by $727,775 from December 31, 2003 to December 31, 2004 due the write-off of a large contract due to the bankruptcy of a former tenant.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the years ended December 31, 2005, 2004, and 2003 (amounts in thousands).

	2005	2004	2003
Operating revenues	$ 5,175	$ 4,573	$ 4,449
Operating expenses	(6,440)	(7,251)	(6,089)
Operating Loss	(1,265)	(2,678)	(1,640)
Non-operating revenues	293	408	387
Non-operating expenses	(580)	(517)	(463)
Non-operating income (expenses)	(287)	(109)	(76)
Income(loss) before contributions	(1,552)	(2,787)	(1,716)
Capital Contributions	1,439	2,059	5,704
Change in net assets	$ (113)	$ (728)	$ 3,988

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

The Greater Baton Rouge Port Commission's operating revenues increased by $602,398 and the total operating expenses decreased by $811,059, from 2004 to 2005. The increase in operating revenues was caused by an increase in Port activity caused by diverting traffic to the Port due to Hurricane Katrina. The cause of the decrease in operating expenses related to a large bad debt recognized in 2004. No such activity occurred in 2005. The Port's operating revenues increased by $124,374 in 2004 over 2003 due to increases in dockage, land rental and container fee revenue. The write-off of a large receivable during 2004 was the main cause of an increase in operating expenses of $1,161,902.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005 and 2004, the Port Commission had $103,075,716 and $100,392,303 invested in a broad range of capital assets, including land, railroad tracks and yards, roadways and structures, buildings and structures, equipment, furnishings and transportation equipment. This amount represents a net increase (including additions and deductions) of $2,683,413 over last period. Accumulated depreciation at the end of 2005 and 2004 was $49,061,841 and $46,741,031, respectively. Capital assets at December 31, net of accumulated depreciation, are as follows:

Capital Assets (in Thousands)

	2005	2004
Land	$5,619	$5,619
Construction in progress	6,226	4,590
Building and improvements	33,202	33,999
Equipment	929	1,026
Infrastructure	8,038	8,417
Totals	$54,014	$53,651

Debt

The Greater Baton Rouge Port Commission had $7,342,255 in loans payable outstanding at year-end, compared to $7,691,105 last year, a decrease of 4.5%.

No new debt was issued during the year ended December 31, 2005.

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

Additional information concerning Long Term Debt is disclosed on pages 35 – 37 of the Notes to the Financial Statements.

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

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

CONTACTING THE GREATER BATON ROUGE PORT COMMISSION'S MANAGEMENT

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

Statement A

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
DECEMBER 31, 2005 AND 2004

ASSETS:	2005	2004
Current Assets:		
Cash and Cash Equivalents	$ 962,798	$ 2,004,678
Investments	14,112,081	11,749,262
Receivables:		
Trade Accounts (Net of Allowance for Uncollectable Accounts of $2,100 in 2005 and 2004)	608,585	541,470
Due From Other Governments	233,747	400,782
Accrued Interest Receivable	63,476	73,106
Contract Receivable - Current	270,518	938,527
Claims Receivable	130,210	-
Prepaid Expenses	99,124	72,721
Total Current Assets	16,480,539	15,780,546
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	63,754	63,754
Investments	761,328	1,769,951
Accrued Interest Receivable	190	1,014
Total Restricted Assets	825,272	1,834,719
Capital Assets:		
Land and Construction in Progress	11,845,170	10,208,797
Other Capital Assets, net of Accumulated Depreciation	42,168,705	43,442,475
Total Capital Assets	54,013,875	53,651,272
Other Assets:		
Unamortized Debt Issue Costs	216,260	232,582
Total Other Assets	216,260	232,582
Total Noncurrent Assets	55,055,407	55,718,573
TOTAL ASSETS	$ 71,535,946	$ 71,499,119

See accompanying notes to the financial statements.

(CONTINUED)

Statement A
(Continued)

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF NET ASSETS
DECEMBER 31, 2005 AND 2004

LIABILITIES:	2005	2004
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	$ 764,328	$ 115,884
Construction Contracts Payable	241,036	352,829
Other Accrued Liabilities	360,533	430,767
Revenues Received in Advance	556,974	683,557
Total Current Liabilities - Payable from Unrestricted Assets	1,922,871	1,583,037
Payable from Restricted Assets:		
Loans Payable - Current Portion	355,000	340,000
Accrued Interest Payable	133,052	140,598
Unredeemed Bonds and Coupons	63,754	63,754
Total Current Liabilities - Payable from Restricted Assets	551,806	544,352
Total Current Liabilities	2,474,677	2,127,389
Noncurrent Liabilities:		
Other Liabilities	166,667	-
Long-term Debt	6,987,255	7,351,105
Total Noncurrent Liabilities	7,153,922	7,351,105
Total Liabilities	9,628,599	9,478,494
Net Assets:		
Invested in Capital Assets, Net of Related Debt	46,671,621	46,973,032
Restricted for:		
Capital Projects	-	1,012,863
Debt Service	273,466	276,489
Unrestricted	14,962,260	13,758,241
Total Net Assets	61,907,347	62,020,625
TOTAL LIABILITIES AND NET ASSETS	$ 71,535,946	$ 71,499,119

See accompanying notes to the financial statements.

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Operating Revenues:		
Dockage and Wharfage	$ 1,286,189	$ 1,147,554
Rentals	2,327,843	2,093,115
Other	1,561,408	1,332,373
Total Operating Revenues	5,175,440	4,573,042
Operating Expenses:		
Direct	1,922,456	1,836,187
Administrative	2,168,405	3,082,902
Depreciation	2,349,009	2,331,840
Total Operating Expenses	6,439,870	7,250,929
Operating Loss	(1,264,430)	(2,677,887)
Nonoperating Revenues (Expenses):		
Investment Income	292,168	406,536
Interest Expense	(402,928)	(425,478)
Gain on Sale of Capital Assets	520	1,375
Loss on Litigation Settlement	-	(80,000)
Environmental Remediation Expense	(166,667)	-
Amortization of Debt Issue, Premium and Deferred Refunding, Net	(7,472)	(7,472)
Trustee's Fees	(3,500)	(3,550)
Total Nonoperating Revenues (Expenses)	(287,879)	(108,589)
Loss Before Contributions	(1,552,309)	(2,786,476)
Capital Contributions	1,439,031	2,058,701
Change in Net Assets	(113,278)	(727,775)
Total Net Assets - Beginning of Year	62,020,625	62,748,400
TOTAL NET ASSETS - END OF YEAR	$ 61,907,347	$ 62,020,625

See accompanying notes to the financial statements.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 5,760,710	$ 4,629,073
Cash Payments to Suppliers for Goods and Services	(2,188,064)	(2,295,851)
Cash Payments to Employees for Services	(1,802,839)	(1,620,636)
Other Operating Expenses	-	(20,464)
Net Cash Provided by (Used in) Operating Activities	1,769,807	692,122
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayment of Loans	(340,000)	(320,000)
Interest Paid on Loans	(410,474)	(416,527)
Acquisition/Construction of Capital Assets	(2,505,264)	(5,235,128)
Proceeds from Sale of Capital Assets	520	199
Other Receipts	(3,575)	-
Capital Contributions	1,498,606	3,060,851
Net Cash Used in Capital and Related Financing Activities	(1,760,187)	(2,910,605)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investment Securities	(4,580,123)	(4,154,201)
Proceeds from Calls and Maturities of Investment Securities	3,225,927	6,896,810
Interest and Dividends Earned on Investment Securities	302,696	425,338
Net Cash Provided by (Used in) Investing Activities	(1,051,500)	3,167,947
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,041,880)	949,464
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,068,432	1,118,968
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,026,552	$ 2,068,432

See accompanying notes to the financial statements.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	2005	2004
Operating Loss	$ (1,264,430)	$ (2,677,887)
Adjustments to Reconcile Operating Loss to Net Cash Provided By (Used in) Operating Activities:		
Depreciation	2,349,009	2,331,840
Changes in Unrestricted Assets and Liabilities:		
(Increase) Decrease in Trade Accounts Receivable	(67,115)	11,555
(Increase) Decrease in Contract Receivable	668,010	840,672
(Increase) Decrease in Prepaid Expenses	(26,403)	39,618
Increase (Decrease) in Accounts Payable	200,093	(153,690)
Increase (Decrease) in Other Accrued Liabilities	(70,234)	(24,644)
Increase (Decrease) in Revenue Received in Advance	(19,123)	330,713
Increase (Decrease) in Unredeemed Bonds and Coupons	-	(6,055)
Net Cash Provided by (Used in) Operating Activities	$ 1,769,807	$ 692,122

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Change in Unrealized Loss on Investments	$ 142,087	$ 100,448

See accompanying notes to the financial statements.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NATURE OF OPERATIONS:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

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

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

Reporting Entity

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

Measurement Focus

On November 1, 2000, the Port Commission adopted 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 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows.

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

Budgets and Budgetary Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents and Investments

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. Cash equivalents include amounts in time certificates of deposits. Under state law, the Port Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the Port Commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Nonparticipating investment contracts, generally certificates of deposit with a maturity of one year or less, are reported at cost.

Under state law, the Port Commission is authorized to invest funds in direct U.S. Treasury obligations. These investments are U.S. Treasury and other U.S. governmental entities securities with maturities of over one year at the time of purchase. The securities are reported at fair value using current quoted market prices or are assigned a value based on yields currently available on similar securities from the same issuers. In addition, the Port Commission is authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the state treasurer and organized under the laws of the State of Louisiana, which operates the investment pool. The Port Commission's investment in LAMP is reported at fair value.

Receivables

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

Capital Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to unspent loan proceeds.

Lease Revenue Recognition

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

Unamortized Debt Issue Expenses and Premium

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

Compensated Absences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Equity Classifications

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

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

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

- Unrestricted net assets – The components of net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Revenues and Expenses

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

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

Reclassifications

Certain amounts in the 2004 financial statements have been reclassified to conform to the 2005 presentation.

2. DEPOSITS AND INVESTMENTS:

Deposits

At December 31, the Port Commission has cash (book balances) as follows:

	2005	2004
Demand deposits	$ 1,026,052	$ 2,067,932
Petty Cash	500	500
Total	$ 1,026,552	$ 2,068,432

Custodial credit risk is the risk that, in the event of a bank failure, the Port's deposits might not be recovered. The Port's deposit policy for custodial credit risk conforms to state law, as described in Note 1 to the financial statements. At December 31, 2005 and 2004, the Port's demand deposit bank balances of $1,675,897 and $2,441,637 were entirely secured by federal deposit insurance and pledged securities held by the Port's agent in the Port's name

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Port will not be able to recover the value of its investment. The Port is not exposed to custodial credit risk at December 31, 2005 since the investments are held in the name of the Port. The Port'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. At December 31, 2005, the Port had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Port'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.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

2. DEPOSITS AND INVESTMENTS: *(Continued)*

As of December 31, 2005 and 2004, the Port had the following investment in debt securities:

2005

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
Obligations of Federally Sponsored Entities	$ 9,137,212	$ 1,945,080	$ 7,192,132	$ -	$ -
Federated Treasury Money Market Fund	761,328	761,328	-	-	-
Louisiana Asset Management Pool	4,974,869	4,724,869	250,000	-	-
Total	$ 14,873,409	$ 7,431,277	$ 7,442,132	$ -	$ -

2004

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
Obligations of Federally Sponsored Entities	$ 10,954,595	$ 2,072,401	$ 8,882,194	$ -	$ -
Federated Treasury Money Market Fund	1,769,951	1,769,951	-	-	-
Louisiana Asset Management Pool	794,667	544,667	250,000	-	-
Total	$ 13,519,213	$ 4,387,019	$ 9,132,194	$ -	$ -

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The Port invested only in obligations of federally and state sponsored entities in the amount of $14,873,409, which are not rated. The type of investment allowed by the state law ensures that the Port is not exposed to credit risk.

In accordance with GASB Codification Section I50.126, the investment in LAMP is not categorized in a risk category because the investment is in a pool of funds managed by another government. Only political subdivisions having contracted to participate in LAMP

2. DEPOSITS AND INVESTMENTS: (Continued)

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. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. 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 fair value of investments as based on quoted market rates is determined on a weekly basis to monitor any variances between amortized cost and market value. 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. Since all investments are short-term, highly liquid securities, the pool sponsor has not obtained any legally binding guarantees during the period to support the value of shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. For purposed of determining participants' shares, investments are valued at amortized cost. In addition, in accordance with GASB Codification, certain money market mutual funds such as the Federated Treasury Fund, are not categorized because they are not evidenced by securities that exist in physical or book entry form.

3. RESTRICTED ASSETS:

Restricted assets at December 31, 2005 and 2004 consist of the following:

	2005	2004
Debt Service	$ 825,082	$ 820,842
Capital Projects	-	1,012,863
Accrued Interest Receivable	190	1,014
	$ 825,272	$ 1,834,719

The mortgage indentures associated with the outstanding loans require certain amounts to be transferred at certain intervals and carried in restricted asset accounts. At December 31, 2005, the net balance of these accounts was sufficient to meet all requirements.

4. CONTRACT RECEIVABLE:

The contract receivable amount recorded in these financial statements resulted from a lease termination agreement with Ormet Primary Aluminum Corporation on May 3, 1999. Ormet agreed to pay the Port Commission annual payments for the next ten years, of a minimum of $350,000 ranging to a maximum of $450,000 based on annual throughput tonnage at the facility. The minimum amount was recorded as a receivable relating to this agreement in prior years. During 2004, Ormet Primary Aluminum Corporation filed for protection under Chapter 11 of the Bankruptcy Code. It was determined that the Port Commission would receive common stock of a reorganized company as payment on the contract. The value of this stock was estimated at $938,527. During 2005, the Port Commission received 4,185 shares of stock, and subsequently sold the stock for $640,278. The stock was sold at a price which was lower than the price used to estimate the value in 2004. This resulted in a loss from sale of $27,731. The balance of the receivable at December 31, 2005 is $270,518.

The Contract Receivable as of December 31, 2005 and 2004 consisted of the following:

	2005	2004
$3,500,000 Face Amount, Non-interest Bearing, $350,000 due Annually Through 2009	$ 3,500,000	$ 3,500,000
Less: Contract Installment	(1,400,000)	(1,400,000)
Less: Unamortized Discount Based on Imputed Interest of 5.5%	(222,946)	(222,946)
	1,877,054	1,877,054
Less: Write-off of Uncollectible Contract Amount	(938,527)	(938,527)
Less: Original Value of Stock Sold	(668,009)	-
	$ 270,518	$ 938,527

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5. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance January 1, 2005	Additions	Disposals/ Transfers	Balance December 31, 2005
Capital Assets Not Depreciated:				
Land	$ 5,618,814	$ -	$ -	$ 5,618,814
Other Construction in Progress	4,589,983	2,602,510	966,137	6,226,356
Other Assets in Process	-	35,335	35,335	-
Total Capital Assets Not Depreciated	10,208,797	2,637,845	1,001,472	11,845,170
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	3,611,554	-	-	3,611,554
Roadways and Surface Drainage	9,182,414	-	-	9,182,414
Buildings and Structures	72,631,992	1,040,002	-	73,671,994
Equipment	4,058,542	15,714	22,511	4,051,745
Office Furniture and Fixtures	481,560	19,523	665	500,418
Transportation Equipment	217,444	-	5,023	212,421
Total Capital Assets Being Depreciated	90,183,506	1,075,239	28,199	91,230,546
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	2,361,684	67,467	-	2,429,151
Roadways and Surface Drainage	2,014,913	312,323	-	2,327,236
Buildings and Structures	38,632,815	1,837,164	-	40,469,979
Equipment	3,167,432	91,637	22,511	3,236,558
Office Furniture and Fixtures	396,636	25,430	665	421,401
Transportation Equipment	167,551	14,988	5,023	177,516
Total Accumulated Depreciation	46,741,031	2,349,009	28,199	49,061,841
Total Capital Assets Less Depreciation	43,442,475	(1,273,770)	-	42,168,705
Net Capital Assets	$ 53,651,272	$ 1,364,075	$1,001,472	$ 54,013,875

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

5. CAPITAL ASSETS: (Continued)

Capital assets activity for the year ended December 31, 2004 was as follows:

	Balance January 1, 2004	Additions	Disposals/ Transfers	Balance December 31, 2004
Capital Assets Not Depreciated:				
Land	$ 3,742,143	$ 1,876,671	$ -	$ 5,618,814
Other Construction in Progress	6,297,501	3,404,359	5,111,877	4,589,983
Total Capital Assets Not Depreciated	10,039,644	5,281,030	5,111,877	10,208,797
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	3,011,932	599,622	-	3,611,554
Roadways and Surface Drainage	8,212,486	969,928	-	9,182,414
Buildings and Structures	70,441,772	2,190,220	-	72,631,992
Equipment	4,050,124	22,617	14,199	4,058,542
Office Furniture and Fixtures	484,652	1,250	4,342	481,560
Transportation Equipment	208,989	29,165	20,710	217,444
Total Capital Assets Being Depreciated	86,409,955	3,812,802	39,251	90,183,506
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	2,296,139	65,545	-	2,361,684
Roadways and Surface Drainage	1,712,693	302,220	-	2,014,913
Buildings and Structures	36,812,858	1,819,957	-	38,632,815
Equipment	3,087,583	94,048	14,199	3,167,432
Office Furniture and Fixtures	374,865	25,915	4,144	396,636
Transportation Equipment	164,105	24,155	20,709	167,551
Total Accumulated Depreciation	44,448,243	2,331,840	39,052	46,741,031
Total Capital Assets Less Depreciation	41,961,712	1,480,962	199	43,442,475
Net Capital Assets	$ 52,001,356	$ 6,761,992	$ 5,112,076	$ 53,651,272

6. LONG-TERM DEBT:

Loans Payable

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

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

Under the loan agreement, the Port is required to repay the loan by making the debt service payments, including principal, interest, and reserve requirements for the Authority's two bond issues. At December 31, 2005 and 2004 the outstanding indebtedness consisted of the following:

2005

Bond Series	Maturing Serially To	Call Prices (%)	Interest Rate	Payable at 01/01/05	Additions	Reductions	Payable at 12/31/05
1999A	2019	100-102	8% - 5.5%	$ 4,790,000	$ -	$(215,000)	$ 4,575,000
1999B	2019	100-102	8% - 5.25%	2,775,000	-	(125,000)	2,650,000
Unamortized Premium on Bonds Payable				126,105	-	(8,850)	117,255
				$ 7,691,105	$ -	$(348,850)	7,342,255
Less: Amounts Due Within One Year Payable from Restricted Assets							(355,000)
Amounts Due After One Year							$ 6,987,255

6. LONG-TERM DEBT: (Continued)

2004

Bond Series	Maturing Serially To	Call Prices (%)	Interest Rate	Payable at 01/01/04	Additions	Reductions	Payable at 12/31/04
1999A	2019	100-102	8% - 5.5%	$ 4,995,000	$ -	$(205,000)	$ 4,790,000
1999B	2019	100-102	8% - 5.25%	2,890,000	-	(115,000)	2,775,000
Unamortized Premium on Bonds Payable				134,954	-	(8,849)	126,105
				$ 8,019,954	$ -	$(328,849)	7,691,105
Less: Amounts Due Within One Year Payable from Restricted Assets							(340,000)
Amounts Due After One Year							$ 7,351,105

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

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

	Principal	Interest	Total
2006	$ 355,000	$ 387,668	$ 742,668
2007	380,000	364,005	744,005
2008	395,000	339,174	734,174
2009	420,000	314,376	734,376
2010	440,000	290,955	730,955
2011-2015	2,595,000	1,074,025	3,669,025
2016-2019	2,640,000	294,750	2,934,750
Total	$ 7,225,000	$ 3,064,953	$ 10,289,953

6. LONG-TERM DEBT: (Continued)

Compensated Absences

The following is a summary of the changes in compensated absences for the year ended December 31, 2005 and 2004:

2005	Balance 01/01/05	Additions	Reductions	Balance 12/31/05
Compensated Absences	$ 356,546	$ 41,379	$ 96,502	$ 301,423

2004	Balance 01/01/04	Additions	Reductions	Balance 12/31/04
Compensated Absences	$ 331,663	$ 169,698	$ 144,815	$ 356,546

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

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

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

	2005	2004
Balance at January 1	$ 46,973,032	$ 47,273,121
Change in Capital Assets	362,602	1,649,917
Change in Related Debt	348,850	328,849
Change in Debt Related to Unspent Proceeds	(1,012,863)	(2,278,855)
Balance at December 31	$ 46,671,621	$ 46,973,032

8. RESTRICTED NET ASSETS:

Restricted net assets at December 31, 2005 and 2004, consist of $273,466 and $276,489 restricted for debt service and $0 and $1,012,863 restricted for capital projects, consisting of unspent loan proceeds.

The requirements for the debt service, at December 31, 2005 and 2004 were computed as follows:

	2005	2004
Assets Restricted for Loan Repayment and Debt Service	$ 825,272	$ 820,841
Less Current Liabilities Payable from Restricted Assets	(551,806)	(544,352)
	$ 273,466	$ 276,489

9. LEASES:

A grain storage facility, molasses tank farm, barge terminal, tract of land on which a petroleum terminal is located, public warehouse and various other properties of the Port Commission have been leased to tenants for various terms. The lessees bear substantially all ordinary operating and maintenance expenses of the leased properties and have the option of renewing the leases at the end of the original term.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

9. LEASES: (Continued)

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

	2005	2004
Railroad Tracks and Yards	$ 562,680	$ 562,680
Roadways and Surface Drainage	3,760,417	2,756,116
Buildings and Structures	39,309,394	38,343,318
Equipment	2,309,468	2,309,468
Total Leased Property	45,941,959	43,971,582
Less: Accumulated Depreciation	(28,145,159)	(26,907,091)
Net Leased Property	$ 17,796,800	$ 17,064,491
Depreciation Expense	$ 1,209,785	$ 1,179,812

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2005:

Year Ended December 31, 2005	Future Rental Revenues
2006	$ 1,830,074
2007	968,323
2008	749,283
2009	570,382
2010	506,842
Later Years	402,896
Total Minimum Future Rentals	$ 5,027,800

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.

10. RETIREMENT SYSTEM:

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

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

Members are required by state statute to contribute 7.5% of gross salary, and the Port Commission is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. The contribution rate for the years ended December 31, 2005, 2004 and 2003 were 19.1%, 17.8%, and 15.8% of annual covered payroll. The Port Commission's contributions to the System for the years ended December 31, 2005, 2004 and 2003 were $236,298, $222,835 and $192,640 respectively, and were equal to the required contributions for each year.

11. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

The Port Commission provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Port Commission's employees become eligible for these benefits if they reach normal retirement age while working for the Port. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program whose monthly premiums are paid jointly by the employee and the Port Commission. The Port Commission recognizes the cost of providing these benefits to retirees (port's portion of premiums) as an expense when paid during the year. These benefits for 28 and 27 retirees totaled $125,031 and $107,045, respectively for the years ended December 31, 2005 and 2004.

12. RISK MANAGEMENT AND CONTINGENT LIABILITIES:

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

13. DEFERRED COMPENSATION PLAN:

Certain employees of the Port Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the State of Louisiana Public Employees Deferred Compensation Plan are included in the financial statements of the State of Louisiana. Effective November 1, 2000, the Port Commission may make a discretionary matching contribution up to 5% of the employees' base pay not to exceed $4,000 per calendar year. The Port Commission contribution for the years ended December 31, 2005 and 2004 were $56,119 and $60,555, respectively.

14. CONSTRUCTION IN PROGRESS:

Details of construction in progress at December 31, 2005 and 2004 are as follows:

	2005	2004
Dock #1 Piling Revampment (1)	$4,198,681	$4,059,486
Port Security Grant Projects (2)	987,258	175,105
Slag Yard Paving	973,194	32,860
Transit Shed Expansion	-	289,415
Other projects	67,223	33,117
Total	$6,226,356	$4,589,983

(1) The total cost of this project is estimated at $4,229,221. It is funded through the Louisiana Department of Transportation which when the project is completed will have paid $3,558,136 of the total cost.

(2) One hundred percent of the costs of these projects are funded by grants received from the U.S. Department of Homeland Security.

15. RECLASSIFICATIONS:

Certain amounts in the 2004 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

16. ENVIRONMENTAL REMEDIATION LIABILITY:

As part of an ongoing groundwater assessment for the Rollins Environmental Services, Inc. (RES) facility north of the Greater Baton Rouge Port Commission barge loading facility, RES conducted additional testing to identify the source and extent of chlorinated organic compounds discovered in the area of the barge terminal. A preliminary site assessment has been done which revealed the presence of chlorinated hydrocarbons on the Port's property. A plausible explanation of the presence of these chemicals is vertical migration resulting from surface spillage during transfer or piping of such materials during prior storage or shipment on the premises. Further investigation to determine the full nature and extent of this contamination and preliminary evaluation of necessary remediation has indicated a potential cost of $500,000, which is being shared equally by the Port and two other potentially responsible parties. The Port is paying $15,000 per year on this cost, and the liability balance as of December 31, 2005 is $166,667.

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES

AS OF DECEMBER 31, 2005

Schedule of Lease Information

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

Schedule of Future Lease Rentals Revenue Without Options

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

Schedule of Operating Expenses by Major Category

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

Schedule of Administrative Expenses

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

Summary Schedule of Operating Income (Loss) by Facility

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

Schedule of Commissioners' Per Diem

The schedule of per diem paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 34:1221 and are included in personal services expenses. Board members are paid $75 per day, to a maximum of 24 days per year, for board meetings and official business. During the period of an emergency as declared and determined by the governor, the Port Commission shall be authorized to hold as many meetings or emergency activities as the board deems necessary and the members shall be paid per diem for such meetings or activities. A period of emergency was declared during 2005 relating to Hurricane Katrina.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SCHEDULE OF LEASE INFORMATION

DECEMBER 31, 2005

Lesee	Facility	Minimum Annual Rental for 2006
Ace Storage	Transit Shed	$ 250,000
Agway Systems	Five Tracts of Land	20,000
Baton Rouge Marine Contractors #1	Tract of Land	10,000
Baton Rouge Marine Contractors #2	Office Space	5,890
Carghill, Inc. (Grain Elavator)	Grain Storage Facility	235,000
Carghill/Seaboard (Flour Mill)	Tract of Land	13,023
Community Coffee	Building & Land	70,119
Consultants Unlimited	Land	10,000
Dow Chemicals	Tract of Land	104,250
ExxonMobil - Paxon	Railroad Servitude	1,000
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	150,000
Louisiana Sugar Products, Inc.	Tract of Land	27,923
Osprey Line, Inc.	Warehouse, Dock & Land	36,000
Petroleum Fuel & Terminal (Apex)	Tract of Land	32,500
Polyone Corporation	Warehouse & Land	139,750

(CONTINUED)

Schedule 1

Current Lease Date of Expiration	Remarks
Month-to-Month	Rent is payable monthly in advance and includes $400.00 for utilities.
May 31, 2008	Lease renewed to 5/31/2008.
June 30, 2012	Rental is payable annually in advance.
December 31, 2007	Lessee has the option to renew for a ten-year period at the end of the lease term. Rental is payable monthly in advance.
October 31, 2010	Lessee pays costs of insurance and maintaining or replacing equipment and has the option to renew for an additional five years at $235,000 per year.
February 28, 2008	Lessee has the option to renew at the end of the lease term. Rental is payable annually in advance.
April 30, 2029	Rent is payable monthly in advance and can fluctuate in amount based on the PPI (Producer Price Index).
Month-to-Month	2 tracts of land. Rent is payable monthly in advance.
May 31, 2006	Lessee has the option to renew for a three-year period at the end of lease term. Rental is payable monthly in advance.
November 5, 2006	Rent is payable monthly in advance.
December 31, 2011	Lessee pays costs of insurance, maintaining the facility and maintaining or replacing equipment and has the option to renew at the end of the lease. Rent is payable in semi-annual installments.
September 30, 2011	Rent is payable monthly in advance. Lessee has option to renew for three additional five-year periods.
May 31, 2008	Rent is payable monthly by the 15th day of the month. Rent is based up 1$/short ton of thru-put on commodities handled or loaded both inbound and outbound with an average minimum of $3,000 per month in any consecutive three month period.
September 30, 2007	Lessee has option to renew for three additional three-year periods. Rent is payable annually in advance.
March 31, 2007	Rent is payable monthly in advance.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SCHEDULE OF LEASE INFORMATION (CONTINUED)

DECEMBER 31, 2005

Lesee	Facility	Minimum Annual Rental for 2006	
Rail Link, Inc.	Office Space	$	1,000
South Louisiana Cement, Inc.	Tract of Land		22,500
Stone Oil Distributor	Tract of Land		82,800
T T & H Warehouse, Inc. #1	Facility		120,000
T T & H Warehouse, Inc. #2	Transit Shed		221,500
Telecorp/A T & T	Space on Water Tower		10,800
US Corps of Engineers	Office & Warehouse Space		5,200
Westway Feed Products	Building		36,000
Westway Industrial Molasses #1	Molasses Tank Farm		32,867
Westway Industrial Molasses #2	Tract of Land		34,785
Westway Industrial Molasses #3	Tract of Land		2,828
Westway Industrial Molasses #4	Tract of Land		13,320
Westway Terminal Company	Rail Track Rental		11,400
Wilson Warehouse	Transit Shed		125,000
Others	Various		4,619
		$	1,830,074

(CONTINUED)

Schedule 1
(Continued)

Current Lease Date of Expiration	Remarks
January 31, 2006	Rent is payable monthly in advance.
August 31, 2010	Rent is payable monthly in advance. Lease provides for a progressive increase in wharfage rates on cement and aggregate. A progressive increase of minimum tonnage per year is guaranteed in the lease.
October 31, 2008	Lessee has options to renew for three additional five-year periods. Rent is payable semi-annually in advance.
March 31, 2008	Lessee has the option to renew at the end of the lease. Rent is payable monthly in advance.
Month-to-Month	Rent is payable monthly in advance.
August 18, 2008	Lessee has option to renew for a first five-year period at $900 per month, a second five-year period at $1,000 per month, and a third five-year period at $1,100 per month. Rent is paid monthly in advance.
June 30, 2006	Rent is payable monthly in advance.
December 31, 2015	Rent is payable monthly in advance.
April 30, 2006	Lessee pays costs of insurance and maintaining the facility and has the option to renew at the end of the lease term. The Port Commission is responsible for replacements due to ordinary wear and tear. Rent is payable monthly in advance.
February 28, 2011	Rent is payable monthly in advance.
April 30, 2006	Rent is payable monthly in advance.
December 31, 2011	Rent is payable monthly in advance.
Month-to-Month	Rent is payable monthly in advance.
Month-to-Month	Rent is payable monthly in advance.
Various	The Port Commission has leased minor items of property and equipment to others. Annual rentals, expiration dates, and other terms vary with each lease.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SCHEDULE OF FUTURE LEASE RENTALS REVENUE WITHOUT OPTIONS

DECEMBER 31, 2005

Lesee	Facility	2006	2007
Ace Storage	Transit Shed	$ 250,000	$ -
Agway Systems	Five Tracts of Land	20,000	20,000
Baton Rouge Marine Contractors #1	Tract of Land	10,000	10,000
Baton Rouge Marine Contractors #2	Office Space	5,890	6,053
Cargill, Inc. (Grain Elavator)	Grain Storage Facility	235,000	235,000
Cargill/Seaboard (Flour Mill)	Tract of Land	13,023	13,023
Community Coffee	Building & Land	70,119	70,119
Consultants Unlimited	Tract of Land	10,000	-
Dow Chemical	Container Yard	104,250	-
ExxonMobil - Paxon	Railroad Servitude	1,000	-
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	150,000	165,000
Louisiana Sugar Products, Inc.	Tract of Land	27,923	29,304
Osprey Lines, Inc.	Warehouse, Dock & Land	36,000	36,000
Petroleum Fuel & Terminal (Apex)	Tract of Land	32,500	24,375
Polyone Corporation	Warehouse and Land	139,750	35,125
Rail Link, Inc.	Office Space	1,000	-
South Louisiana Cement, Inc.	Tract of Land	22,500	22,500
Stone Oil Distributor	Tract of Land	82,800	82,800
Telecorp/A T & T	Space on Water Tower	10,800	10,800
TT & H Warehouse, Inc. #1	Facility	120,000	120,000
TT & H Warehouse, Inc. #2	Transit Shed	221,500	-
U.S. Army Corps of Engineers	Warehouse & Office	5,200	-
Westway Industrial Molasses #1	Molasses Tank Farm	32,867	-
Westway Industrial Molasses #2	Tract of Land	34,785	34,785
Westway Industrial Molasses #3	Tract of Land	2,828	-
Westway Industrial Molasses #4	Tract of Land	13,320	13,320
Westway Terminal Company	Rail Track Rental	11,400	-
Westway Feed Products	Building	36,000	36,000
Wilson Warehouse	Transit Shed	125,000	-
Others	WBR Parish	100	100
	Judson Baptist	1,000	1,000
	Vascor/RSIG Security	500	-
	Savoie Industries, Inc.	3,019	3,019
		$ 1,830,074	$ 968,323

(CONTINUED)

Schedule 2

2008	2009	2010	Later	Options End
$ -	$ -	$ -	$ -	Month-to-Month
8,334	-	-	-	5/31/2008
10,000	10,000	10,000	15,000	6/30/2012
-	-	-	-	12/31/2007
235,000	235,000	195,833	-	10/31/2010
2,171	-	-	-	2/28/2008
70,119	23,373	-	-	4/30/2029
-	-	-	-	Month-to-Month
-	-	-	-	5/31/2006
-	-	-	-	11/5/2006
165,000	165,000	165,000	165,000	12/31/2011
29,304	29,304	29,304	21,978	9/30/2011
15,000	-	-	-	5/31/2008
-	-	-	-	9/30/2007
-	-	-	-	3/31/2007
-	-	-	-	1/31/2006
22,500	22,500	22,500	-	8/31/2010
69,000	-	-	-	10/31/2008
7,650	-	-	-	8/18/2008
30,000	-	-	-	3/31/2008
-	-	-	-	Month-to-Month
-	-	-	-	6/30/2006
-	-	-	-	4/30/2006
34,785	34,785	34,785	5,798	2/28/2011
-	-	-	-	4/30/2006
13,320	13,320	13,320	13,320	12/31/2011
-	-	-	-	Month-to-Month
36,000	36,000	36,000	180,000	12/31/2015
-	-	-	-	Month-to-Month
100	100	100	1,800	12/31/2028
1,000	1,000	-	-	12/31/2009
-	-	-	-	
-	-	-	-	12/31/2007
$ 749,283	$ 570,382	$ 506,842	$ 402,896	

Schedule 3

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SCHEDULE OF OPERATING EXPENSES BY MAJOR CATEGORY

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

Major Category	2005	2004
Personnel Services	$ 2,265,788	$ 2,186,347
Operating Services	1,278,962	1,397,377
Travel	26,525	54,507
Supplies	163,523	119,544
Professional Services	354,052	196,339
Depreciation	2,349,009	2,331,840
Other	2,011	964,975
Total	$ 6,439,870	$ 7,250,929

Schedule 4

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Director's Salary	$ 164,466	$ 152,028
Other Salaries and Wages	618,728	580,901
Annual, Sick and Compensatory Leave	11,763	141,906
Legal	105,504	39,681
Advertising	175,731	212,431
Bad Debts	-	940,627
Travel	24,782	52,624
Trade and Sales Solicitation	109,079	114,295
Education Expenses	14,795	27,185
Auditing	20,950	21,450
Engineering	32,306	11,722
Consulting Fees	79,688	30,569
Legislative Consultant Fees	42,440	42,440
Contributions to State Retirement System, Payroll Taxes, and Group Insurance Program	491,807	429,051
Office Supplies and Postage	29,075	27,329
Telephone and Telegraph	14,399	16,368
Dues and Subscriptions	17,661	16,563
Utilities	17,594	15,886
Office Repairs and Maintenance	82,956	74,189
Automobile Expenses	4,691	4,064
Insurance	73,588	80,508
Outside Administrative Services	12,414	9,231
Miscellaneous	1,863	22,654
Commissioners' Per Diem	22,125	19,200
	$ 2,168,405	$ 3,082,902

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

SUMMARY SCHEDULE OF OPERATING INCOME (LOSS) BY FACILITY

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	Operating Revenues		Operating Expenses	
	2005	**2004**	**2005**	**2004**
Grain Elevator	$ 449,556	$ 422,964	$ 34,339	$ 34,578
General Cargo Docks	1,113,895	889,732	385,447	475,274
Baton Rouge Barge Terminal	304,414	302,517	5,336	4,670
Molasses Tank Farm	463,512	388,163	31,922	32,121
West Bank Railroad Facility	412,385	309,272	354,426	273,880
Petroleum Terminal	338,962	331,786	33,095	31,482
Midstream Bulk Handling Facility	-	-	1,521	-
Miscellaneous River Activities	483,951	478,950	-	-
Miscellaneous East and West Bank Activities	1,091,840	963,972	985,823	837,524
Inland Rivers Marine Terminal	491,925	460,686	90,547	146,658
Foreign Trade Zone	25,000	25,000	-	-
Totals Before Administrative Expenses	5,175,440	4,573,042	1,922,456	1,836,187
Administrative Expenses	-	-	2,168,405	3,082,902
Total	$ 5,175,440	$ 4,573,042	$ 4,090,861	$ 4,919,089

(CONTINUED)

Schedule 5

Depreciation		Operating Income (Loss)	
2005	2004	2005	2004
$ 166,500	$ 166,500	$ 248,717	$ 221,886
1,200,084	1,224,193	(471,636)	(809,735)
98	283	298,980	297,564
112,495	112,495	319,095	243,547
35,742	36,509	22,217	(1,117)
12,156	12,156	293,711	288,148
-	-	(1,521)	-
-	-	483,951	478,950
432,850	437,212	(326,833)	(310,764)
320,169	270,318	81,209	43,710
-	-	25,000	25,000
2,280,094	2,259,666	972,890	477,189
68,915	72,174	(2,237,320)	(3,155,076)
$ 2,349,009	$ 2,331,840	$ (1,264,430)	$ (2,677,887)

Schedule 6

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

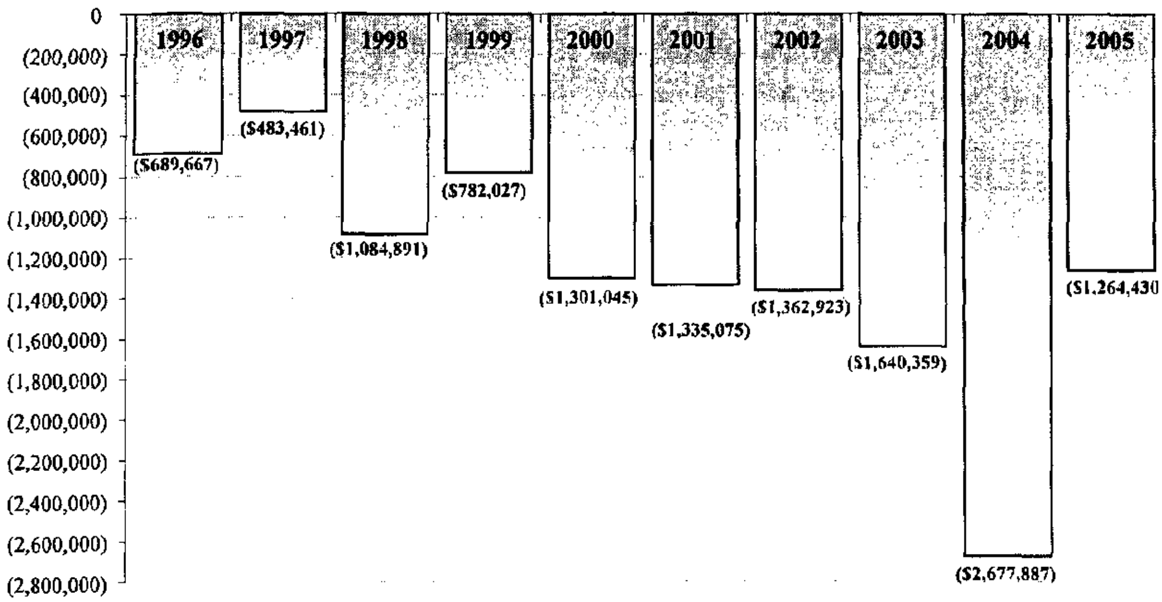
SCHEDULE OF COMMISSIONER'S PER DIEM

FOR THE YEAR ENDED DECEMBER 31, 2005

Commissioner	Number of Days for Which Paid	Amount
Brian, Randy	25	$ 1,875
D'Agostino, Charles	6	450
Delpit, Joseph	11	825
Dragg, Alvin	24	1,800
Ferdinand, Barbara	24	1,800
Hurdle, Brady	15	1,125
Ishmael, Calvin	25	1,875
Johnson, Larry	25	1,875
Loup, Raymond	2	150
Pugh, William	18	1,350
Rigell, William	19	1,425
Robertson, Lynn	10	750
Temple III, Collis	1	75
Thibaut, Charles	21	1,575
Tillis, Chucky	21	1,575
Watts, Robert	23	1,725
Wilkinson, John	25	1,875
		$ 22,125

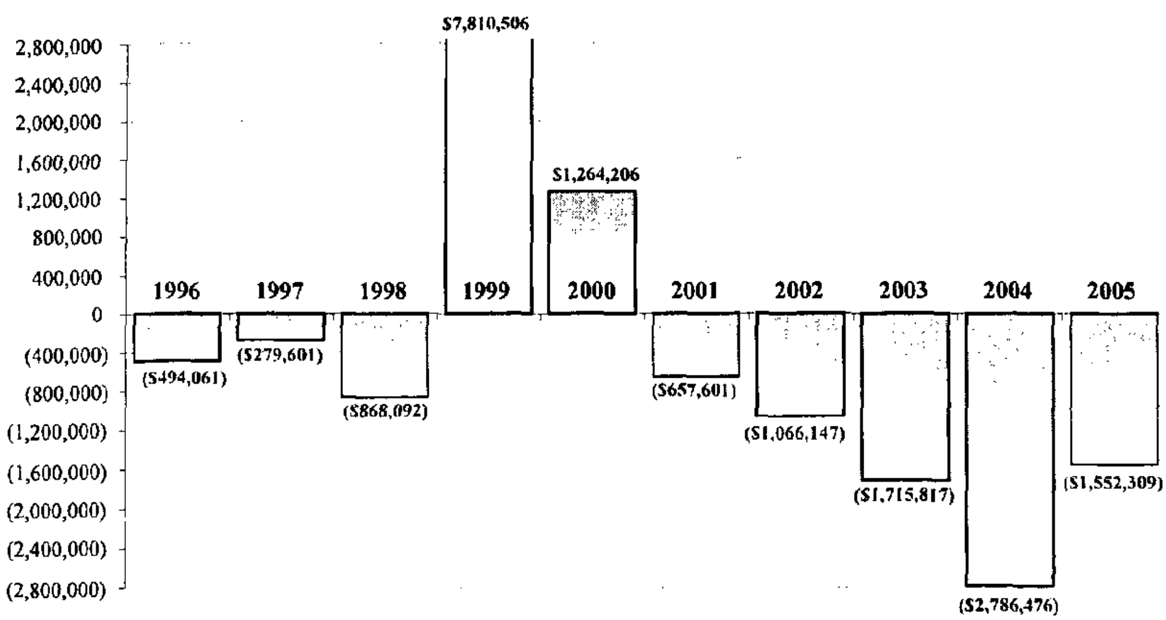
Ten Year Comparison of Operating Income (Loss) (In Dollars) (Unaudited)

For the Fiscal Years Ended October 31, 1996 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2005.



Ten Year Comparison of Net Income (Loss) (In Dollars) (Unaudited)

For the Fiscal Years Ended October 31, 1996 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2005.



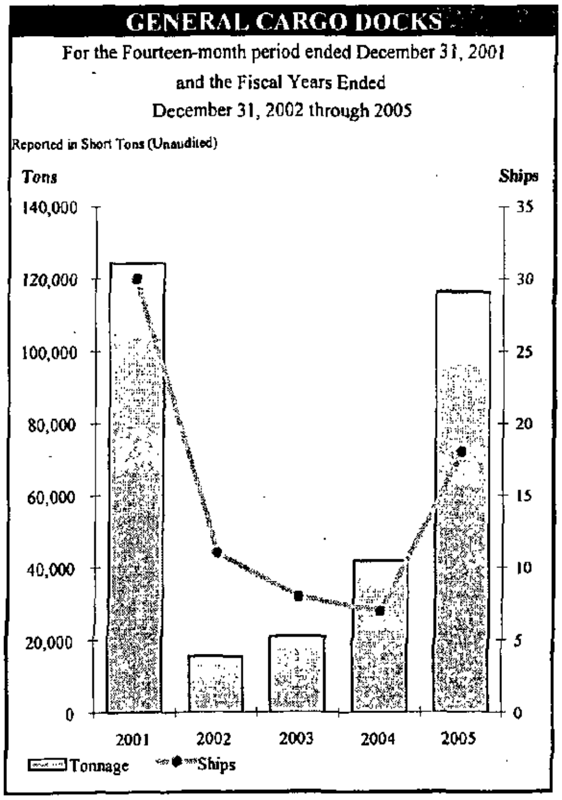
GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

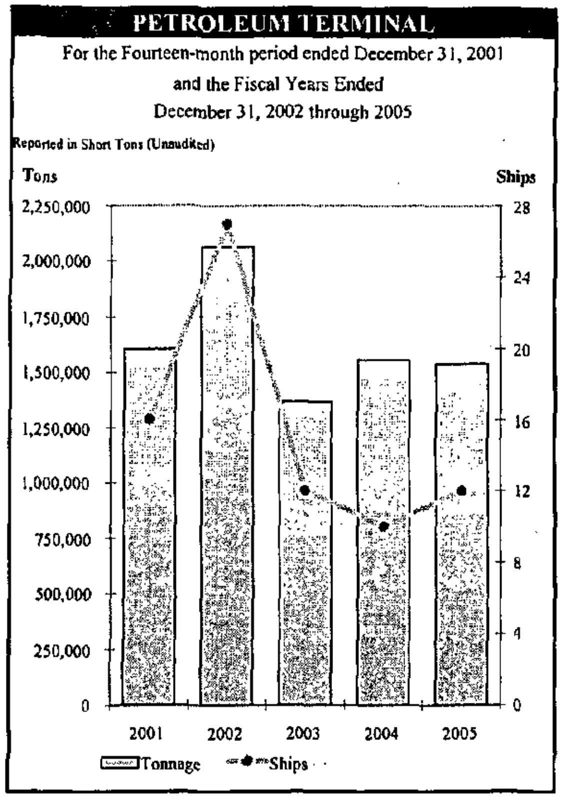
Summary of Revenues, Expenses, and Net Income (Loss)
For the Fiscal Years Ended October 31, 1996 through 2000,
the Fourteen-month period Ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2005.
(Unaudited)

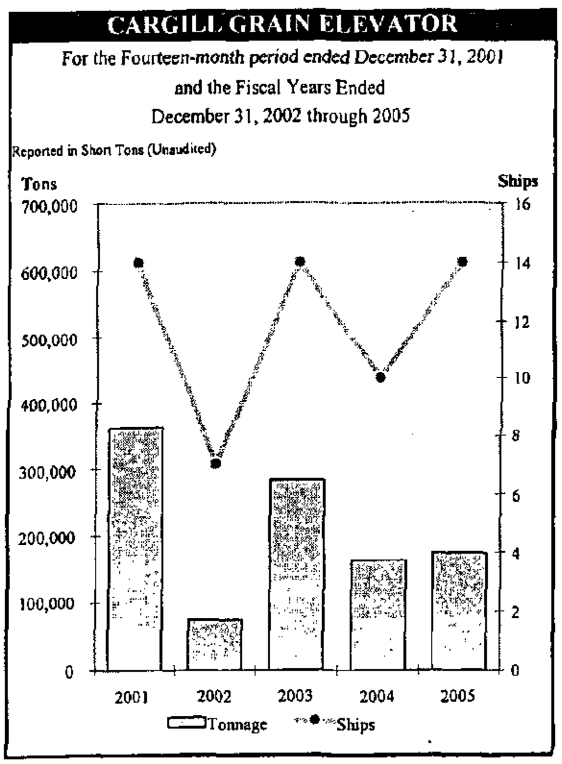
	1996	1997	1998
OPERATING REVENUES			
Dockage and wharfage	$ 2,039,686	$ 2,135,918	$ 1,659,264
Rentals	837,053	874,521	986,168
Freight handling	169,388	61,255	87,691
Storage	37,970	38,452	83,380
Other	959,842	931,699	866,871
Total	$ 4,043,939	$ 4,041,845	$ 3,683,374
OPERATING EXPENSES			
Direct	$ 1,994,598	$ 1,686,793	$ 1,957,700
Administrative	1,293,318	1,169,836	1,258,117
Depreciation	1,445,690	1,668,677	1,552,448
Total	$ 4,733,606	$ 4,525,306	$ 4,768,265
Operating Income (Loss)	$ (689,667)	$ (483,461)	$ (1,084,891)
NONOPERATING REVENUES (Expenses)			
Investment income	$ 331,983	$ 327,935	$ 347,400
Interest expense	(130,689)	(120,037)	(127,272)
Gain of sale of capital assets	-	-	-
Income from lease termination	-	-	-
Settlement income	-	-	-
Gain/(Loss) from Litigation	-	-	-
Environmental Remediation Expense	-	-	-
Amortization of debt issue and bond premium, net	(292)	(248)	(1,701)
Trustee's fees	(5,396)	(3,790)	(1,628)
Total	$ 195,606	$ 203,860	$ 216,799
Net Income (Loss) before extraordinary item	$ (494,061)	$ (279,601)	$ (868,092)
Extraordinary items	-	-	(516,242)
Net Income (Loss)	$ (494,061)	$ (279,601)	$ (1,384,334)

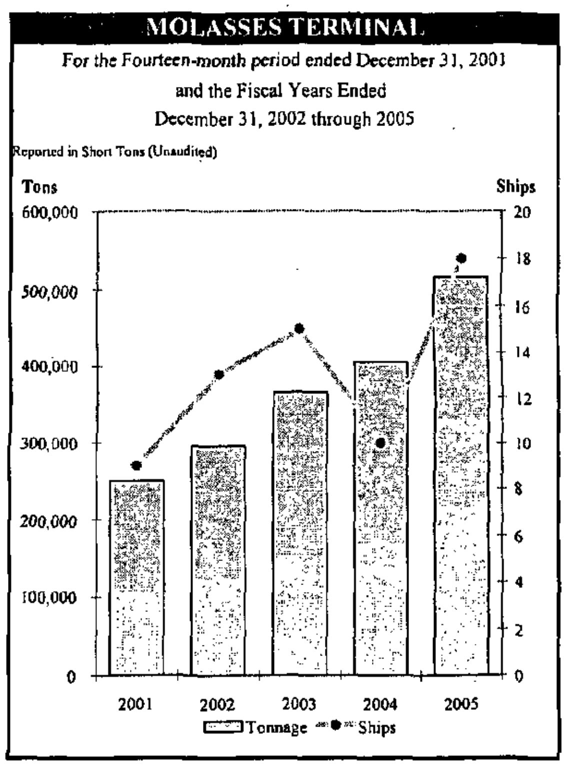
(CONTINUED)

1999	2000	2001	2002	2003	2004	2005
$ 1,367,474	$ 1,139,604	$ 1,443,921	$ 1,054,439	$ 1,051,943	$ 1,147,554	$ 1,286,189
1,347,279	1,662,419	2,346,758	2,183,799	1,992,268	2,093,115	2,327,843
20,887	200	700	-	-	-	-
49,636	39,680	6,362	5,767	2,232	-	-
835,763	921,284	1,315,196	1,248,890	1,402,225	1,332,373	1,561,408
$ 3,621,039	$ 3,763,187	$ 5,112,937	$ 4,492,895	$ 4,448,668	$ 4,573,042	$ 5,175,440
$ 1,552,082	$ 1,515,438	$ 2,047,677	$ 1,862,444	$ 2,023,483	$ 1,836,187	$ 1,922,456
1,296,006	1,702,111	2,088,068	1,987,163	2,001,838	3,082,902	2,168,405
1,554,978	1,846,683	2,312,267	2,006,211	2,063,706	2,331,840	2,349,009
$ 4,403,066	$ 5,064,232	$ 6,448,012	$ 5,855,818	$ 6,089,027	$ 7,250,929	$ 6,439,870
$ (782,027)	$ (1,301,045)	$ (1,335,075)	$ (1,362,923)	$ (1,640,359)	$ (2,677,887)	$ (1,264,430)
$ 533,011	$ 1,136,111	$ 1,277,948	$ 787,047	$ 377,535	$ 406,536	$ 292,168
(368,374)	(516,893)	(576,953)	(469,448)	(447,532)	(425,478)	(402,928)
5,803,079	(27,558)	744	123	9,950	1,375	520
2,638,169	-	-	-	-	-	-
-	2,000,000	-	-	-	-	-
-	-	-	-	-	(80,000)	-
-	-	-	-	-	-	(166,667)
(11,120)	(17,968)	(18,951)	(17,706)	(11,736)	(7,472)	(7,472)
(2,232)	(8,441)	(5,314)	(3,240)	(3,675)	(3,550)	(3,500)
$ 8,592,533	$ 2,565,251	$ 677,474	$ 296,776	$ (75,458)	$ (108,589)	$ (287,879)
$ 7,810,506	$ 1,264,206	$ (657,601)	$ (1,066,147)	$ (1,715,817)	$ (2,786,476)	$ (1,552,309)
-	-	-	-	-	-	-
$ 7,810,506	$ 1,264,206	$ (657,601)	$ (1,066,147)	$ (1,715,817)	$ (2,786,476)	$ (1,552,309)


GENERAL CARGO DOCKS
For the Fourteen-month period ended December 31, 2001
and the Fiscal Years Ended
December 31, 2002 through 2005
Reported in Short Tons (Unaudited)
Tons
Ships
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
35
30
25
20
15
10
5
0
2001
2002
2003
2004
2005
Tonnage
Ships


PETROLEUM TERMINAL
For the Fourteen-month period ended December 31, 2001
and the Fiscal Years Ended
December 31, 2002 through 2005
Reported in Short Tons (Unaudited)
Tons
Ships
2,250,000
2,000,000
1,750,000
1,500,000
1,250,000
1,000,000
750,000
500,000
250,000
0
28
24
20
16
12
8
4
0
2001
2002
2003
2004
2005
Tonnage
Ships


CARGILL GRAIN ELEVATOR
For the Fourteen-month period ended December 31, 2001
and the Fiscal Years Ended
December 31, 2002 through 2005
Reported in Short Tons (Unaudited)
Tons
Ships
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
16
14
12
10
8
6
4
2
0
2001
2002
2003
2004
2005
Tonnage
Ships


MOLASSES TERMINAL
For the Fourteen-month period ended December 31, 2001
and the Fiscal Years Ended
December 31, 2002 through 2005
Reported in Short Tons (Unaudited)
Tons
Ships
600,000
500,000
400,000
300,000
200,000
100,000
0
20
18
16
14
12
10
8
6
4
2
0
2001
2002
2003
2004
2005
Tonnage
Ships

Five Year Cargo Comparison

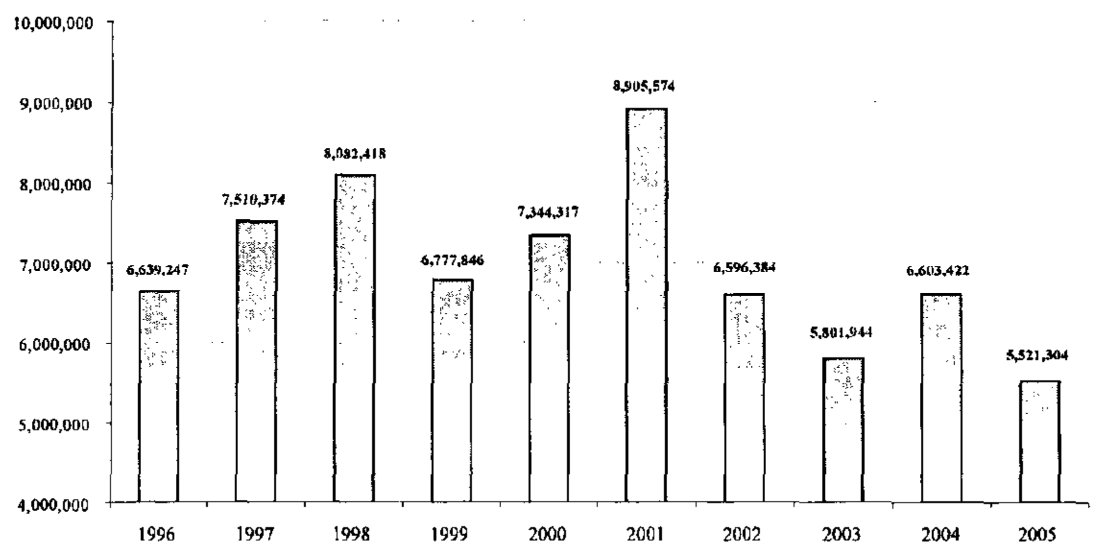
For the Fourteen-month period ended December 31, 2001,
and the Fiscal Years Ended
December 31, 2002 through 2005
(Unaudited)

	2001	2002	2003	2004	2005
Cargo Docks	124,431	15,556	21,019	41,921	116,359
Coke Handling Facility	1,675,117	1,222,082	1,393,356	1,150,328	1,188,287
Inland River Marine	129,811	174,776	276,717	259,497	258,918
Midstream Buoys	726,933	-	414	-	-
Petroleum Terminal	1,606,581	2,064,609	1,368,863	1,556,460	1,540,970
Molasses Terminal	250,912	296,220	366,631	405,830	516,632
Grain Elevator	362,639	74,685	282,614	163,144	173,886
Burnside Terminal4,029,15	0	2,748,456	2,092,330	3,026,242	1,726,252
	8,905,574	6,596,384	5,801,944	6,603,422	5,521,304

Reported in Short Tons

Ten Year Tonnage Comparison

For the Fiscal Years Ended October 31, 1996 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Years Ended December 31, 2002 through 2005
(Unaudited)



Reported in Short Tons

General Cargo Docks Cargo Comparison Report

For the Fourteen-month period ended December 31, 2001
and the Fiscal Years Ended
December 31, 2002 through 2005

Reported in Short Tons (Unaudited)

Import	**FY 00-01**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Machines, Machinery, etc.	821	-	145	-	-
Ores, Earths, etc.	1,692	3,384	423	-	110
Pipes, Tubing, etc.	14,372	-	774	19,970	4,460
Steel Beams, Rail, etc.	-	-	-	-	-
Miscellaneous Cargoes	-	1,003	-	-	-
Total Import Tonnage	**16,885**	**4,387**	**1,342**	**19,970**	**4,570**

Export	**FY 00-01**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Linerboard, MCS, etc.	86,153	-	-	-	-
Lumber, Flitches, etc.	546	-	-	-	-
Pipes, Tubing, etc.	-	2,160	3,750	-	-
Plywood, Veneer, etc.	502	-	-	-	-
Woodpulp, Rolled Pulp, etc.	12,049	-	-	-	-
Miscellaneous Cargoes	-	234	-	-	-
Total Export Tonnage	**99,250**	**2,394**	**3,750**	-	-

Domestic	**FY 00-01**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Linerboard, MCS, etc.	2	-	-	-	-
Gas, Diesel, Fuels, etc.	95	75	1,889	350	11,352
Ores, Earths, etc.	-	1,089	5,051	-	-
Pipes, Tubing, etc.	79	-	666	7,324	-
Rice	2,819	-	-	-	-
Steel Beams, Rail, etc.	3,273	7,788	8,321	10,358	25,585
Miscellaneous Cargoes	2,028	34	-	3,919	-
Total Domestic Tonnage	**8,296**	**8,986**	**15,927**	**21,951**	**36,937**

Total Tonnage Handled	**124,431**	**15,767**	**21,019**	**41,921**	**41,507**

General Cargo Dock Tonnage
Five Year Comparison

For the Fourteen-month period ended December 31, 2001,
and the Fiscal Years Ended
December 31, 2002 through 2005

(Unaudited)

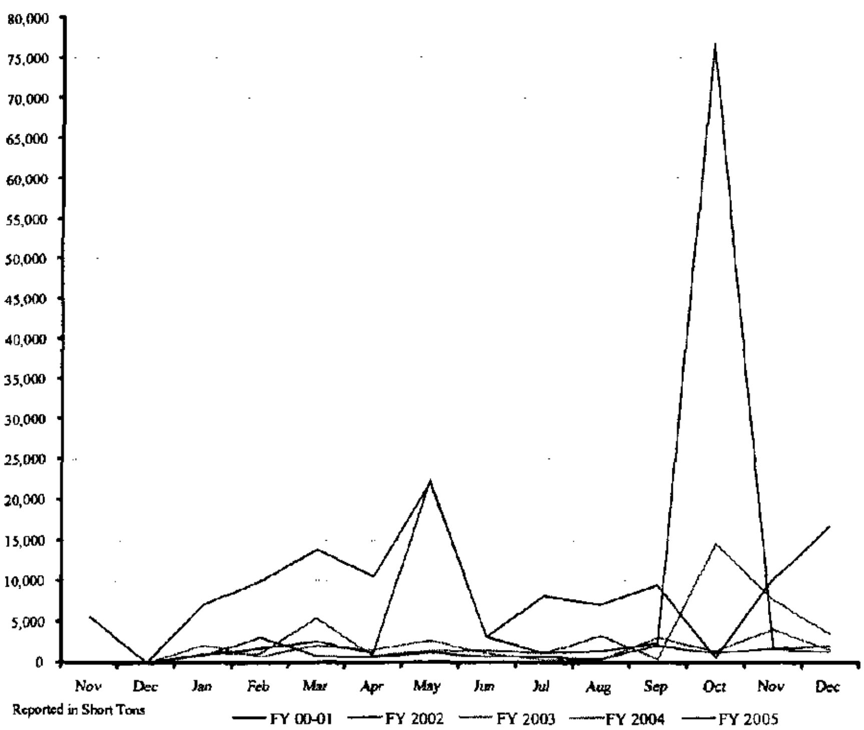
	FY 00-01	FY 2002	FY 2003	FY 2004	FY 2005
November	5,611				
December	6				
January	7,096	856	2,111	1,089	975
February	9,957	3,085	745	1,099	1,722
March	13,857	773	2,040	5,412	2,545
April	10,557	629	1,536	846	1,172
May	22,033	1,210	2,677	1,391	22,270
June	3,119	714	1,089	1,466	3,056
July	8,110	702	366	1,123	1,157
August	7,115	485	375	3,309	1,413
September	9,443	2,096	3,025	398	2,356
October	613	1,208	1,415	14,556	76,695
November	10,155	1,724	4,039	7,670	1,699
December	16,759	2,074	1,601	3,562	1,299
	124,431	15,556	21,019	41,921	116,359

Reported in Short Tons

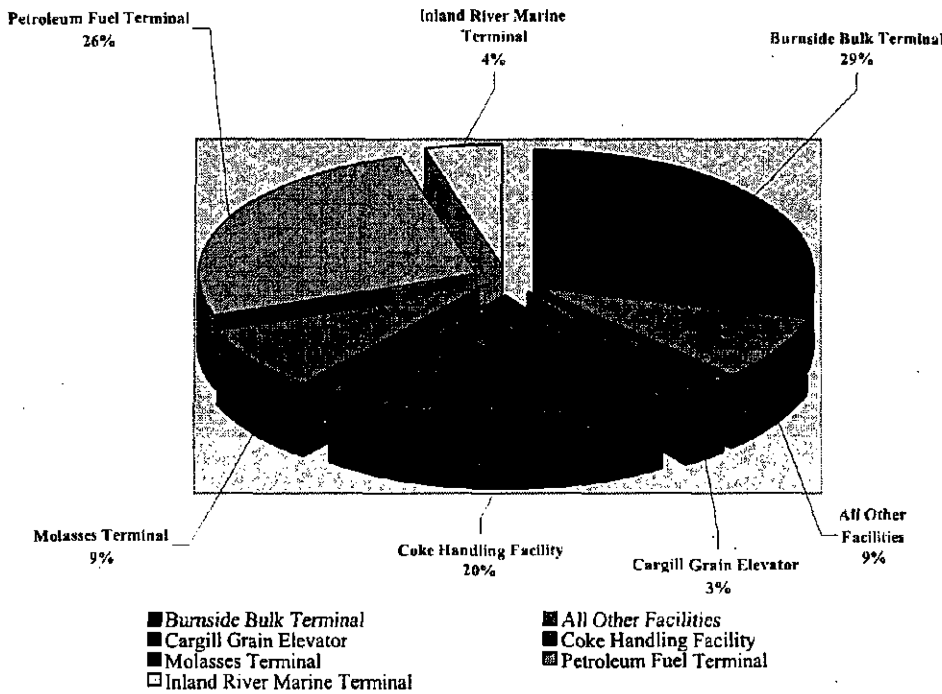
General Cargo Dock Tonnage
Five Year Cargo Movements

For the Fourteen-month period ended December 31, 2001,
and the Fiscal Years Ended
December 31, 2002 through 2005

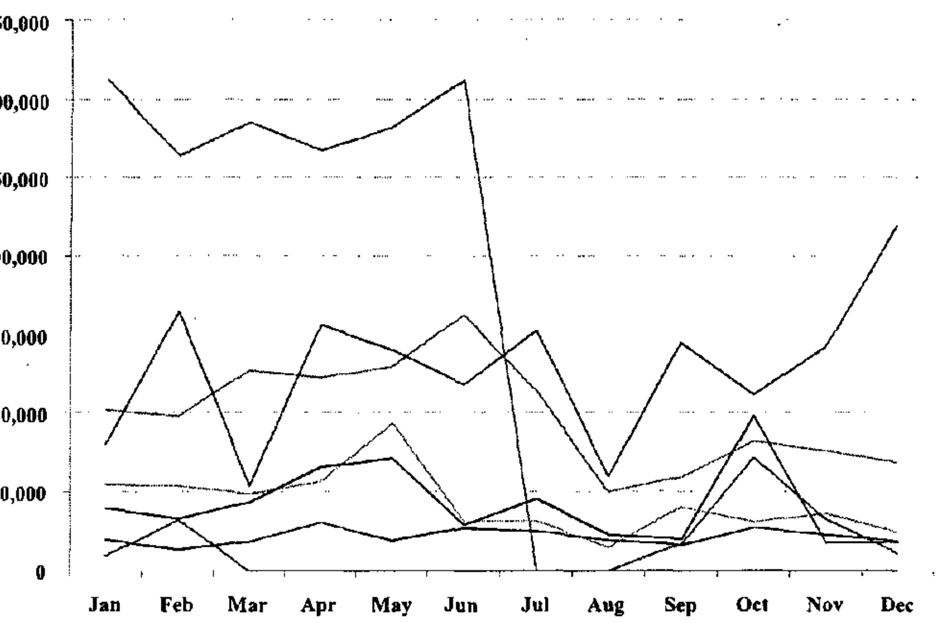
(Unaudited)



Percentage of Tonnage Handled by Facility
For the Fiscal Year Ended December 31, 2005
Reported in Short Tons (Unaudited)



Monthly Cargo Activity
For the Fiscal Year Ended December 31, 2005
Reported in Short Tons (Unaudited)



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards

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HOGAN & MAHER, L.L.P.

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SOCIETY OF LA. C.P.A.s

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

March 8, 2006

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

We have audited the financial statements of the Greater Baton Rouge Port Commission as of December 31, 2005 and for the year then ended, and have issued our report thereon dated March 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Baton Rouge Port Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greater Baton Rouge Port Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*.

The Legislative Auditor performed a compliance audit of the Greater Baton Rouge Port Commission and issued a report dated February 1, 2006. This report is available on the Legislative Auditor's website at www.lla.state.la.us. The report identification number is 05303989. Issues addressed in the report related to compensatory time, expense reimbursements, deferred compensation contributions, and improper donations. Management's responses to these matters are included in the report. These issues have been resolved by management through actions taken by the Board of Commissioners.

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

Duplantier, Hrapmann, Hogan & Maher LLP

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

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *OMB CIRCULAR A-133*

March 8, 2006

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

<u>Compliance</u>

We have audited the compliance of the Board of Commissioners of the Greater Baton Rouge Port Commission (the Port) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal award program for the year ended December 31, 2005. The Port's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Port's management. Our responsibility is to express an opinion on the Port's compliance based on our audit.

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

In our opinion, the Port complied, in all material respects, with requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings as item 2005-2.

Internal Control Over Compliance

The management of the Port is responsible for establishing and maintaining effective internal over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Port's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Duplantier, Hrapmann, Hogan & Maher, LLP

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Grantor/Program Title	CFDA Number	Federal Expenditures (1)
Department of Homeland Security		
Transportation Security Administration - Port Security	97.056	$ 812,152
Total Federal Assistance Expended		$ 812,152

FOOTNOTE

(1) Basis of Presentation

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

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

A. SUMMARY OF AUDIT'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Greater Baton Rouge Port Commission.
2. No reportable conditions are reported relating to internal control over financial reporting based on the audit of the financial statements performed in accordance with *Government Auditing Standards*.
3. An instance of noncompliance immaterial to the financial statements of the Greater Baton Rouge Port Commission required to be reported in accordance with *Government Auditing Standards* was disclosed during the audit as finding number 2005-1.
4. No reportable conditions relating to the audit of internal control over major federal award program are noted in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance Required by OMB Circular A-133.*
5. An instance of noncompliance relating to the major federal award program is noted as finding number 2005-02 in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance Required by OMB Circular A-133.*
6. There is one finding related to the major federal program for the Greater Baton Rouge Port Commission that is reported in this schedule.
7. The Port has only one major program which was tested. It involves port security grants received from the Department of Homeland Security, Transportation Security Administration, CFDA number 97.056.
8. The threshold for distinguishing Types A and B programs was $300,000.
9. The Greater Baton Rouge Port Commission did not qualify as a low-risk auditee.

B. FINDING-FINANCIAL STATEMENTS AUDIT

2005-1 The Legislative Auditor performed a compliance audit of the Greater Baton Rouge Port Commission and issued a report dated February 1, 2006. This report is available on the Legislative Auditor's website at www.lla.state.la.us. The report identification number is 05303989. Issues addressed in the report related to compensatory time, expense reimbursements, deferred compensation contributions, and improper donations. Management's responses to these matters are included in the report. These issues have been resolved by management through actions taken by the Board of Commissioners.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF FEDERAL AWARD FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

C. FINDING-COMPLIANCE WITH FEDERAL PROGRAM REQUIREMENTS

Finding 2005 – 2

Program Description

The program is a Federal Homeland Port Security Grant, with an award number of HSTS04-04-G-GPS312. The CDFA number is 97.056 which is a Port Security Grant.

Criteria

The compliance requirements for the grant stipulate that advances should be limited to the minimum amounts necessary to meet immediate disbursement needs, and the advances were to be used before the end of 2005.

Condition Found

During the year, the Port Commission received advance payments of Federal Funds for the Homeland Security Grant. The auditor reviewed all request for grant funds and traced the funds received to clearing on the Port's bank statement. As of December 31, 2005, $213,484 of these funds remained unspent.

Questioned Costs

There were no questioned costs found during audit procedures performed.

Other Information

Hurricane Katrina was the main reason why not all advances were expended, due to the availability of materials and workers available to complete the Port security projects. The Port was also under the impression that funds could be requested as soon as a purchase order for materials and labor was created, not when an invoice was actually received for the work to be performed.

Effect of the Finding

The impact of the finding is that the Port has a large sum of unspent port security grant funds. There is a requirement to repay any interest earned on these unspent funds, which the Port has complied with. Most of the projects associated with the grant are near completion, so the grant funds should be expended next year.

Recommendation

We recommend that the Port instruct those responsible for requesting advances to request on an as needed basis in order to expend the funds advanced during the time period requested.

Management's Corrective Action Plan:

The Port will closely monitor project timing and the request for advance funds. The responsible parties have been instructed to expend the funds during the required time period.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

Finding 2004 – 1

In the prior year, the Port Commission received an advance payment of Federal Funds for the Homeland Security grant, for which a large portion remained unspent. The compliance requirements for the grant stipulate that interest earned on advances by local government grantees is required to be submitted promptly, but at least quarterly, to the Federal agency. As of December 31, 2004, the Port Commission hadn't submitted interest earned to the Federal agency.

Recommendation

It was recommended that the Port Commission more closely monitor the interest earned on advances of Federal grants. That would ensure that the Port Commission remains in compliance with the Federal grant cash management compliance requirements. In addition, the Port Commission was to contact the Federal Agency who awarded the contract to determine what interest earnings, if any, needed to be returned to this Agency.

Corrective Action Taken

In the current year, the Port submitted a check to the Federal Agency for all interest that has been earned on advances of Federal grants, and will continue to do so until all Federal grant funds have been spent.

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
Twelve Months Ending December 31, 2005

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
Twelve Months Ending December 31, 2005

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Bradley L. Stueber, Administrative Accountant of the Greater Baton Rouge Port Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater Baton Rouge Port Commission at December 31, 2005 and the results of operations for the twelve month period ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 21st day of June, 2006.

Bradley L. Stueber
Signature of Agency Official

J. Bonny Wilk
NOTARY PUBLIC

Prepared by: Bradley L. Stueber

Title: Administrative Accountant

Telephone No.: (225) 342-1660

Date: June 21, 2006

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Management's Analysis and Discussion

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission as it appears on pages 14 through 18 in the Financial Section of this Comprehensive Annual Financial Report for the twelve-month period ending December 31, 2005.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
BALANCE SHEET
AS OF DECEMBER 31, 2005

Statement A

ASSETS		
CURRENT ASSETS:	(in thousands)	
Cash and cash equivalents (Note C1)	$	963
Investments (Note C2)		14,112
Receivables (net of allowance for doubtful accounts)(Note U)		802
Due from federal government		234
Prepayments		99
Notes receivable		271
Total current assets	$	16,481
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		64
Investments		761
Capital assets (net of depreciation)(Note D)		
Land and Construction in Progress		11,845
Other Capital Assets, Net of Accumulated Depreciation		42,169
Total Capital Assets		54,014
Other noncurrent assets		216
Total noncurrent assets	$	55,055
Total assets	$	71,536

The accompanying notes are an integral part of this statement.

Statement A
(Continued)

LIABILITIES		(in thousands)
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	1,366
Deferred revenues		557
Loans payable		355
Other current liabilities		197
Total current liabilities	$	2,475
NON-CURRENT LIABILITIES:		
Long-term Debt		7,154
Total long-term liabilities		7,154
Total liabilities	$	9,629
NET ASSETS		
Invested in capital assets, net of related debt		46,672
Restricted for:		
Debt service		273
Unrestricted		14,962
Total net assets	$	61,907
Total liabilities and net assets	$	71,536

The accompanying notes are an integral part of this financial statement

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

Statement B

OPERATING REVENUES		*(in thousands)*
Licenses, permits, and fees		1,285
Other		3,890
Total operating revenues	$	5,175
OPERATING EXPENSES		
Cost of Sales and Services		1,922
Administrative		2,168
Depreciation		2,349
Total operating expenses	$	6,439
Operating income(loss)	$	(1,264)
NON-OPERATING REVENUES(EXPENSES)		
State appropriations		0
Intergovernmental revenue		0
Taxes		0
Use of money and property		0
Gain (loss) on disposal of fixed assets		1
Investment Revenue		292
Federal grants		0
Interest expense		(403)
Other		(178)
Total non-operating revenues(expenses)	$	(288)
Income(loss) before contributions and transfers	$	(1,552)
Capital Contributions		1,439
Transfers in		0
Transfers out		0
Change in net assets	$	(113)
Total net assets – beginning	$	62,020
Total net assets – ending	$	61,907

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

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

Statement C

(In Thousands)		Program Revenues			Net (Expense)
		Charges for	Operating Grants and	Capital Grants and	Revenue and Changes in
Component Unit:	Expenses	Services	Contributions	Contributions	Net Assets
Greater Baton Rouge Port Commission	$ 7,020	$ 5,175	$ -	$ 1,439	$ (406)
General revenues:					
Taxes					0
State appropriations					0
Grants and contributions not restricted to specific programs					0
Interest					292
Miscellaneous					1
Special items					0
Transfers					0
Total general revenues, special items, and transfers					$ 293
Change in net assets					$ (113)
Net assets - beginning					$ 62,020
Net assets - ending					$ 61,907

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

Statement D

		(in thousands)
Cash flows from operating activities		
Cash received from customers	$ 5,761	
Cash payments to suppliers for goods and services	(2,188)	
Cash payments to employees for services	(1,803)	
Net cash provided(used) by operating activities		$ 1,770
Cash flows from capital and related financing		
Principal paid on loans	(340)	
Interest paid on loan maturities	(411)	
Acquisition/construction of capital assets	(2,505)	
Proceeds from sale of capital assets	1	
Capital contributions	1,499	
Other	(4)	
Net cash provided(used) by capital and related financing activities		$ (1,760)
Cash flows from investing activities		
Purchase of investments securities	(4,580)	
Proceeds from sale of investment securities	3,226	
Interest and dividends earned on investment securities	303	
Net cash provided(used) by investing activities		$ (1,051)
Net increase(decrease) in cash and cash equivalents		$ (1,041)
Cash and cash equivalents at beginning of year		$ 2,068
Cash and cash equivalents at end of year		$ 1,027

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

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

Statement D (Continued)

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

		(in thousands)
Operating income(loss)		$ (1,264)
Adjustments to reconcile operating income(loss) to net		
Depreciation/amortization	2,349	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	601	
(Increase)decrease in prepayments	(27)	
Increase(decrease) in accounts payable and accruals	200	
Increase(decrease) in deferred revenues	(19)	
Increase(decrease) in other liabilities	(70)	
Net cash provided(used) by operating activities		$ 1,770

Schedule of non-cash investing, capital, and financing activities (in thousands):

Change in Unrealized (Gain) Loss on Investments	142
Total noncash investing, capital, and financing activities:	$ 142

The accompanying notes are an integral part of this statement.

INTRODUCTION

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Greater Baton Rouge Port Commission present information only as to the transactions of the programs of the Port Commission as authorized by Louisiana statutes and administrative regulations.

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

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

Revenue Recognition

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

Expense Recognition

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

B. *BUDGETARY ACCOUNTING*

The budget is prepared by the staff of the Greater Baton Rouge Port Commission as follows:

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

(in thousands)		Appropriations
Original approved budget for 12 months ended December 31, 2005	$	4,715
Amendments:		
Decrease in Advertising Expense		(33)
Decrease in Salaries & Related		(116)
Decrease in Consulting Expense		(25)
Decrease in Services & Supplies		(31)
Decrease in Travel Expense		(10)
Decrease in Educational Expense		(15)
Total Amendments to Budget 2005		(230)
Final approved budget for 12 months ended December 31, 2005	$	4,485

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the port may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the port may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at December 31, 2005, were secured as follows:

	Deposits in bank accounts (in thousands)			
	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	$ 1,026	$ -	$ -	$ 1,026

GASB Statement 40 requires any category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution account number, and amount of the bank balances shown above:

Banking Institution:	Amount (in thousands)
Hancock Bank - Consolidated Checking	$ 951
Hancock Bank Trust Accounts	63
Chase Bank	12
Total	$ 1,026

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

Cash in State Treasury	$ 0
Petty cash (in dollars)	$ 500

2. INVESTMENTS

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

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

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

Type of Investment	Investments Exposed to Custodial Credit Risk Held By Counterparty's Trust or Dept. or Agent Not in Entity's Name	Total Reported Amount (All Categories)	Total Fair Value (All Categories)
U.S. Government securities	9,137	9,137	9,137
Other: (identify)			
Louisiana Asset Management Pool	$ -	4,975	4,975
Federated Treas MM Fund	$ -	761	761
Total Investments	$ 9,137	14,873	$ 14,873

3. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds____.
b. Securities underlying reverse repurchase agreements________________.
c. Unrealized investment losses________________________________.
d. *Commitments as of December 31, 2005, to* resell *securities under yield* maintenance repurchase agreements:
   1. Carrying amount and market value at December 31 of securities to be resold________________________________.
   2. Description of the terms of the agreement ________________.

e. Losses during the year due to default by counterparties to deposit or investment transactions________________________________.

f. Amounts recovered from prior-period losses, which are not shown separately on the balance sheet______________________________.

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements ____.

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _______________.

Reverse Repurchase Agreements as of Year-End

i. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest____.

j. Commitments on December 31, 2005, to repurchase securities under yield maintenance agreements ______________________________________.

k. Market value on December 31, 2005, of the securities to be repurchased ____.

l. Description of the terms of the agreements to repurchase___________ ____.

m. Losses recognized during the year due to default by counter parties to reverse repurchase agreements_______________________________.

n. Amounts recovered from prior-period losses, which are not separately shown on the operating statement_______________________________.

Fair Value Disclosures:

o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices ____.

p. Basis for determining which investments, if any, are reported at amortized cost ____.

q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool ____.

r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares ________________________.

s. Any involuntary participation in an external investment pool ___________.

t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate ____________________.

u. Any income from investments associated with one fund that is assigned to another fund____.

Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

v. Briefly describe the deposit and/or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact._________________________

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

x. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. Coupon multipliers, reset dates, etc.)______________________________

y. Disclose the credit risk of debt investments by credit quality ratings as described by rating (if any are unrated, disclose that amount).__________

z. Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.)_______________

aa. Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net assets of the entity and are capitalized at cost. Depreciation of all exhaustible capital assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet.

Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

(in thousands)	12 Month Period Ended December 31, 2005				
	Balance 12/31/04	Additions	Transfers *	Retirements	Balance 12/31/05
Capital assets not being depreciated					
Land	5,619	--	--	--	5,619
Construction in progress	4,590	2,638	(1,002)	--	6,226
Total capital assets not being depreciated	$ 10,209	$ 2,638	$ (1,002)	$ -	$ 11,845
Other capital assets					
Furniture, fixtures & equipment	4,759	36	--	28	4,823
Less accumulated depreciation	(3,735)	(131)	--	(28)	(3,894)
Total furniture, fixtures & equip	1,024	(95)	--	--	929
Buildings and improvements	72,632	1,040	--	--	73,672
Less accumulated depreciation	(38,632)	(1,838)	--	--	(40,470)
Total buildings and improvements	34,000	(798)	--	--	33,202
Infrastructure	12,792	--	--	--	12,792
Less accumulated depreciation	(4,374)	(380)	--	--	(4,754)
Total infrastructure	8,418	(380)	--	--	8,038
Total other capital assets	$ 43,442	$ (1,273)	$ -	$ -	$ 42,169
Capital Asset Summary:					
Capital assets not being depreciated	10,209	2,638	(1,002)	--	11,845
Other capital assets, at cost	90,183	1,076	--	28	91,287
Total cost of capital assets	100,392	3,714	(1,002)	28	103,132
Less accumulated depreciation	(46,741)	(2,349)	--	(28)	(49,118)
Capital assets, net	$ 53,651	$ 1,365	$ (1,002)	$ -	$ 54,014

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets not associatied with transfers reported elsewhere in this packet.

E. INVENTORIES

The Port Commission does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Greater Baton Rouge Port Commission at December 31, 2005, reflected as $825,272 in the non-current assets section on Statement A, consisting of $63,754 in unpaid bond coupons, $761,328 in cash invested with fiscal agent and $190 in interest receivables.

G. LEAVE

1. COMPENSATED ABSENCES

The Greater Baton Rouge Port Commission has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the Operating Fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at December 31, 2005 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $10,610. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

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

All full-time Port Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to $300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Port Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the twelve month fiscal year ended December 31, 2005, changed at July 1, 2005 from 17.8% to 19.1% of annual covered payroll. The Port Commission contributions to the System for the twelve month fiscal years ending December 31, 2005 and December 31, 2004 and December 31, 2003 were $236,298, $222,835 and $192,640, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Substantially all Port Commission employees become eligible for post employment health care, if they reach normal retirement age while working for the Port Commission. These benefits for retirees are provided through a state agency with premiums paid jointly by the employee and the Port Commission. For the twelve-month period ending December 31, 2005, the cost of providing those benefits for the 28 retirees totaled $125,031 compared to 27 retirees with the cost of providing benefits of $107,045 for the prior year twelve-month period ending December 31, 2004.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year December 31, 2005 amounted to $0. A schedule of payments for operating leases follows:

Nature of lease	FY2006	FY2007	FY2007	FY2008	FY2010	FY2011-2015	FY2016
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2. CAPITAL LEASES

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (l) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Nature of lease	Date of lease	Last payment date	Remaining interest to end of lease	Remaining principal to end of lease	Fund that pays lease
a. Office space			$ -	$ -	
b. Equipment					
c. Land					
Total			$ -	$ -	

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending December 31:	Total
2006	
2007	
2008	
2009	
2010	
2011-2015	
2016-2019	
Total minimum lease payments	$ -
Less amounts representing executory costs	
Net minimum lease payments	$ -
Less amounts representing interest	
Present value of net minimum lease payments	$ -

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below:

Composition of lease	Date of lease	Minimum lease payment receivable
a. Office space		$ -
b. Equipment		0
c. Land		0
Less amounts representing executory costs		
Minimum lease payment receivable		0
Less allowance for doubtful accounts		
Net minimum lease payments receivable		0
Less unearned income		0
Net investment in direct financing lease		$ -

Minimum lease payments do not include contingent rentals, which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005w ere $0 for office space, $0 for equipment, and $0 for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of December 31, 2005:

Year ending December 31:	
2006	$ -
2007	0
2008	0
2009	0
2010	0
2011-2015	0
2016-2019	0
Total	$ -

4. LESSOR – OPERATING LEASE

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

The cost and carrying amount of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2005:

(in thousands)	Cost	Accumulated Depreciation	Carrying Amount
a. Facility Space	$ 39,309	$ (24,890)	$ 14,419
b. Equipment	2,309	(2,309)	0
c. Land	4,323	(946)	3,377
Total	$ 45,941	$ (28,145)	$ 17,796

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of December 31, 2005:

(in thousands)

Twelve Month Period Ended December 31, 2005	Facility Space	Land	Total
2006	$ 1,450	$ 380	$ 1,830
2007	715	253	968
2008	560	189	749
2009	460	110	570
2010	397	110	507
And Later	348	56	404
Total	$ 3,930	$ 1,098	$ 5,028

There were no contingent rentals from operating leases received in the fiscal year for office space, equipment and for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the twelve-month period ended December 31, 2005:

	Twelve-Month Period Ended December 31, 2005			
(in thousands)	Balance 31-Dec 2004	Reductions	Balance 31-Dec 2005	Amounts due within one year
Long-term payables:				
Notes payable	7,691	349	7,342	355
Total long-term liabilities	$ 7,691	$ 349	$ 7,342	$ 355

A detailed summary, by issues, of all debt outstanding at December 31, 2005 including outstanding interest of $3,064,953 is shown on schedule 4-D.

L. LITIGATION

1. The Greater Baton Rouge Port Commission is not a defendant in litigation seeking damages as of December 31, 2005 or subsequent to the filing of this report.

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
			$ -	$ -
Totals			$ -	$ -

M. RELATED PARTY TRANSACTIONS

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

N. ACCOUNTING CHANGES

The Greater Baton Rouge Port Commission did not adopt any changes in the fiscal year 2005 that would result in the change in format and content of the basic financial statements.

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions that were not included in the accompanying financial statements.

P. DEFEASED ISSUES

There were no defeased issues during the twelve month period ended December 31, 2005 for the Greater Baton Rouge Port Commission.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

As of December 31, 2005, the Greater Baton Rouge Port Commission had one cooperative endeavor contract awarded in the amount of $4,229,221. Approximately $3,856,027 the costs have been incurred. The Port Commission has received reimbursement for these projects of $3,296,903 from the Department of Transportation and Development. The estimated Port Commission liability to complete construction work in progress after maximum reimbursement is approximately $422,292 plus additional fees for testing and inspection. At December 31, 2005, there were no contracts for construction work that have not been awarded.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated non-exchange transactions (grants) were received during fiscal year 2005:

CFDA Number	Program Name	State Match Percentage of Grant	Amount
			$ -
Total government-mandated nonexchange transactions (grants)			$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2005, the Greater Baton Rouge Port Commission had no violations of finance-related legal or contractual provisions.

T. SHORT-TERM DEBT

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

The Greater Baton Rouge Port Commission does not use a revolving line of credit for financing purposes prior to the issuance of related bonds.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2005, were as follows (in thousands):

Activity	Customer Receivables	Receivables from other Governments	Other Receivables	Total Receivables
Gross receivables	$ 611	$ 234	$ 464	$ 1,309
Less allowance for uncollectible accounts	2	0	0	2
Receivables, net	$ 609	$ 234	$ 464	$ 1,307

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2005, were as follows (in thousands):

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$ 1,032	$ 334	$ -	$ -	$ 1,366
					0
Total payables	$ 1,032	$ 334	$ -	$ -	$ 1,366

W. SUBSEQUENT EVENTS

There were no material event(s) affecting the Port Commission occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in

the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

A. Condensed statement of net assets:

(1) Total assets –dist inguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or the Port Commission should be reported separately.

(2) Total liabilities –dist inguishing between current and long-term amounts. Amounts payable to other funds or Port Commission's should be reported separately.

(3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Statement of Net Assets:

	(in thousands)
Current assets	$ 16,481
Capital assets	54,014
Other assets	1,041
Current liabilities	(2,475)
Long-term liabilities	(7,154)
Restricted net assets	(273)
Unrestricted net assets	(14,962)
Invested in capital assets, net of related debt	$ 46,672

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

(1) Operating revenues (by major source)
(2) Operating expenses, Depreciation (including any amortization) should be identified separately.
(3) Operating income (loss).
(4) Non-operating revenues (expenses) – with separate reporting of major revenues and expenses.
(5) Capital contributions and additions to permanent and term endowments.
(6) Special and extraordinary items.
(7) Transfers.
(8) Change in net assets.
(9) Beginning net assets.
(10) Ending net assets.

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

	(in thousands)
Operating revenues	$ 5,175
Operating expenses	(4,090)
Depreciation and amortization	(2,349)
Operating income (loss)	(1,264)
Nonoperating revenues (expenses)	(288)
Capital contributions/additions to permanent and term endowments	1,439
Special and extraordinary items	0
Transfers in	0
Transfers out	0
Change in net assets	$ (113)
Beginning net assets	$ 62,020
Ending net assets	$ 61,907

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

	(in thousands)
Net cash provided (used) by operating activities	$ 1,770
Net cash provided (used) by noncapital financing activities	
Net cash provided (used) by capital and related financing activities	(1,760)
Net cash provided (used) by investing activities	(1,052)
Beginning cash and cash equivalent balances	2,068
Ending cash and cash equivalent balances	$ 1,026

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts due from other funds detailed by individual fund at your fiscal year end:

Type of Fund	Name of Fund	Amount
Due from Other Governments		$ -
Total due from other funds		$ -

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

Type of Fund	Name of Fund	Amount
Total due to other funds		$ -

3. List by fund type all transfers from other funds for the fiscal year:

Type of Fund	Name of Fund	Amount
Total transfers from other funds		$ -

4. List by fund type all transfers to other funds for the fiscal year:

Type of Fund	Name of Fund	Amount
Total transfers from other funds		$ -

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Greater Baton Rouge Port Commission at December 31, 2005, reflected at $551,806 in Current Liabilities Payable from Restricted Assets on Statement A, consist of $355,000 in Current Portion of Loans Payable, $133,062 in Accrued Loan Interest and $63,754 in Unredeemed Bonds and Coupons.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments made to restate beginning net assets for January 1, 2005.

Fund balance assets, Dec 31, 2004, previously reported	Adjustments + or (-)	Beginning net assets, Jan 1, 2005, As restated
	$ -	$ -

Each adjustment must be explained in detail on a separate sheet.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For the Twelve Months Ended December 31, 2005

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
Schedule 1

Brian, Randy		1,875
D'Agostino, Charles		450
Delpit, Joseph		825
Dragg, Alvin		1,800
Ferdinand, Barbara		1,800
Hurdle, Brady		1,125
Ishmael, Calvin		1,875
Johnson, Larry		1,875
Loup, Raymond		150
Pugh, William		1,350
Rigell, William		1,425
Robertson, Lynn		750
Temple III, Collis		75
Thibaut, Charles		1,575
Tillis, Chucky		1,575
Watts, Robert		1,725
Wilkinson, John		1,875
Total Per Diems	$	22,125

SCHEDULE OF STATE FUNDING
Schedule 2
(Not applicable to the commission activities)

	Description of Funding	Amount
1.		
2.		
	Total	$ -

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For the Twelve Month Period Ended December 31, 2005

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE **Schedule 3-A**
(in thousands)

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2004	Redeemed (Issued)	Principal Outstanding 12/31/2005	Interest Rates	Interest Outstanding 12/31/2005
		$	$	$	$		$
Total		$	$	$	$		$

SCHEDULE OF NOTES PAYABLE **Schedule 3-B**
(in thousands)

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2004	Redeemed (Issued)	Principal Outstanding 12/31/2005	Interest Rates	Interest Outstanding 12/31/2005
1999A	03/31/99	$ 5,700	$ 4,790	$ 215	$ 4,575	8% - 5.5%	$ 1,970
1999B	03/31/99	$ 3,300	$ 2,775	$ 125	$ 2,650	8%-5.25%	$ 1,095
Total		$ 9,000	$ 7,565	$ 340	$ 7,225		$ 3,064

SCHEDULE OF BONDS PAYABLE **Schedule 3-C**
(in thousands)

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2004	Redeemed (Issued)	Principal Outstanding 12/31/2005	Interest Rates	Interest Outstanding 12/31/2005
Total		$	$	$	$		$

*Send copies of new amortization schedules.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For the Twelve Month Period Ended December 31, 2005

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION

Schedule 4-A

Fiscal Year Ending:	Principal	Interest
2006	$ -	$ -
2007		
2008		
2009		
2010		
2011-2015		
2016-2020		
2020-2025		
2026-2029		
Total	$ -	$ -

SCHEDULE OF CAPITAL LEASE AMORTIZATION

Schedule 4-B

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2006	$ -	$ -	$ -	$ -
2007				--
2008				--
2009				--
2010				--
2011-2015				--
2016-2020				--
Total	$ -	$ -	$ -	$ -

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For The Twelve Month Period Ended December 31, 2005

SCHEDULE OF NOTES PAYABLE AMORTIZATION

Schedule 4-C

Fiscal Year Ending:	Principal	Interest
2006	$ 355	$ 388
2007	$ 380	$ 364
2008	$ 395	$ 339
2009	$ 420	$ 314
2010	$ 440	$ 291
2011-2015	$ 2,595	$ 1,074
2016-2020	$ 2,640	$ 295
Total	$ 7,225	$ 3,065

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Schedule 4-D

(in thousands)

Fiscal Year Ending:	Principal	Interest
2006		
2007		
2008		
2009		
2010		
2011-2015		
2016-2019		
Total	$ -	$ -

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
COMPARISON FIGURES
For The Twelve Month Period Ended December 31, 2005

To Assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than $1 million explain the reason for the change.

	2005	2004	Difference	Percentage Change
1) Revenues$	5,175	$ 4,573	$ 602	13%
Expenses	$ 6,439	$ 7,251	$ 812	13%
2) Capital Assets	$ 54,014	$ 53,651	$ 363	1%
Long-term debt	$ 7,154	$ 7,351	($ 197)	(3%)
Net Assets	$ 61,907	$ 62,020	($ 113)	(1%)

Explanation of Change (Changes greater than $1 million:
--There were no changes $1 million or more.

3)	2005 Original Budget	2005 Final Budget	Difference	Percentage Change
Revenues	$ 4,943	$ 4,840	($ 103)	(2%)
Expenditures	$ 4,715	$ 4,485	$ 230	5%

Explanation of Change (greater than 10%)
--There were not any percentages of change over 10% in fiscal year ending December 31, 2005 for budget changes made.

Schedule 15

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