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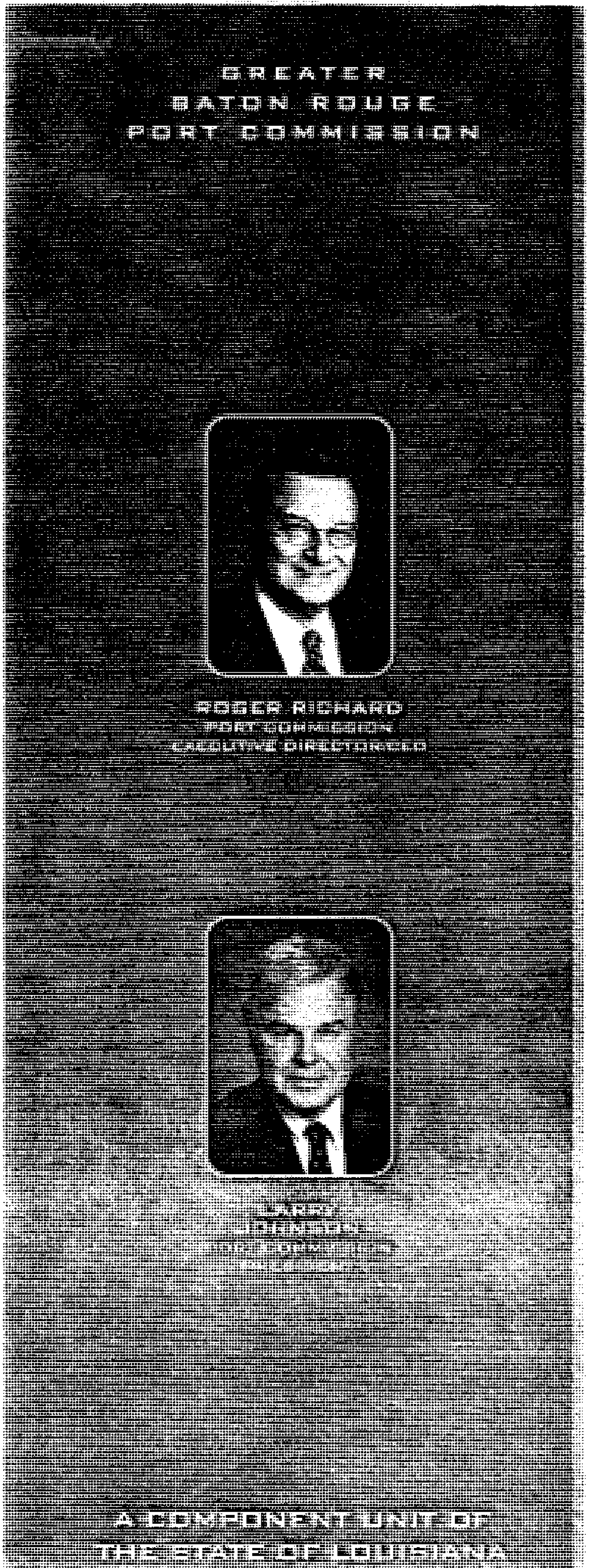
PORT OF GREATER BATON ROUGE

GREATER BATON ROUGE PORT COMMISSION

DECEMBER 31, 2003 COMPREHENSIVE ANNUAL FINANCIAL REPORT

A COMPONENT UNIT OF THE STATE OF LOUISIANA



COMPREHENSIVE ANNUAL

FINANCIAL REPORT OF THE

GREATER BATON ROUGE PORT COMMISSION

FOR THE YEAR ENDED
DECEMBER 31, 2003

PORT OF GREATER BATON ROUGE

PREPARED BY THE

DEPARTMENT OF FINANCE

AND ADMINISTRATION

ALFRED STARNS,

DIRECTOR OF ADMINISTRATION/FINANCE

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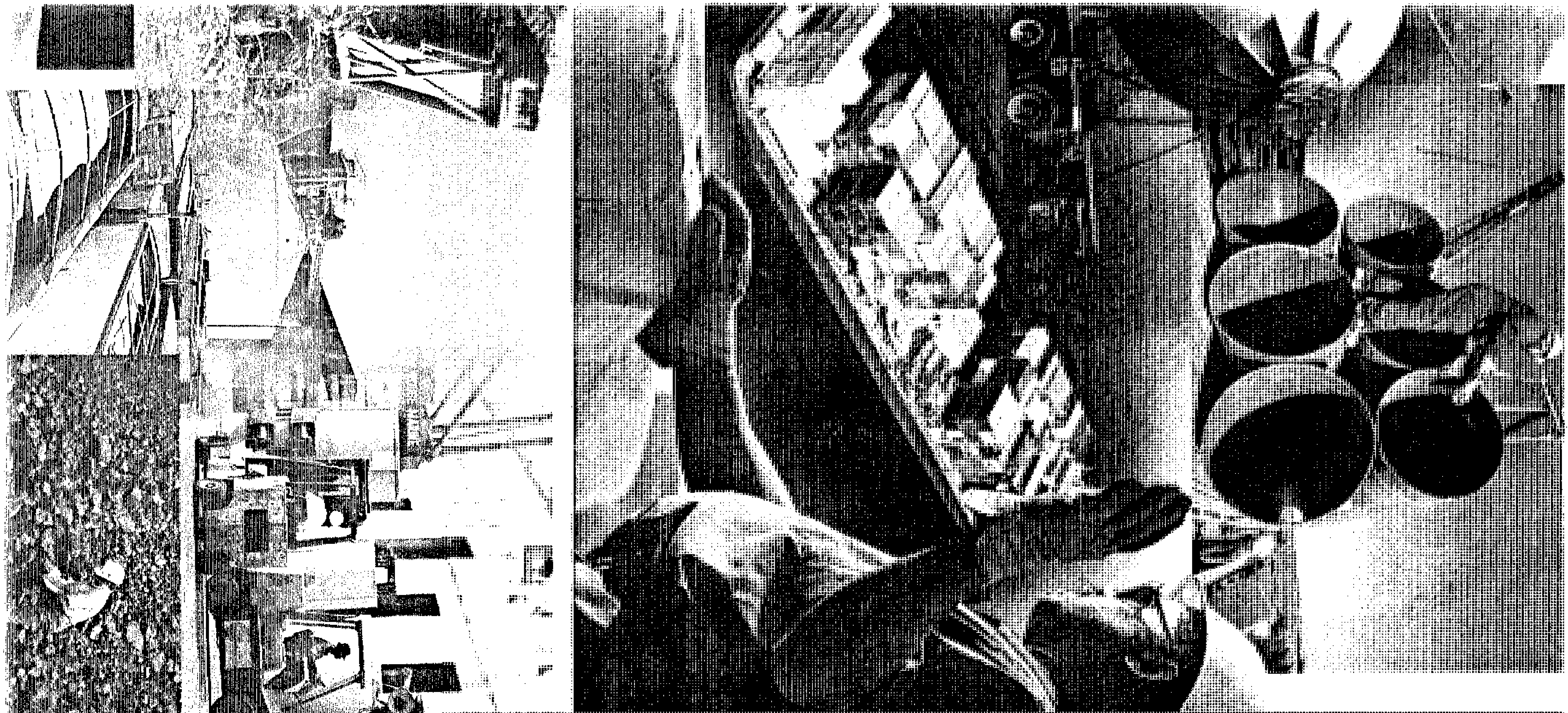


INTRODUCTORY

PORT OF GREATER BATON ROUGE

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

March 31, 2004

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

Dear Board of Commissioners:

During 2003, the Port of Greater Baton Rouge has achieved significant and very real progress towards realizing some important goals identified in the Strategic Plan developed for the port at the beginning of the new millennium. The port has taken significant steps to diversify its cargo base and operation and will continue this effort for the coming year. The challenge now is to continue building on the momentum created in 2003, to achieve even more goals envisioned for the port.

The response to the new Container-On-Barge service at the Inland Rivers Marine Terminal has already created a level of demand so that new infrastructure improvements can be initiated as soon as possible. The port has been fortunate to locate three new major tenants and develop lasting public/private partnerships, which will be strategic for its future growth. These new companies, facilities, and services will contribute to the future demand for port projects, additional facilities, value-added services and land for new development.

In 2003, the Port embarked on a number of improvements and new facilities that will impact port operations and our future growth. Accomplishments for 2003 included:

- Completion of the 10-acre container yard constructed at the Inland Rivers Marine Terminal and leased to the Dow Chemical Company.
- Launching of the new Container-on-Barge service, which is now providing weekly services to the Ports of New Orleans and Houston and is of significant benefit to the regional petrochemical industry in the four-parish area served by the port.
- The bulk sugar storage and distribution facility came on line in 2003 and provides alternative transportation cost advantages and market pricing for the Louisiana sugarcane industry.
- The Port has enhanced its security initiatives and is working closely with the U.S. Coast Guard and other local and regional agencies to improve security and deter terrorism at Port facilities and along the Mississippi River. With the efforts of Congressman Richard Baker and other congressional representatives, the port received a $1.6 million grant from the Transportation Security Administration (TSA) to continue this effort.

- Completed the rehabilitation of Ernest Wilson Drive, the main road to the port's deep-water complex along with numerous infrastructure improvements at the Inland Rivers Marine Terminal. In addition, the port continues to make on going repairs to the general cargo docks, re-roofing the transit sheds and upgrading the warehouse fire prevention system in order to continue its maintenance program.

In reviewing financial statement data for the twelve-month period, we find the following results. Operating revenues were $4,448,668 as compared to $4,492,895 in 2002. When making a comparison to the previous twelve months, operating revenues decreased less than 1% this year. Operating expenses were also up and reported at $6,089,027 versus $5,855,818 in 2002. Again, when compared on a twelve-month basis, expenses were up by 4%. Non-operating revenue of $387,485 was reported, most of which was derived from investment income. The income statement indicated a net loss before capital contributions of $1,715,817 after depreciation, and the balance sheet indicated a $3,988,681 increase in total net assets.

The Port of Greater Baton Rouge will continue to serve and play a vital role in nearly every segment of the regional economy. Citizens and businesses can be assured that your staff will continue to seek and pursue new opportunities to bring economic development to our port region. It is part of our mission and tradition here at the Port of Greater Baton Rouge, and a vital component of our Strategic Plan for the New Millennium. I believe the potential and future of our port is without limits.

The staff appreciates the opportunity to be a part of the future success of the port, as we continue to be a dynamic economic engine providing growth and development opportunities for companies using the Port. Your staff appreciates the substantial support exhibited by the Commission during this year to allow the staff to continue our strategy to make the Port of Greater Baton Rouge the transportation and development leader in the region.

Thank you for your leadership and vision. Together, we will build upon the tradition of success for an even brighter future for the Port of Greater Baton Rouge.

Sincerely,

RPRichard

Roger P. Richard
Chief Executive Officer

RPR: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

March 31, 2004

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, 2003, 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 2002 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 2003 presented a challenge in terms of total cargo movement and the resulting revenue generated. While overall tonnage was reportedly down by 12 % from the previous year, operating revenue remained essentially unchanged during this period. Once again, we believe the continued strength of the dollar against foreign currency and high natural gas prices worked in tandem to limit the production and export of finished products within the state's manufacturing sector. Many area chemical plants did not increase production while others actually ceased operating altogether. The industries that were heavily dependent on natural gas for their production did not fare well. Non-operating income was also less than the previous year due to an overall decline in value within the port's investment portfolio. Fortunately, maintaining diversified operations at the port continued to be a strength. While two of the major facilities experienced decreases from the previous year, two others increased cargo movement, which resulted in revenue gains from their operations.

As previously mentioned, operating revenue for 2003 was almost equivalent to 2002. It changed from $4,492,895 in 2002 to $4,448,668 in 2003. Total revenue was recorded at $4,836,153, which was 8.4% below the same period in 2002. The primary reason for the decrease was attributed to a decline in fixed income securities. Net assets increased by $3,988,681 as a result of the port's capital improvement program, bringing total net assets to $62,748,400 at year-end.

Factors related to the local, national and international economy played, and will continue to play, a significant role in our level of achievement. As conditions in the economy improve, so will our ability to increase cargo volume and our emphasis on economic development.

The commission and staff continue to be proactive in adjusting to changes within the industry. Much emphasis and financial commitment has been placed toward infrastructure improvements, construction of new facilities and promoting new business. As staff maintains a focus on diversification and growth, it will work to provide opportunities and incentives so that new businesses will have the ability to locate and operate within the port's jurisdiction. In so doing, this will open a window of opportunity to increase the port's revenue base and generate a greater economic benefit to the citizens of the state.

MAJOR INITIATIVES

The year 2003 was a continuum of emphasis and focus. Several ongoing construction projects were completed by the end of the year. The new sugar warehouse project was completed and product was stored there. The new security entrance and road reconstruction project was completed as well. Maximum progress had been made on the cargo dock pile rehabilitation project with expected completion sometime in 2004.

Since the port is ideally located for the movement of containers by barge, further development of the Inland Rivers Marine Terminal allowed for containers to be moved via the Gulf Intercoastal Canal and the Mississippi River to Houston and New Orleans. This new delivery service is expected to complement the operation of a new 10-acre container storage yard being leased to Dow Chemical Company. Current and future development of this new intermodal facility will enable bulk, break-bulk, containerized, and project cargo to be transferred by truck, rail, or barge.

Additional protective measures were implemented on port property in 2003. A guarded front security gate and video cameras were installed at the main entrance to port facilities. The port was also awarded a 1.6 million dollar federal security grant to allow for additional fencing and other protective equipment. As this and other funding is made available, comprehensive plans will add new meaning to port security. The combined local and national effort will provide greater assurance that facilities, cargo and life will be better protected within the port area.

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 $8,019,954 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 of, 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. Subsequently, 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 and cash management, 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, Hannis T. Bourgeois, LLP, for the audit years 2002-2004. 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, 2002. This was the ninth 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, Hannis T. Bourgeois, LLP. Special recognition is given to Brad Stueber, Accountant Administrator, and Linda Chapman, Administrative Specialist, for their extraordinary efforts.

Respectfully submitted,

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, 2002

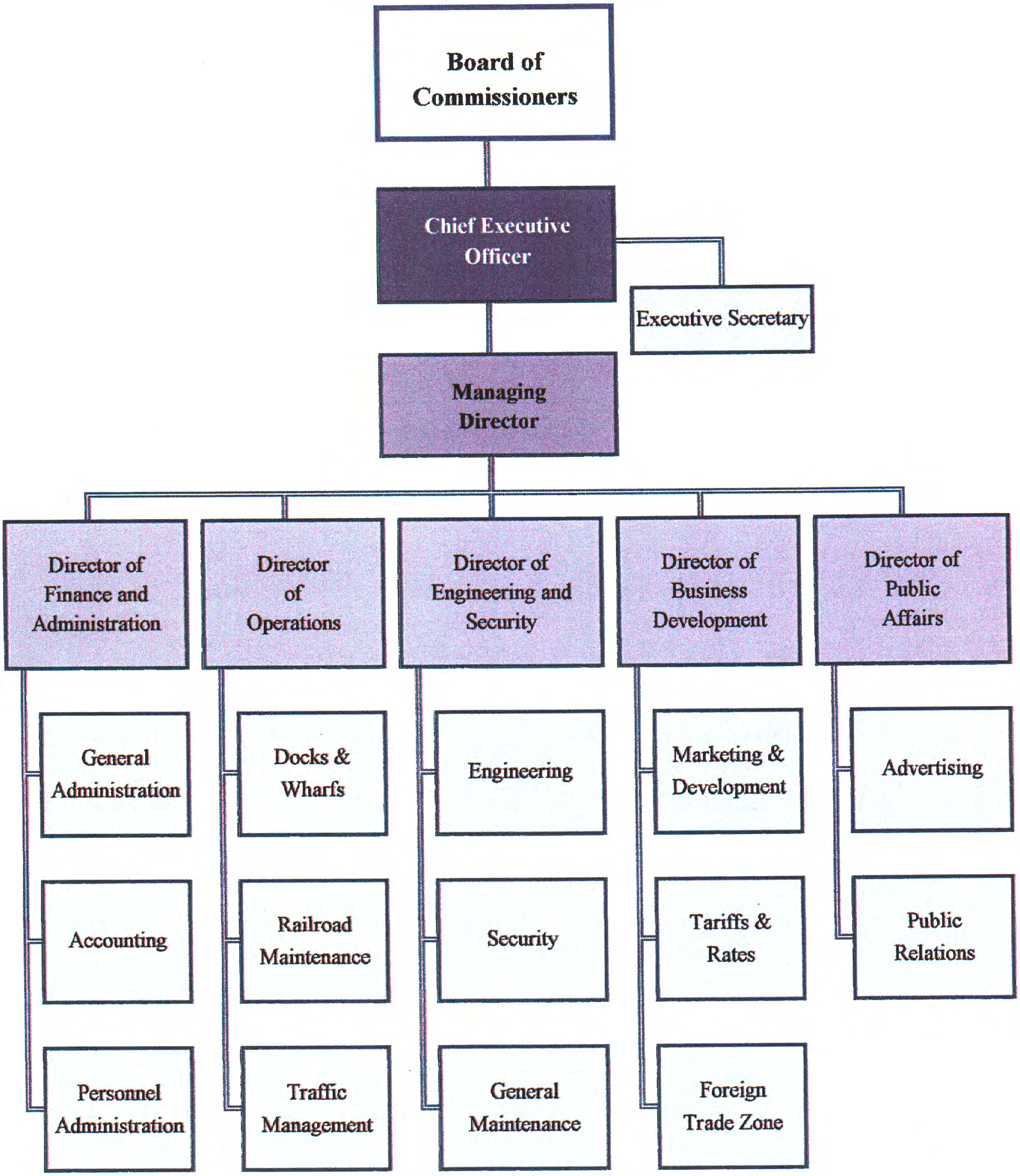
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

ORGANIZATIONAL CHART



PORT STAFF

Roger P. Richard
Chief Executive Office

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

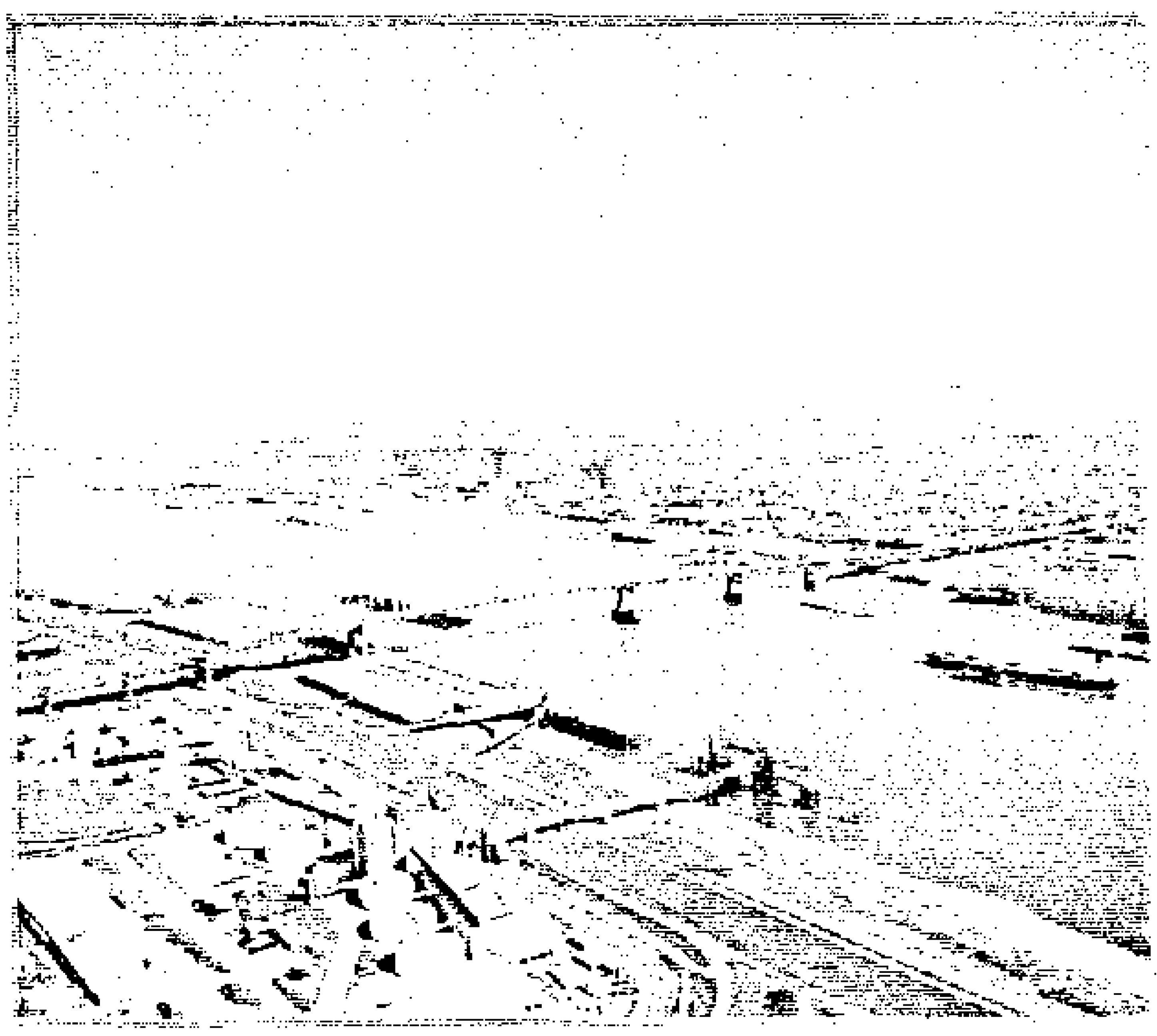
Alfred D. Starns
Director of Finance and Administration

Greg Johnson
Director of Business Development

Karen K. St. Cyr
Director of Public Affairs

Richard G. Savoy, Sr.
Director of Operations

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



PORT OF GREATER BATON ROUGE

The Greater Baton Rouge Port Commission

(A Political Subdivision of the State of Louisiana)

BOARD OF COMMISSIONERS

Larry Johnson
President

Charles L. Thibaut
Vice President

Larry Woods
Secretary

Marilyn B. Robertson
Treasurer

Commissioners:

J. Randy Brian
Charles D'Agostino
Alvin L. Dragg
Calvin Ishmael
Jerald J. Juneau
H. M. Kimball, Jr.
Henry Scott
Lucille Smith
Chucky Tillis
Stephen Wallace
Robert E. Wales

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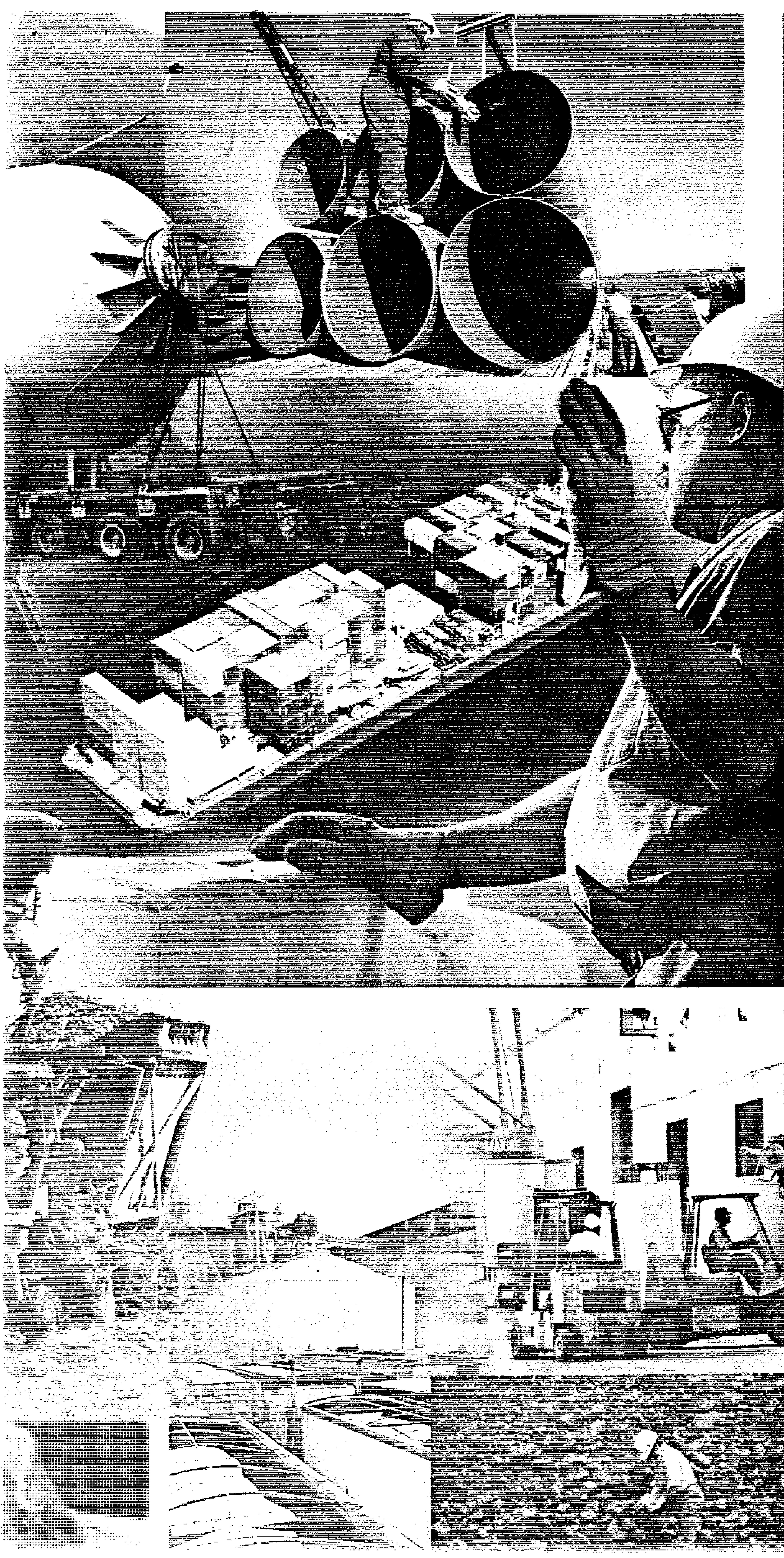


Hannis T. Bourgeois, LLP
Certified Public Accountants

Randy J. Bonnecaze, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
Fernand P. Genre, CPA*
Stephen M. Huggins, CPA*
Monica L. Zumo, CPA*
Ronald L. Gagnet, CPA*
Douglas J. Nelson, CPA*
Celeste D. Viator, CPA*
Russell J. Resweber, CPA*
Laura E. Monroe, CPA*

R. David Wascom, CPA
*A Professional Accounting Corporation

2322 Tremont Drive, Suite 200
Baton Rouge, LA 70809
Phone: (225) 928-4770
Fax: (225) 926-0945

Members American Institute of Certified Public Accountants

1175 Del Este Avenue, Suite B
Denham Springs, LA 70726

www.htbcpa.com

February 23, 2004

Independent Auditor's Report

Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the accompanying basic financial statements of the Greater Baton Rouge Port Commission, a component unit of the State of Louisiana, as of and for the years ended December 31, 2003 and 2002, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of the Greater Baton Rouge Port Commission. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements present fairly, in all material respects, the financial position of the Greater Baton Rouge Port Commission, as of December 31, 2003 and 2002, and the results of its operations and its cash flows of its enterprise fund for the years then ended, in conformity with accounting principles generally accepted in the Unites States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2004, on our consideration of the Greater Baton Rouge Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 14 through 18 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information schedules and "Annual Financial Report" as required by the Louisiana Division of Administration listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Greater Baton Rouge Port Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section listed in the table of contents were not audited by us, and, accordingly, we do not express an opinion on them.

Respectfully submitted,

Hannis T. Bourgeois, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2003. The report is based on twelve months activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 3 – 8 and the port's financial statements, which begin on page 12.

The 2002 annual financial report did not include comparative analysis as it was the first twelve-month period following a change in fiscal year. The previous report included data from a fourteen-month fiscal period. Year 2003 and subsequent years will include a comparative analysis.

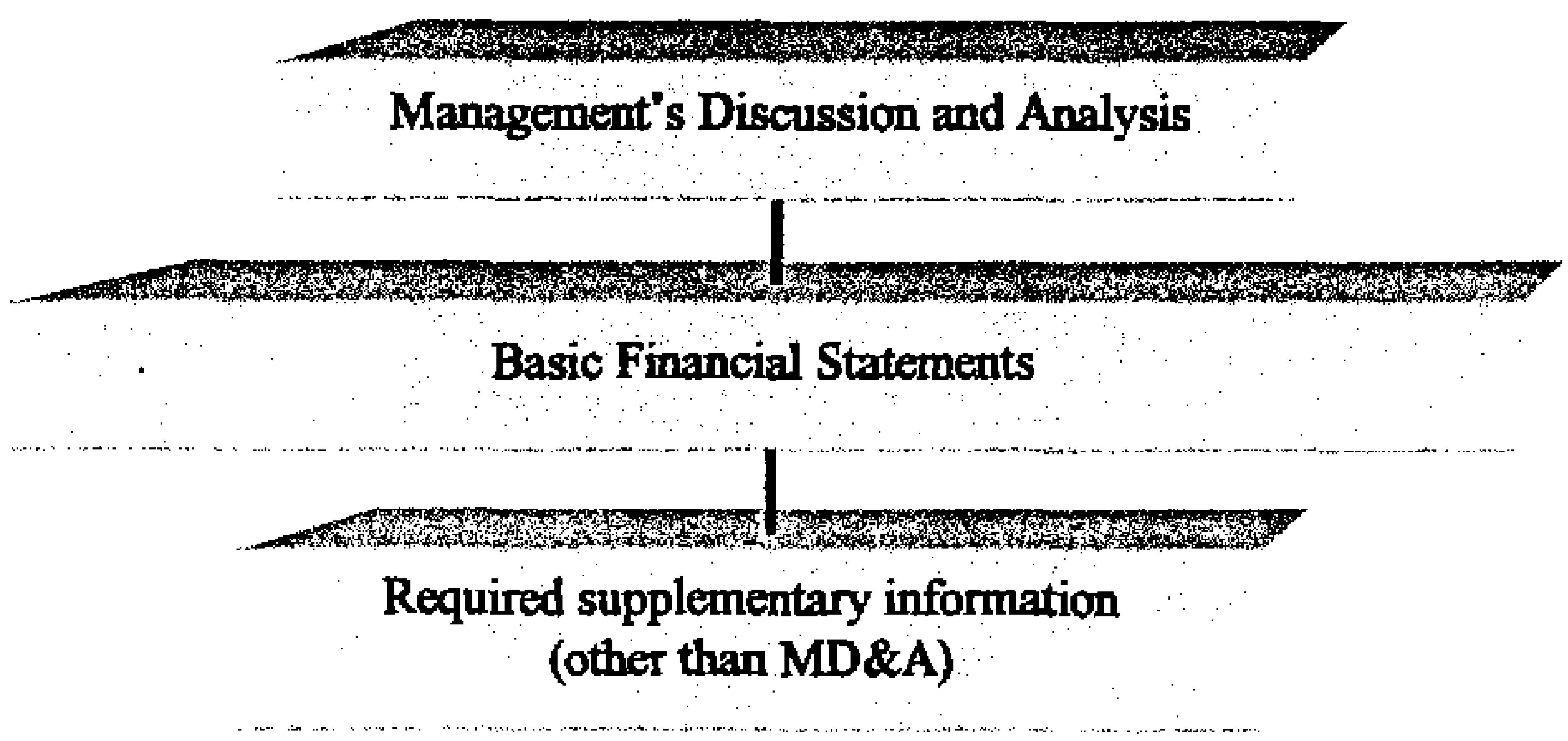
FINANCIAL HIGHLIGHTS

★ The Greater Baton Rouge Port Commission's assets increased modestly during 2003. Total net assets increased $3,988,681 above the previous year. This represents an increase in total net assets of approximately 6.8%.

★ During the twelve-month period, operating expense exceeded operating revenue by $1,640,359. Total net non-operating revenue was $(75,458). When combined, operating and non-operating performance measures indicate a net loss of $1,715,817. Operating expenses included the following: depreciation recorded at $2,063,706, representing 33.9% of the total, administrative expenses $2,001,838, or 32.9% and direct expenses $2,023,483, at 33.2%.

★ The unrestricted investment portfolio was valued at $11,887,222 at the end of the year.

OVERVIEW OF THE FINANCIAL STATEMENTS



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 Balance Sheet; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Balance Sheet (pages 19 - 20) presents 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. Net assets increased in 2003.

The following contains condensed Balance Sheet information at December 31, 2002 and 2003.

	2003	2002
Current and other assets	$ 21,668,607	$ 23,088,445
Capital assets	52,001,356	46,895,490
Total assets	73,669,963	69,983,935
Current and other liabilities	3,221,609	3,199,677
Long-term debt outstanding	7,699,954	8,024,539
Total liabilities	10,921,563	11,224,216
Net assets:		
Invested in capital assets, net of debt	47,273,121	41,929,688
Restricted	3,588,057	3,671,871
Unrestricted	11,887,222	13,158,160
Total net assets	$ 62,748,400	$ 58,759,719

The Statement of Revenues, Expenses, and Changes in Net Assets (page 21) presents 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 Statement (pages 22 – 23) presents information showing how the port commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

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 increased by $3,988,681 from December 31, 2002 to December 31, 2003. One of the major causes of this increase is from additional contributed capital for various capital projects that were in progress during the period.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Assets for the twelve-month periods ended December 31, 2002 and 2003.

	2003	2002
Operating revenues:		
Dockage and wharfage	$ 1,051,943	$ 1,054,439
Rentals	1,992,268	2,183,799
Storage	2,232	5,767
Other	1,402,225	1,248,890
Total Operating Revenues	4,448,668	$ 4,492,895
Operating expenses:		
Direct	2,023,483	1,862,444
Administrative	2,001,838	1,987,163
Depreciation	2,063,706	2,006,211
Total Operating Expenses	6,089,027	5,855,818
Operating income(loss)	(1,640,359)	(1,362,923)
Non-operating revenues(expenses)	(75,458)	296,776
Income(loss) before contributions	(1,715,817)	(1,066,147)
Capital Contributions	5,704,498	7,221,849
Net increase(decrease) in net assets	$ 3,988,681	$ 6,155,702

The Greater Baton Rouge Port Commission's operating revenues decreased by $44,227 and the total cost of programs and services increased by $233,209, as compared to the previous twelve month period. Revenue increases were recorded in rail switching, rail storage and miscellaneous cargo categories. The increases were offset by decreases in charges for vessel calls, wharfage and rental income. Increased costs were recorded in depreciation, property and liability insurance, and payroll related expense categories.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2002 and 2003, the Port Commission had $89,310,495 and $96,449,599 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 (See following Table). This amount represents a net increase (including additions and deductions) of $7,892,901 over last period.

Capital Assets	2003	2002
Land	$ 3,742,143	$ 3,742,143
Buildings and improvements	76,739,275	75,676,854
Equipment	4,743,765	4,588,677
Infrastructure	11,224,418	5,302,821
Totals	$ 96,449,601	$ 89,310,495

Additions this year include:

- Ernest Wilson Drive $ 2,858,618
- Dow Chemical Container Yard $ 2,518,975
- Sugar Storage Facility & Structure $ 4,889,057
- Inland River Terminal Rail Spur $ 544,004
- Truck Weigh Scale $ 75,000
- Other In-Progress $ 7,138,442

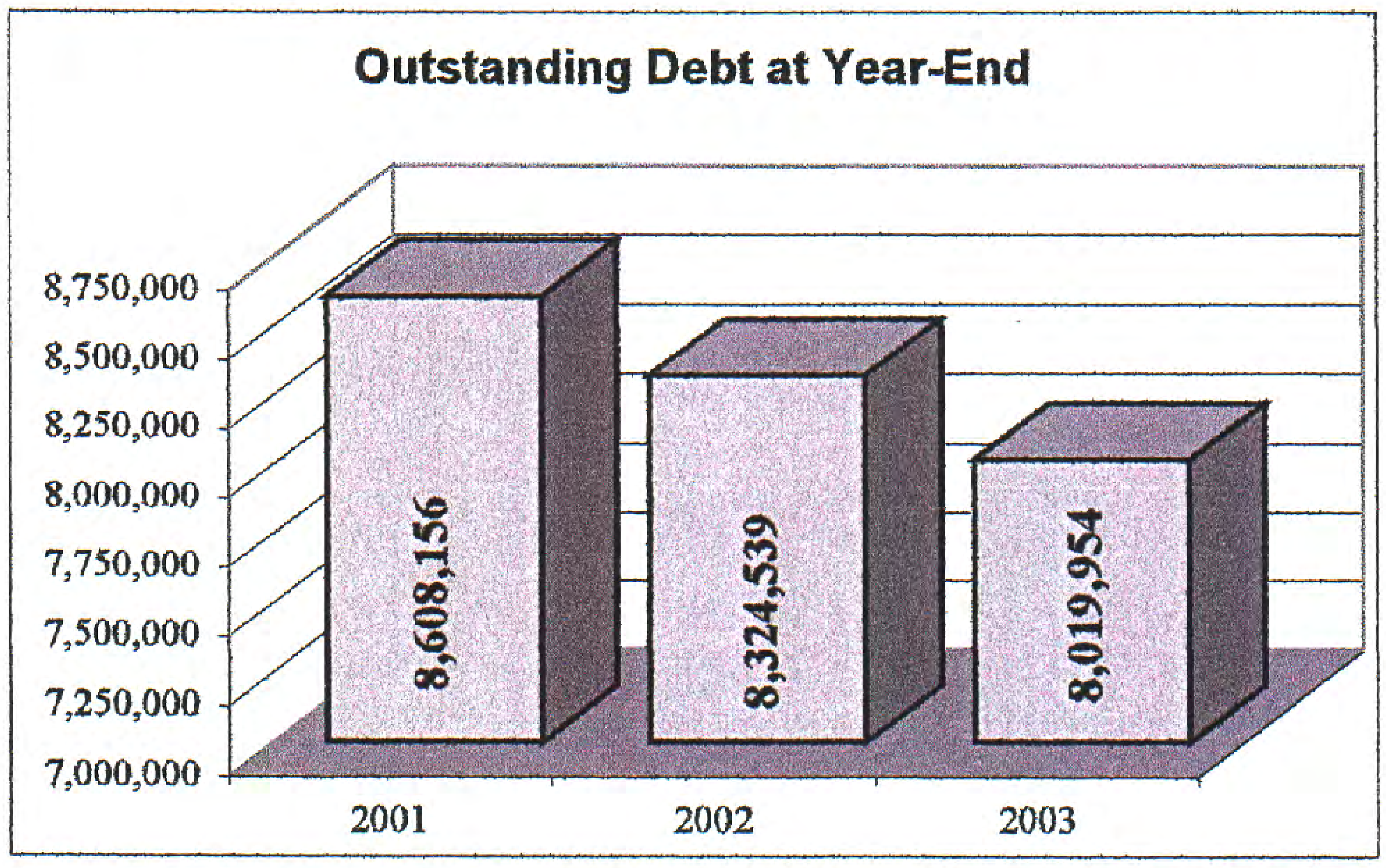
Additional information concerning Capital Asset activity is disclosed on pages 30 and 31 of the Notes To The Financial Statements.

Debt

The Greater Baton Rouge Port Commission had $8,019,954 in bonds outstanding at year-end, compared to $8,324,539 last year, a decrease of 3.65%.

No new debt was issued during the twelve-month period ended December 31, 2003.

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



Additional information concerning Long Term Debt is disclosed on pages 32-34 of the Notes To The Financial Statements.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Total revenues were under budget by approximately $ 0.157 million and total expenses were under by $0.391 million.

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

BALANCE SHEETS

as of December 31, 2003 and 2002

ASSETS

	2003	2002
Current Assets:		
Cash and Cash Equivalents	$ 1,049,159	$ 780,194
Investments	12,310,430	13,935,387
Receivables:		
Trade Accounts (Net of Allowance for Uncollectible Accounts of $2,100 and $1,800 in 2003 and 2002)	553,025	388,635
Due From Other Governments	1,402,932	1,195,030
Accrued Interest Receivable	75,316	111,070
Contract Receivable - Current	252,144	238,999
Prepaid Expenses	112,339	185,033
Total Current Assets	15,755,345	16,834,348
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	69,809	71,110
Investments	4,056,025	4,127,093
Accrued Interest Receivable	11,470	11,470
Total Restricted Assets	4,137,304	4,209,673
Capital Assets:		
Land and Construction in Progress	10,039,646	14,274,248
Other Capital Assets, Net of Accumulated Depreciation	41,961,710	32,621,242
Total Capital Assets	52,001,356	46,895,490
Other Assets:		
Contract Receivable - Net of Current Portion	1,527,055	1,779,199
Unamortized Debt Issue Costs	248,903	265,225
Total Other Assets	1,775,958	2,044,424
Total Noncurrent Assets	57,914,618	53,149,587
Total Assets	$ 73,669,963	$ 69,983,935

The accompanying notes are an integral part of this statement.

Statement A
(Continued)

LIABILITIES AND NET ASSETS

	2003	2002
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable	$ 269,574	$ 318,651
Construction Contracts Payable	1,606,001	1,642,128
Other Accrued Liabilities	455,411	386,973
Rentals Received in Advance	352,846	325,594
Total Current Liabilities-Payable from Unrestricted Assets	2,683,832	2,673,346
Payable from Restricted Assets:		
Bonds Payable - Current Portion	320,000	300,000
Accrued Bond Interest	147,968	155,221
Unredeemed Bonds and Coupons	69,809	71,110
Total Current Liabilities-Payable from Restricted Assets	537,777	526,331
Total Current Liabilities	3,221,609	3,199,677
Noncurrent Liabilities:		
Long-term Debt	7,699,954	8,028,803
Deferred Amount on Refunding	-	(4,264)
Total Noncurrent Liabilities	7,699,954	8,024,539
Total Liabilities	10,921,563	11,224,216
Net Assets:		
Invested in Capital Assets, Net of Related Debt	47,273,121	41,929,688
Restricted for:		
Capital Projects	3,291,718	3,358,737
Debt Service	296,339	313,134
Unrestricted	11,887,222	13,158,160
Total Net Assets	62,748,400	58,759,719
Total Liabilities and Net Assets	$ 73,669,963	$ 69,983,935

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Statement B

Greater Baton Rouge Port Commission
State of Louisiana

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the years ended December 31, 2003 and 2002

	2003	2002
Operating Revenues:		
Dockage and Wharfage	$ 1,051,943	$ 1,054,439
Rentals	1,992,268	2,183,799
Storage	2,232	5,767
Other	1,402,225	1,248,890
Total Operating Revenues	4,448,668	4,492,895
Operating Expenses:		
Direct	2,023,483	1,862,444
Administrative	2,001,838	1,987,163
Depreciation	2,063,706	2,006,211
Total Operating Expenses	6,089,027	5,855,818
Operating Loss	(1,640,359)	(1,362,923)
Nonoperating Revenues (Expenses):		
Investment Income	377,535	787,047
Interest Expense	(447,532)	(469,448)
Gain on Sale of Fixed Assets	9,950	123
Amortization of Debt Issue, Bond Premium and Deferred Refunding, Net	(11,736)	(17,706)
Trustee's Fees	(3,675)	(3,240)
Total Nonoperating Revenues (Expenses)	(75,458)	296,776
Loss Before Contributions	(1,715,817)	(1,066,147)
Capital Contributions	5,704,498	7,221,849
Change in Net Assets	3,988,681	6,155,702
Total Net Assets - Beginning of Year	58,759,719	52,604,017
Total Net Assets - End of Year	$ 62,748,400	$ 58,759,719

The accompanying notes are an integral part of this statement.

Statement C

Greater Baton Rouge Port Commission
State of Louisiana

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2003 and 2002

	2003	2002
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 4,729,340	$ 5,097,269
Cash Payments to Suppliers for Goods and Services	(2,522,513)	(2,672,089)
Cash Payments to Employees for Services	(1,904,998)	(1,406,411)
Other Operating Revenues (Expenses)	284,379	534,938
Net Cash Provided by Operating Activities	586,208	1,553,707
Cash Flows from Capital and Related Financing Activities:		
Principal Paid on Bonds	(300,000)	(285,000)
Interest Paid on Bond Maturities	(454,786)	(477,013)
Acquisition/Construction of Capital Assets	(7,173,082)	(7,912,230)
Proceeds from Sale of Capital Assets	13,460	123
Capital Contributions	5,496,596	6,870,281
Net Cash Used in Capital and Related Financing Activities	(2,417,812)	(1,803,839)
Cash Flows from Investing Activities:		
Purchases of Investment Securities	(3,167,726)	(13,131,423)
Proceeds from Calls and Maturities of Investment Securities	4,859,303	13,295,725
Interest and Dividends Earned on Investment Securities	407,691	691,433
Net Cash Provided by Investing Activities	2,099,268	855,735
Net Increase in Cash and Cash Equivalents	267,664	605,603
Cash and Cash Equivalents at Beginning of Year	851,304	245,701
Cash and Cash Equivalents at End of the Year	$ 1,118,968	$ 851,304

Statement C
(Continued)

Greater Baton Rouge Port Commission
State of Louisiana

STATEMENTS OF CASH FLOWS - CONTINUED

For the years ended December 31, 2003 and 2002

	2003	2002
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	$ (1,640,359)	$ (1,362,923)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Amortization of Debt Issue Costs	16,322	16,322
Depreciation	2,063,706	2,006,211
(Gain) Loss on Sale of Fixed Assets	(9,950)	(123)
Changes in Unrestricted Assets and Liabilities:		
(Increase) Decrease in Trade Accounts Receivable	(164,390)	152,926
(Increase) Decrease in Contract Receivable	238,999	226,539
(Increase) Decrease in Prepaid Expenses	72,694	(77,855)
Increase (Decrease) in Accounts Payable	(49,076)	94,469
Increase (Decrease) in Construction Contracts Payable	(36,127)	472,094
Increase (Decrease) in Other Accrued Liabilities	68,438	67,988
Increase (Decrease) in Rentals Received in Advance	27,252	(13,123)
Changes in Restricted Liabilities - Unredeemed Bonds and Coupons	(1,301)	(28,818)
Net Cash Provided by Operating Activities	$ 586,208	$ 1,553,707

Schedule of Noncash Investing, Capital and Financing Activities:

	2003	2002
Change in Unrealized (Gain) Loss on Investments	$ 191,215	$ (117,278)
Fixed Assets Acquired in Exchange for Lease Termination	$ (135,655)	$ (177,087)
Capital Contribution Relating to the Fixed Assets Acquired in Exchange for Lease Termination	$ 135,655	$ 177,087

The accompanying notes are an integral part of this statement.

Greater Baton Rouge Port Commission
State of Louisiana

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2003 and 2002

1. Summary of Significant Accounting Policies

A. Scope of Reporting Entity

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.

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 (a) the primary government (state), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The 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 his 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.

B. Measurement Focus and Basis of Accounting

Measurement Focus - On November 1, 2000, the Port Commission adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*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 proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting - The Port Commission uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

Under the provisions of GASB Statement 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the Port Commission follows pronouncements of the GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

C. Budgets and Budgetary Accounting

The Port Commission uses the following budgetary practices:

> 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.

D. Assets, Liabilities, and Net Assets

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 historical cost. Public domain ("infrastructure") general fixed assets including roads, surface drainage, railroad tracks and yards are capitalized along with other fixed 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:

	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 of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to unspent bond 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 Bond Premium - Debt expense and bond premium, incurred in connection with the issuance of the bonds, are amortized using the bonds outstanding method over the term of the bonds.

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 Balance Sheet.

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 asset consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

E. Revenues and Expenses

Operating revenues and expenses consists 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 expense consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange 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.

F. Reclassifications

Certain amounts in the 2002 financial statements have been reclassified to conform with the 2003 presentation.

2. Deposits and Investments

A. Deposits

The Port Commission's deposits consist of the following at December 31, 2003:

	Cash	Certificates of Deposit	Other	Total
Deposits in Bank Accounts per Balance Sheet	$ 1,118,968	$ -	$ -	$ 1,118,968
Bank Balances (Category 3 Only, if Any)				
Identify Amounts Reported as Category 3 by the Descriptions Below:				
a. Uninsured and Uncollateralized	$ 125,141	$ -	$ -	$ 125,141

(CONTINUED)

	Cash	Certificates of Deposit	Other	Total
b. Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent but not in the Entity's Name	1,214,516	-	-	1,214,516
Total Category 3 Bank Balances	$ 1,339,657	$ -	$ -	$ 1,339,657
Total Bank Balances (Regardless of Category)	$ 1,643,343	$ -	$ -	$ 1,643,343

	Carrying Amount	Bank Balance
Balance Sheet Classifications:		
Unrestricted Assets:		
Cash and Cash Equivalents	$ 1,049,159	$ 1,573,534
Restricted Assets:		
Cash and Cash Equivalents	69,809	69,809
	$ 1,118,968	$ 1,643,343

The Port Commission's bank balances at December 31, 2003, are categorized into three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the Port Commission or its agent in the Port Commission's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the Port Commission's name. Category 3 includes bank balances which are uncollateralized, including any balances which are collateralized with securities held by the pledging financial institutions or by its trust department or agent but not in the Port Commission's name. At December 31, 2003, the Port Commission has $1,643,343 in deposits (collected bank balances). These deposits are secured from risk by $278,282 of federal deposit insurance and $1,214,516 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of $125,141 is considered uninsured and uncollateralized.

B. Investments

The Port Commission's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 3 includes unregistered investments for which the fiscal agents and/or their trust departments hold the securities.

	Category 3	Carrying Amount	Fair Value
U.S. Government Securities	$ 11,128,911	$ 11,128,911	$ 11,128,911
Deposits Not Subject to Categorization:			
Louisiana Asset Management Pool		1,181,519	1,181,519
Federated Treasury Money Market Fund		4,056,025	4,056,025
		5,237,544	5,237,544
		$ 16,366,455	$ 16,366,455
Classifications on Balance Sheet:			
Unrestricted		$ 12,310,430	$ 12,310,430
Restricted		4,056,025	4,056,025
		$ 16,366,455	$ 16,366,455

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 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 purposes 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, 2003 and 2002 consist of the following:

	2003	2002
Debt Service	$ 834,116	$ 839,466
Capital Projects	3,291,718	3,358,737
Accrued Interest Receivable	11,470	11,470
	$ 4,137,304	$ 4,209,673

The mortgage indentures associated with the outstanding bonds require certain amounts to be transferred at certain intervals and carried in restricted asset accounts. At December 31, 2003, 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 through put tonnage at the facility. The minimum amount was recorded as a receivable relating to this agreement in prior years. The Contract Receivable as of December 31, 2003 and 2002 consisted of the following:

	2003	2002
$3,500,000 Face Amount, Noninterest Bearing, $350,000 due Annually Through 2009	$ 3,500,000	$ 3,500,000
Less: Contract Installment	(1,400,000)	(1,050,000)
Less: Unamortized Discount Based on Imputed Interest of 5.5%	(320,801)	(431,802)
	1,779,199	2,018,198
Less: Current Portion	(252,144)	(238,999)
	$ 1,527,055	$ 1,779,199

5. Capital Assets

Capital asset activity for the year ended December 31, 2003 was as follows:

	Balance January 1, 2003	Additions	Disposals/ Transfers	Balance December 31, 2003
Capital Assets Not Being Depreciated:				
Land	$ 3,742,143	$ -	$ -	$ 3,742,143
Other Construction In-Progress	10,532,105	7,138,442	11,373,044	6,297,503
Total Capital Assets Not Being Depreciated	14,274,248	7,138,442	11,373,044	10,039,646
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	2,467,928	544,004	-	3,011,932
Roadways and Surface Drainage	2,834,893	5,377,593	-	8,212,486
Buildings and Structures	65,144,749	5,309,716	12,693	70,441,772
Equipment	3,912,169	140,228	2,273	4,050,124
Office Furniture and Fixtures	477,448	26,215	19,011	484,652
Transportation Equipment	199,060	9,927	-	208,987
Total Capital Assets Being Depreciated	75,036,247	11,407,683	33,977	86,409,953

(CONTINUED)

	Balance January 1, 2003	Additions	Disposals/ Transfers	Balance December 31, 2003
Less Accumulated Depreciation for:				
Railroad Tracks and Yards	2,251,956	44,183	-	2,296,139
Roadways and Surface Drainage	1,603,872	108,821	-	1,712,693
Buildings and Structures	35,056,906	1,765,895	9,943	36,812,858
Equipment	2,992,799	97,057	2,273	3,087,583
Office Furniture and Fixtures	364,612	28,505	18,252	374,865
Transportation Equipment	144,860	19,245	-	164,105
Total Accumulated Depreciation	42,415,005	2,063,706	30,468	44,448,243
Total Capital Assets Being Depreciated, Net	32,621,242	9,343,977	3,509	41,961,710
Total Capital Assets, Net	$ 46,895,490	$ 16,482,419	$ 11,376,553	$ 52,001,356

Capital assets activity for the year ended December 31, 2002 was as follows:

	Balance January 1, 2002	Additions	Disposals/ Transfers	Balance December 31, 2002
Capital Assets Not Being Depreciated:				
Land	$ 3,742,143	$ -	$ -	$ 3,742,143
Other Construction In-Progress	3,339,377	7,950,849	758,121	10,532,105
Total Capital Assets Not Being Depreciated	7,081,520	7,950,849	758,121	14,274,248
Capital Assets Being Depreciated:				
Railroad Tracks and Yards	2,467,928	-	-	2,467,928
Roadways and Surface Drainage	2,834,893	-	-	2,834,893
Buildings and Structures	64,493,661	652,971	1,883	65,144,749
Equipment	3,912,479	-	310	3,912,169
Office Furniture and Fixtures	452,534	42,050	17,136	477,448
Transportation Equipment	174,579	24,481	-	199,060
Total Capital Assets Being Depreciated	74,336,074	719,502	19,329	75,036,247
Less Accumulated Depreciation:				
Railroad Tracks and Yards	2,213,212	38,744	-	2,251,956
Roadways and Surface Drainage	1,481,258	122,614	-	1,603,872
Buildings and Structures	33,377,705	1,681,084	1,883	35,056,906
Equipment	2,880,674	112,435	310	2,992,799
Office Furniture and Fixtures	347,062	34,686	17,136	364,612
Transportation Equipment	128,212	16,648	-	144,860
Total Accumulated Depreciation	40,428,123	2,006,211	19,329	42,415,005

(CONTINUED)

	Balance January 1, 2002	Additions	Disposals/ Transfers	Balance December 31, 2002
Total Capital Assets Being Depreciated, Net	33,907,951	(1,286,709)	-	32,621,242
Total Capital Assets, Net	$ 40,989,471	$ 6,664,140	$ 758,121	$ 46,895,490

Total depreciation expense for the years ended December 31, 2003 and 2002 is $2,063,706 and $2,006,211.

6. Long-Term Debt

Bonds 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.

The Greater Baton Rouge Port Commission's obligations under the Series 1999A and 1999B Bonds are limited and special obligations payable solely from lawfully available funds (as defined in the Commission's Loan Agreement) and certain funds held by the Trustee pursuant to the Trust Indenture pursuant to which Bonds are issued and secured. No other assets are available for payment of the principal of, or interest on, the Bonds.

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.

At December 31, 2003 and 2002 the outstanding indebtedness consisted of the following:

2003

Bond Series	Maturing Serially To	Call Prices (%)	Interest Rate	Payable At 1/1/03	Additions	Reductions	Payable At 12/31/03
1999A	2019	100 – 102	8% - 5.5%	$ 5,185,000	$ -	$ 190,000	$ 4,995,000
1999B	2019	100 – 102	8% - 5.25%	3,000,000	-	110,000	2,890,000
Unamortized Premium on Bonds Payable				143,803	-	8,849	134,954
				8,328,803	-	308,849	8,019,954
Deferred Amount on Refunding				(4,264)	-	(4,264)	-
				$ 8,324,539	$ -	$ 304,585	8,019,954
Less: Amounts Due Within One Year Payable From Restricted Assets							(320,000)
Amounts Due After One Year							$ 7,699,954

(CONTINUED)

2002

Bond Series	Maturing Serially To	Call Prices (%)	Interest Rate	Payable At 1/1/02	Additions	Reductions	Payable At 12/31/02
1999A	2019	100 – 102	8% - 5.5%	$ 5,365,000	$ -	$ 180,000	$ 5,185,000
1999B	2019	100 – 102	8% - 5.25%	3,105,000	-	105,000	3,000,000
Unamortized Premium on Bonds Payable				152,653	-	8,850	143,803
				8,622,653	-	293,850	8,328,803
Deferred Amount on Refunding				(14,497)	-	(10,233)	(4,264)
				$ 8,608,156	$ -	$ 283,617	8,324,539
Less: Amounts Due Within One Year Payable From Restricted Assets							(300,000)
Amounts Due After One Year							$ 8,024,539

The bonds may be called for redemption by the Port Commission at the option of the Port Commission before maturity, in whole or in part, in the inverse order of maturity, on any interest date. Call prices noted are those at which the bonds could be redeemed at November 1, 1999, and thereafter.

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

2004	$ 752,848
2005	750,472
2006	742,665
2007	744,005
2008	734,174
2009 - 2013	3,667,591
2014 - 2018	3,672,315
2019	729,200
Total Principal and Interest	11,793,270
Less: Portion Representing Interest	(3,908,270)
Total Principal Outstanding at December 31, 2003	$ 7,885,000

Prior Year Refunding - On March 1, 1999, the Port Commission issued $5,700,000 Series 1999A Revenue and Refunding Bonds and $3,300,000 Series 1999B Revenue Bonds. A portion of the proceeds of the Series 1999A Bonds in the amount of $1,764,600 provided the source of funds to advance refund the remaining 1962 Series E bonds payable in the amount of $1,730,000 along with a prepayment premium of $34,600. In addition, $1,000,000 of the proceeds of the Series 1999A bonds was used to completely pay-off the outstanding amount of the Excess Revenue Certificates of Indebtedness Series 1997. There are no outstanding balances on any prior-year bond defeasance as of December 31, 2003 and 2002.

Total debt service payments over the next 20 years has been increased by approximately $1,570,000. The Port Commission will experience an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $46,000.

As a result of the refunding of the Series 1962 Series E Bonds the Port Commission implemented GASB Statement No. 23, "Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities." The refunding resulted in the recognition of a Deferred Amount on Refunding of $40,933.

At December 31, 2003, $40,933 of the Deferred Amount on Refunding was amortized ($36,669 in 2002) resulting in a net Deferred Amount on Refunding of $-0-.

Compensated Absences - The following is a summary of the changes in compensated absences for the year ended December 31, 2003 and 2002:

2003	Balance 01/01/03	Additions	Reductions	Balance 12/31/03
Compensated Absences	$ 290,622	$ 310,088	$ 269,047	$ 331,663

2002	Balance 01/01/02	Additions	Reductions	Balance 12/31/02
Compensated Absences	$ 232,149	$ 159,497	$ 101,024	$ 290,622

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:

	2003	2002
Balance at January 1	$ 41,929,688	$ 36,524,578
Change in Capital Assets	5,105,866	5,906,019
Change in Related Debt	304,586	283,617
Change in Debt Related to Unspent Proceeds	(67,019)	(784,526)
Balance at December 31	$ 47,273,121	$ 41,929,688

8. Restricted Net Assets

Restricted net assets at December 31, 2003 and 2002, consist of $296,340 and $313,134 restricted for debt service and $3,291,718 and $3,358,737 restricted for capital projects, consisting of unspent bond proceeds.

The requirements for the debt service, at December 31, 2003 and 2002, were computed as follows:

	2003	2002
Assets Restricted for Bond Retirement and Debt Service	$ 834,117	$ 839,465
Less Current Liabilities Payable from Restricted Assets	(537,777)	(526,331)
	$ 296,340	$ 313,134

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.

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

	2003	2002
Railroad Tracks and Yards	$ 562,680	$ 562,680
Roadways and Surface Drainage	2,756,116	271,512
Buildings and Structures	38,306,524	37,954,672
Equipment	2,257,160	2,257,160
Total Leased Property	43,882,480	41,046,024
Less: Accumulated Depreciation	(25,905,551)	(24,627,610)
Net Leased Property	$ 17,976,929	$ 16,418,414
Depreciation Expense	$ 1,102,679	$ 956,711

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

Year Ended December 31,	Future Rental Revenues
2004	$ 1,881,757
2005	1,061,195
2006	552,832
2007	245,795
Later Years	155,921
Total Minimum Future Rentals	$ 3,897,500

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) 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% 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, 2003, 2002 and fourteen-months ended 2001 were 15.8%, 14.1% and 13% of annual covered payroll. The Port Commission's contributions to the system for the years ended December 31, 2003 and 2002 were $192,640 and $172,296, respectively. The Port Commission's contributions to the system for the fourteen-month period ended December 31, 2001 was $194,328, 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 26 and 23 retirees totaled $85,844 and $74,273, respectively for the years ended December 31, 2003 and 2002.

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 $5,500 per calendar year. The Port Commission contribution for the years ended December 31, 2003 and 2002 were $56,205 and $50,695, respectively.

14. Construction in Progress

As of December 31, 2003, contracts for construction work in progress have been awarded in the amount of $7,681,368. Costs of $7,057,582 have been incurred. The Port Commission has received reimbursement for these projects of $4,805,878 from the Department of Transportation and Development. The estimated Port Commission liability to complete construction work in progress after maximum reimbursement is $249,726, plus additional fees for testing and inspection. At December 31, 2003, there were no contracts for construction that had not been awarded.

15. Lease Termination - LaGrain International, Inc.

On August 27, 2001, the Port Commission entered into a lease termination agreement with LaGrain International, Inc. ("LaGrain") who was leasing one of the Port Commission's warehouse facilities for a rice mill operation. In consideration for the termination of the lease, LaGrain agreed to pay the Port Commission $300,000 in cash and, as additional consideration, transfer to the Port Commission certain fixed assets and leasehold improvements that were used by LaGrain in their rice mill operation. LaGrain estimated these assets to have a net book value of approximately $4,500,000.

During the prior year, the Port Commission determined that fixed assets with a net book value of $784,492 (consisting mostly of leasehold improvement type items) were to be used by the Port Commission in their operations and were recorded as fixed assets in the financial statements. The remaining fixed assets (consisting of industry-specific equipment) will likely not be used in any future Port Commission operations since they are specific to a rice mill operation. It was management's intention to market these items to potential buyers involved in rice milling operations.

As specified in the lease termination agreement, in the event the items were sold prior to February 28, 2004, the proceeds of any such sale would be shared on a 50%/50% basis between the Port Commission and LaGrain. Furthermore, as per the agreement, if the Port Commission receives any revenues from the leasing of these fixed assets to any third party prior to February 28, 2004, the revenues are to be shared on a 70%/30% basis between the Port Commission and Lagrain. Any sale proceeds or rental revenues received after this date will be 100% for the Port Commission.

Since the ultimate value of these fixed assets and the sharing of any sales proceeds or rental revenues was undeterminable, no amounts were recorded in the prior year relating to these fixed assets. Rather, any future amounts received relating to the sale or rental of these assets would be recorded when the transaction would occur based on actual amounts to be received.

During 2002, The Port Commission sold the majority of the assets for $354,174, of which $177,087 was due to LaGrain net of $100,000 in disposal costs. The Port Commission paid LaGrain $74,582 prior to year end. A capital contribution of $177,087 was recorded in the prior year for the Port's Commission share of the revenue.

Supplementary Information

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Greater Baton Rouge Port Commission
State of Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of December 31, 2003

Schedule of Lease Information

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

Greater Baton Rouge Port Commission
State of Louisiana

SCHEDULE OF LEASE INFORMATION
December 31, 2003

Lessee	Facility	Minimum Annual Rental for 2004
Ace Storage	Transit Shed	$ 250,000
Agway Systems	Five Tracts of Land	20,000
Associated Barge Terminal of Baton Rouge, LLC	Crane	36,000
Baton Rouge Marine Contractors #1	Tract of Land	10,000
Baton Rouge Marine Contractors #2	Office Space	5,890
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	189,000
Cargill/Seaboard (Flour Mill)	Tract of Land	13,023
Community Coffee	Building & Land	23,333
D & G Storage	Transit Shed	106,000
Dow Chemicals	Tact of Land	250,200
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	150,000
Louisiana Sugar Products, Inc.	Tract of Land	25,641
Petroleum Fuel & Terminal (Apex)	Tract of Land	22,500

Schedule 1

Current Lease Date of Expiration	Remarks
Month-to-Month	Rent is payable monthly in advance and includes $400.00 for utilities.
Month-to-Month	Lease ended May 31, 2003.
March 31, 2005	
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, 2005	Lessee pays costs of insurance and maintaining or replacing equ has the option to renew for an additional five years at $235,000 1
February 28, 2008	Lessee has the option to renew at the end of the lease term. Ren payable annually in advance.
April 30, 2004	Rent is payable monthly in advance and can fluctuate in amount the PPI (Producer Price Index).
Month-to-Month	Rent is payable monthly in advance.
May 31, 2006	Rent is payable monthly in advance.
December 31, 2006	Lessee pays costs of insurance, maintaining the facility and maint replacing equipment and has the option to renew at the end of the Rent is payable in semiannual installments.
April 30, 2006	Rent is payable monthly in advance. Lessee has option to renew for four additional five-year periods.
September 30, 2004	Lessee has option to renew for three additional three-year periods. Rental is payable annually in advance.

(CONTINUED)

Lessee	Facility	Minimum Annual Rental for 2004
Rail Link, Inc.	Office Space	12,000
Ramsay-Scarlett	Warehouse & Land	139,825
South Louisiana Cement, Inc.	Tract of Land	22,500
Stone Oil Distributor	Tract of Land	82,800
Telecorp / A T & T	Space on Water Tower	10,800
T T & H Warehouse, Inc. #1	Facility	120,000
T T & H Warehouse, Inc. #2	Transit Shed	225,000
Westway Industrial Molasses #1	Molasses Tank Farm	98,600
Westway Industrial Molasses #2	Tract of Land	34,785
Westway Industrial Molasses #3	Tract of Land	14,213
Westway Industrial Molasses #4	Tract of Land	13,320
Others	Various	6,327
		$ 1,881,757

Current Lease Date of Expiration	Remarks
January 31, 2006	Rent is payable monthly in advance.
March 31, 2005	Rent is payable monthly in advance.
December 31, 2005	Rent is payable monthly in advance. Lease provides for a progress increase in wharfage rates on cement and aggregate. A progressive increase minimum tonnage per year is guaranteed in the lease.
October 31, 2008	Lessee has option to renew for two additional five-year periods. Rent is payable semi-annually in advance.
August 18, 2008	Lessee has option to renew for a second five-year period at $1,000 per month, and a third five-year period at $1,100 per month. Rentals are paid monthly 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.
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. Rental is payable monthly in advance.
February 28, 2006	Rent is payable monthly in advance.
April 30, 2006	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, 2003

Lessee	Facility	2004	2005
Ace Storage	Transit Shed	$ 250,000	$ -
Agway Systems	Five Tracts of Land	20,000	-
Associated Barge Terminal of Baton Rouge, LLC	Crane	36,000	15,000
Baton Rouge Marine Contractors #1	Tract of Land	10,000	10,000
Baton Rouge Marine Contractors #2	Office Space	5,890	5,890
Cargill, Inc. (Grain Elevator)	Grain Storage Facility	189,000	157,500
Cargill/Seaboard (Flour Mill)	Tract of Land	13,023	13,023
Community Coffee	Building & Land	23,333	-
D & G Storage	Transit Shed	106,000	-
Dow Chemical	Container Yard	250,200	250,200
Kinder Morgan Bulk Terminal (formerly Hall-Buck)	Barge Terminal	150,000	150,000
Louisiana Sugar Products, Inc.	Tract of Land	25,641	25,641
Petroleum Fuel & Terminal (Apex)	Tract of Land	22,500	-
Rail Link, Inc.	Office Space	12,000	12,000
Ramsay-Scarlett	Warehouse & Land	139,825	34,956
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
T T & H Warehouse, Inc. #1	Facility	120,000	120,000
T T & H Warehouse, Inc. #2	Transit Shed	225,000	-
Westway Industrial Molasses #1	Molasses Tank Farm	98,600	98,600
Westway Industrial Molasses #2	Tract of Land	34,785	34,785
Westway Industrial Molasses #3	Tract of Land	14,213	14,213
Westway Industrial Molasses #4	Tract of Land	13,320	-
Others	WBR Parish	100	100
	Judson Baptist	1,000	-
	Savoie Industries, Inc.	3,019	3,019
	TT & H	1,200	
	WBR Chamber	1,008	168
		$ 1,881,757	$ 1,061,195

Schedule 2

2006	2007	2008	Later	Options End
$ -	$ -	$ -	$ -	Month-to-Month
-	-	-	-	Month-to-Month
-	-	-	-	03/31/05
10,000	10,000	10,000	35,000	06/30/12
5,890	6,053	-	-	12/31/07
-	-	-	-	10/31/05
13,023	13,023	2,171	-	02/28/08
-	-	-	-	04/30/04
-	-	-	-	Month-to-Month
104,250				05/31/06
150,000	-	-	-	12/31/06
8,547	-	-	-	04/30/06
-	-	-	-	09/30/04
1,000	-	-	-	01/31/06
-	-	-	-	03/31/05
-	-	-	-	12/31/05
82,800	82,800	69,000	-	10/31/08
10,800	10,800	7,650	-	08/18/08
120,000	120,000	30,000	-	03/31/08
-	-	-	-	Month-to-Month
32,867	-	-	-	04/30/06
5,798	-	-	-	02/28/06
4,738	-	-	-	04/30/06
-	-	-	-	Month-to-Month
100	100	100	2,000	12/31/28
-	-	-	-	12/31/04
3,019	3,019	-	-	12/31/07
				Month-to-Month
-	-	-	-	02/28/05
$552,832	$245,795	$118,921	$ 37,000	

Schedule 3

Greater Baton Rouge Port Commission
State of Louisiana

SCHEDULE OF OPERATING EXPENSES BY MAJOR CATEGORY

For the years ended December 31, 2003 and 2002

Major Category	2003	2002
Personnel Services	$ 2,192,088	$ 2,110,153
Operating Services	1,402,054	1,155,868
Travel	48,953	44,076
Supplies	153,868	156,773
Professional Services	185,443	267,482
Depreciation	2,063,706	2,006,211
Other	42,915	115,255
Total	$ 6,089,027	$ 5,855,818

Schedule 4

Greater Baton Rouge Port Commission
State of Louisiana

SCHEDULE OF ADMINISTRATIVE EXPENSES

For the years ended December 31, 2003 and 2002

	2003	2002
Director's Salary	$ 149,298	$ 130,056
Other Salaries and Wages	570,797	501,973
Annual, Sick and Compensatory Leave	134,796	122,784
Legal	46,058	75,363
Advertising	202,503	201,356
Bad Debts	3,150	2,552
Travel	48,782	42,247
Trade and Sales Solicitation	64,785	55,884
Education Expenses	17,852	27,826
Auditing	20,950	26,000
Engineering	17,191	13,669
Consulting Fees	26,593	74,441
Legislative Consultant Fees	40,440	40,440
Contributions to State Retirement System, Payroll Taxes, and Group Insurance Program	352,493	311,086
Office Supplies and Postage	39,900	45,352
Telephone and Telegraph	20,702	20,263
Dues and Subscriptions	19,816	14,959
Utilities	13,480	12,478
Office Repairs and Maintenance	62,757	76,845
Automobile Expenses	3,079	2,126
Insurance	75,409	46,123
Outside Administrative Services	11,038	10,010
Miscellaneous	38,369	111,880
Commissioners' Per Diem	21,600	21,450
	$ 2,001,838	$ 1,987,163

Greater Baton Rouge Port Commission
State of Louisiana

SUMMARY SCHEDULE OF OPERATING INCOME (LOSS) BY FACILITY

For the years ended December 31, 2003 and 2002

	Operating Revenues		Operating Expenses	
	2003	2002	2003	2002
Grain Elevator	$ 477,346	$ 345,624	$ 43,812	$ 78,820
General Cargo Docks	860,625	1,110,042	592,758	443,705
Baton Rouge Barge Terminal	326,152	323,504	10,108	12,685
Molasses Tank Farm	355,173	320,402	41,117	63,294
West Bank Railroad Facility	400,040	553,092	343,437	355,278
Petroleum Terminal	298,243	449,827	40,631	62,998
Midstream Bulk Handling Facility	3,481	-	-	-
Miscellaneous River Activities	495,850	514,800	-	-
Miscellaneous East and West Bank Activities	937,548	690,055	862,980	756,134
Inland Rivers Marine Terminal	269,210	160,549	88,640	89,530
Foreign Trade Zone	25,000	25,000	-	-
Totals Before Administrative Expenses	4,448,668	4,492,895	2,023,483	1,862,444
Administrative Expenses	-	-	2,001,838	1,987,163
Total	$ 4,448,668	$ 4,492,895	$ 4,025,321	$ 3,849,607

Schedule 5

Depreciation		Operating Income (Loss)	
2003	2002	2003	2002
$ 168,646	$ 171,652	$ 264,888	$ 95,152
1,221,133	1,216,976	(953,266)	(550,639)
469	469	315,575	310,350
112,495	112,495	201,561	144,613
36,615	36,590	19,988	161,224
12,156	29,887	245,456	356,942
322	13,225	3,159	(13,225)
-	-	495,850	514,800
304,545	211,836	(229,977)	(277,915)
137,874	140,882	42,696	(69,863)
-	-	25,000	25,000
1,994,255	1,934,012	430,930	696,439
69,451	72,199	(2,071,289)	(2,059,362)
$ 2,063,706	$ 2,006,211	$ (1,640,359)	$ (1,362,923)

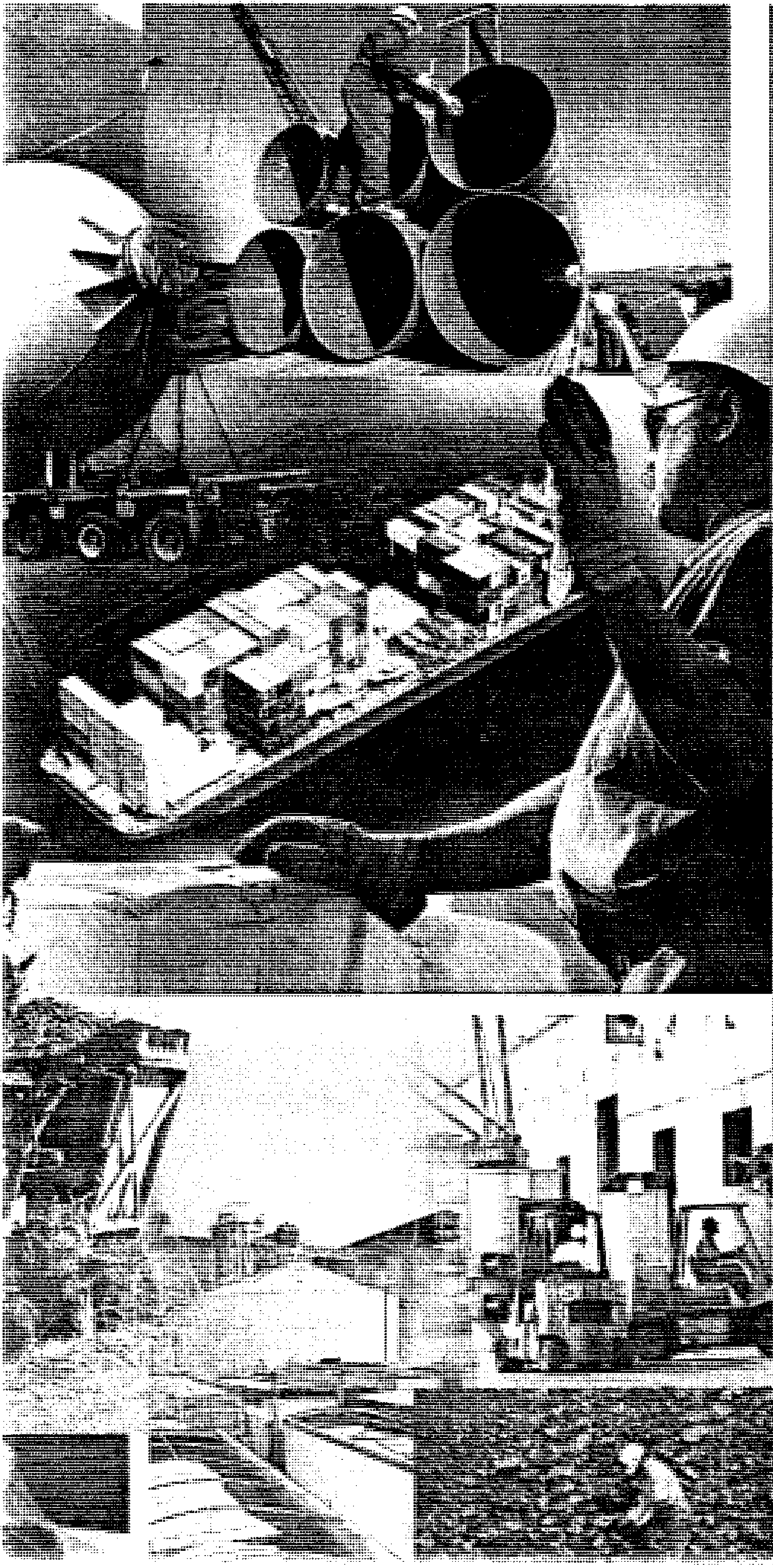
Schedule 6

Greater Baton Rouge Port Commission
State of Louisiana

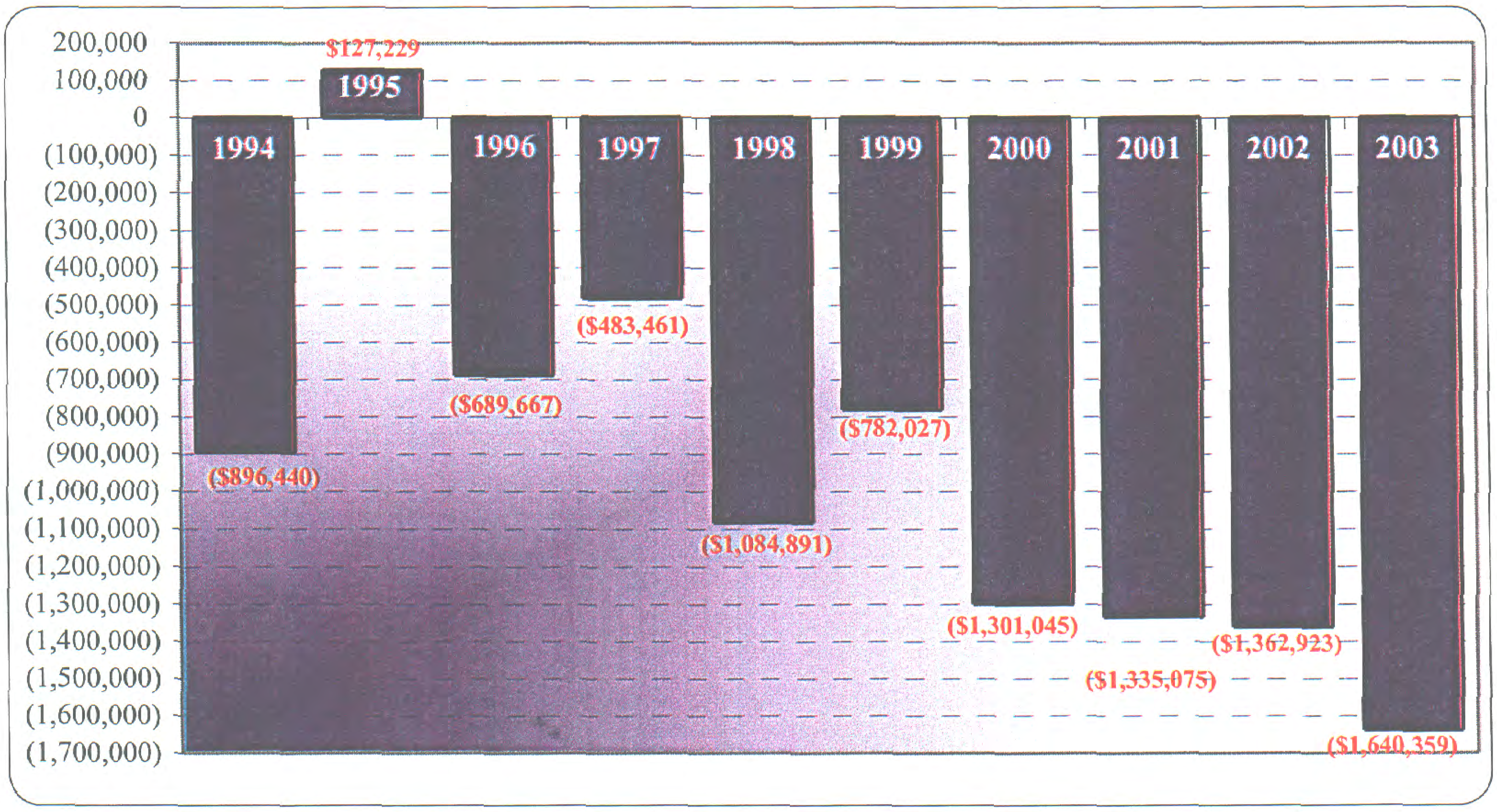
SCHEDULE OF COMMISSIONER'S PER DIEM

For the year ended December 31, 2003

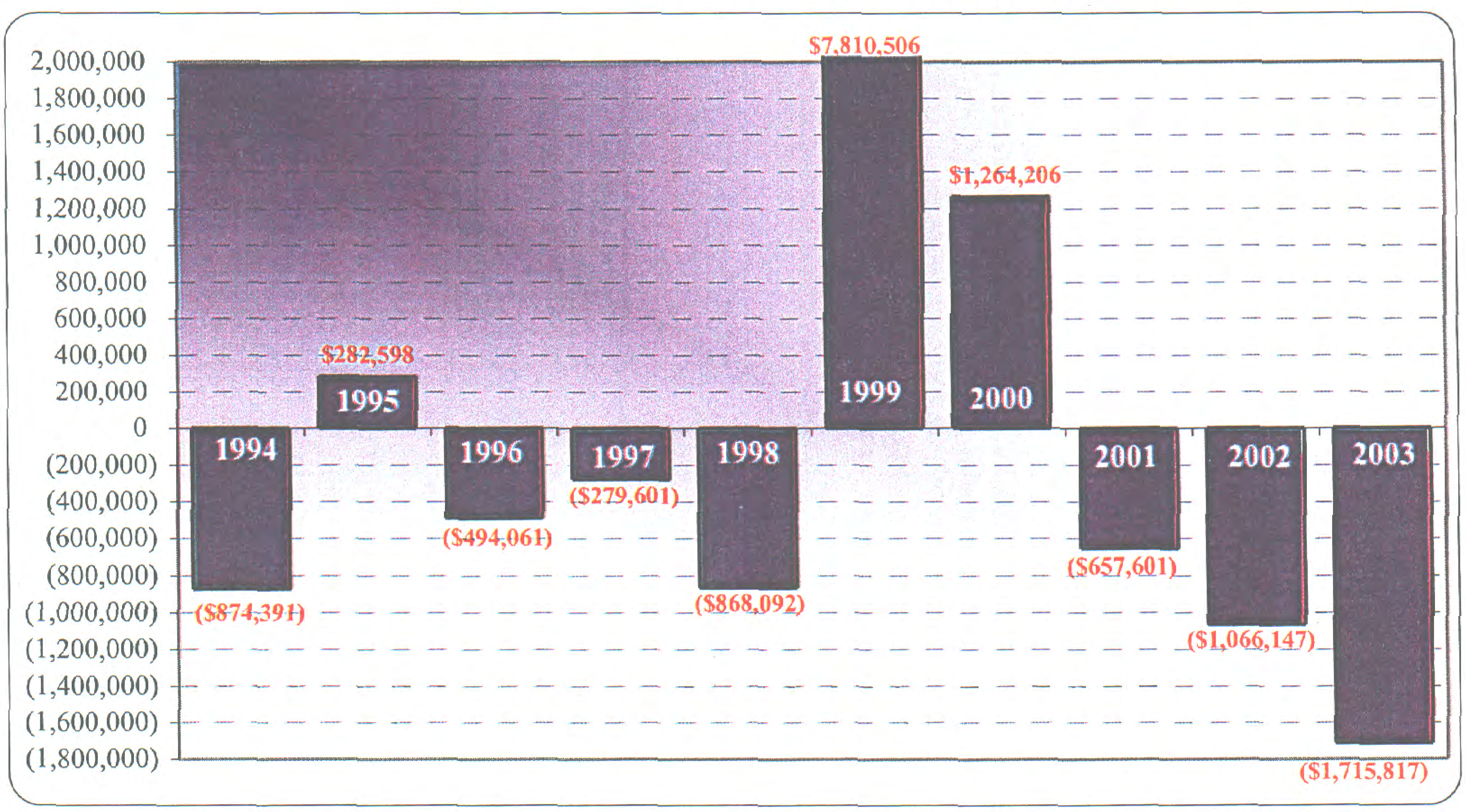
Commissioner	Number of Days for Which Paid	Amount
Brian, Randy	19	$ 1,425
D'Agostino, Charles	19	1,425
Dragg, Alvin	23	1,725
Ishmael, Calvin	16	1,200
Johnson, Larry	24	1,800
Juneau, Jerald	24	1,800
Kimball, H.M.	18	1,350
Robertson, Lynn	17	1,275
Scott, Henry	18	1,350
Smith, Lucille	17	1,275
Thibaut, Charles	19	1,425
Tillis, Chucky	18	1,350
Wales, Robert	20	1,500
Wallace, Steve	15	1,125
Woods, Larry	21	1,575
		$ 21,600



Greater Baton Rouge Port Commission
Ten Year Comparison
Operating Income (Loss) (In Dollars) (Unaudited)
For the Fiscal Years Ended October 31, 1994 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Year Ended December 31, 2002 through 2003.



Greater Baton Rouge Port Commission
Ten Year Comparison
Net Income (Loss) (In Dollars) (Unaudited)
For the Fiscal Years Ended October 31, 1994 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Year Ended December 31, 2002 through 2003.



GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA

Summary of Revenues, Expenses, and Net Income (Loss)
For the Fiscal Years Ended October 31, 1994 through 2000,
the Fourteen-month period Ended December 31, 2001, and
the Fiscal Year Ended December 31, 2002 through 2003.
(Unaudited)

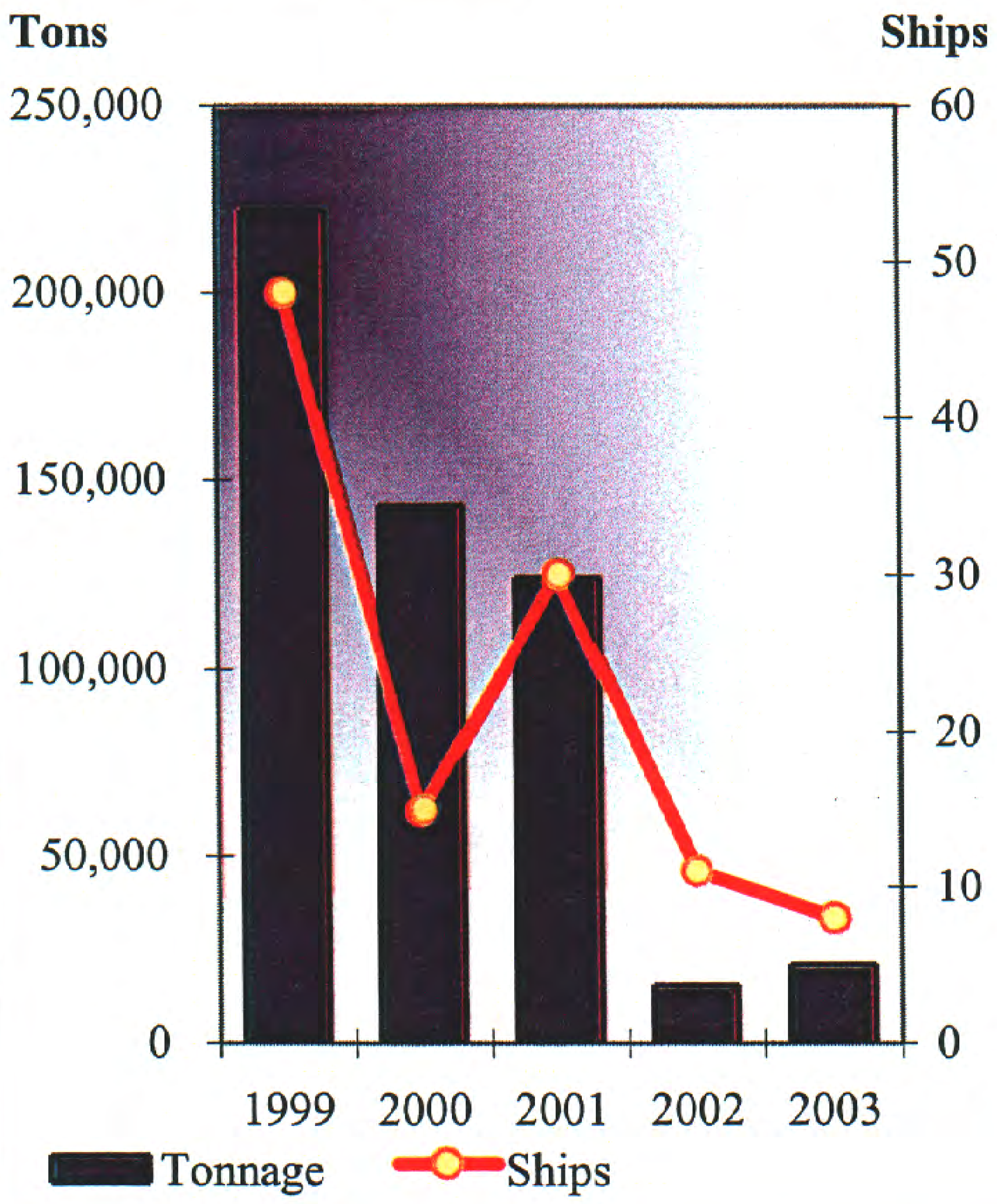
	1994	1995	1996
OPERATING REVENUES			
Dockage and wharfage	$ 1,751,445	$ 2,237,645	$ 2,039,686
Rentals	739,474	760,617	837,053
Freight handling	240,424	575,118	169,388
Storage	5,276	5,050	37,970
Other	803,127	1,013,393	959,842
Total	$ 3,539,746	$ 4,591,823	$ 4,043,939
OPERATING EXPENSES			
Direct	$ 1,861,499	$ 1,867,646	$ 1,994,598
Administrative	910,778	1,140,418	1,293,318
Depreciation	1,663,909	1,456,530	1,445,690
Total	$ 4,436,186	$ 4,464,594	$ 4,733,606
Operating Income (Loss)	$ (896,440)	$ 127,229	$ (689,667)
NONOPERATING REVENUES (Expenses)			
Investment income	$ 160,042	$ 290,044	$ 331,983
Miscellaneous		430	
Gain of sale of fixed assets			
Income from lease termination			
Settlement income			
Interest expense	(132,510)	(132,056)	(130,689)
Amortization of debt issue and bond premium, net	(375)	(335)	(292)
Trustee's fees	(5,108)	(2,714)	(5,396)
Total	$ 22,049	$ 155,369	$ 195,606
Net Income (Loss) before extraordinary item	$ (874,391)	$ 282,598	$ (494,061)
Extraordinary item	None	None	None
Net Income (Loss)	$ (874,391)	$ 282,598	$ (494,061)

1997	1998	1999	2000	2001	2002	2003
$ 2,135,918	$ 1,659,264	$ 1,367,474	$ 1,139,604	$ 1,443,921	$ 1,054,439	$ 1,051,943
874,521	986,168	1,347,279	1,662,419	2,346,758	2,183,799	1,992,268
61,255	87,691	20,887	200	700	-	-
38,452	83,380	49,636	39,680	6,362	5,767	2,232
931,699	866,871	835,763	921,284	1,315,196	1,248,890	1,402,225
$ 4,041,845	$ 3,683,374	$ 3,621,039	$ 3,763,187	$ 5,112,937	$ 4,492,895	$ 4,448,668
$ 1,686,793	$ 1,957,700	$ 1,552,082	$ 1,515,438	$ 2,047,677	$ 1,862,444	$ 2,023,483
1,169,836	1,258,117	1,296,006	1,702,111	2,088,068	1,987,163	2,001,838
1,668,677	1,552,448	1,554,978	1,846,683	2,312,267	2,006,211	2,063,706
$ 4,525,306	$ 4,768,265	$ 4,403,066	$ 5,064,232	$ 6,448,012	$ 5,855,818	$ 6,089,027
$ (483,461)	$ (1,084,891)	$ (782,027)	$ (1,301,045)	$ (1,335,075)	$ (1,362,923)	$ (1,640,359)
$ 327,935	$ 347,400	$ 533,011	$ 1,136,111	$ 1,277,948	$ 787,047	$ 377,535
		5,803,079	(27,558)	744	123	9,950
		2,638,169				
			2,000,000			
(120,037)	(127,272)	(368,374)	(516,893)	(576,953)	(469,448)	(447,532)
(248)	(1,701)	(11,120)	(17,968)	(18,951)	(17,706)	(11,736)
(3,790)	(1,628)	(2,232)	(8,441)	(5,314)	(3,240)	(3,675)
$ 203,860	$ 216,799	$ 8,592,533	$ 2,565,251	$ 677,474	$ 296,776	$ (75,458)
$ (279,601)	$ (868,092)	$ 7,810,506	$ 1,264,206	$ (657,601)	$ (1,066,147)	$ (1,715,817)
None	(516,242)	None	None	None	None	None
$ (279,601)	$ (1,384,334)	$ 7,810,506	$ 1,264,206	$ (657,601)	$ (1,066,147)	$ (1,715,817)

GENERAL CARGO DOCKS

For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001 and
the Fiscal Year Ended December 31, 2002 through 2003.

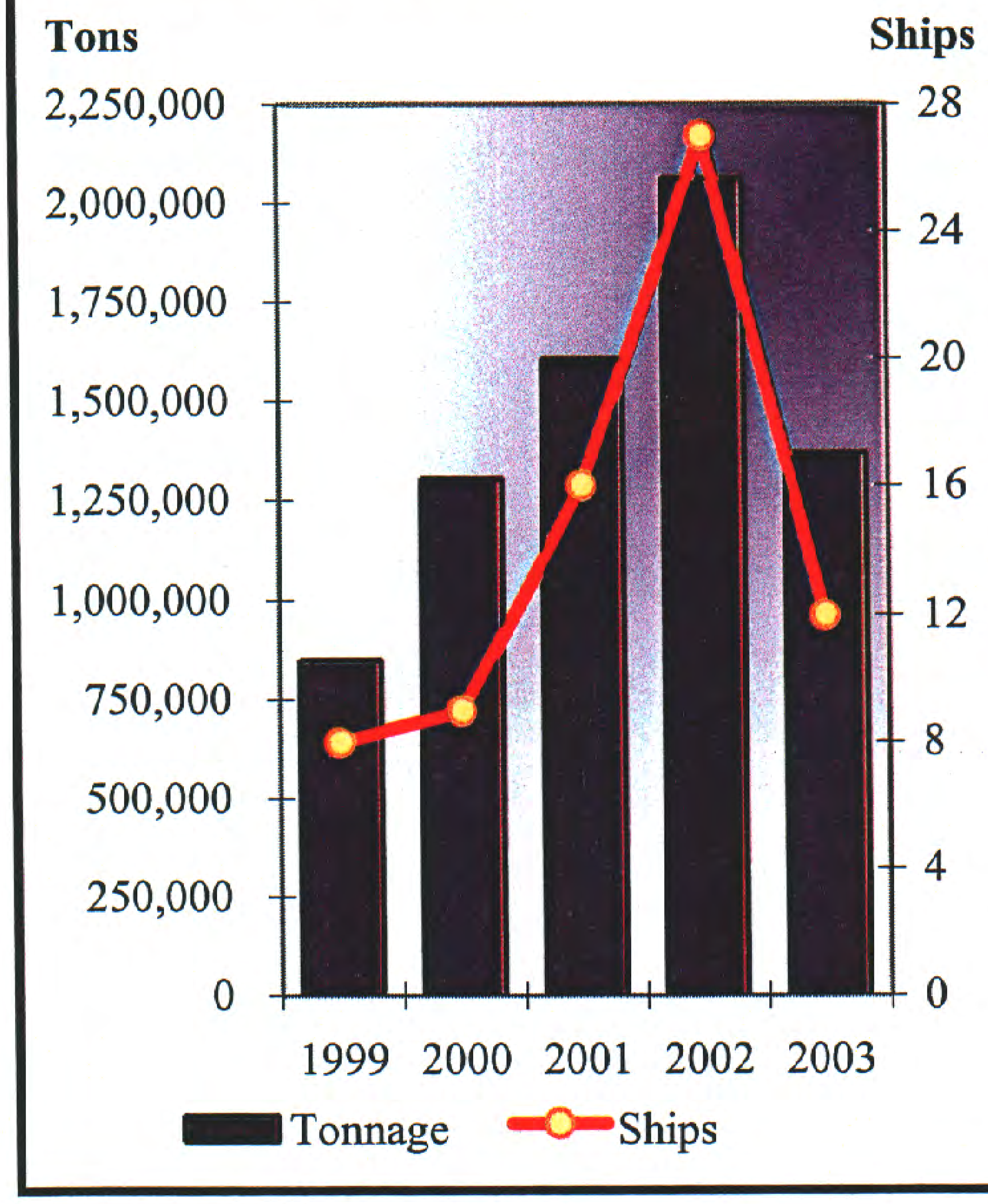
Reported in Short Tons (Unaudited)



PETROLEUM TERMINAL

For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001 and
the Fiscal Year Ended December 31, 2002 through 2003.

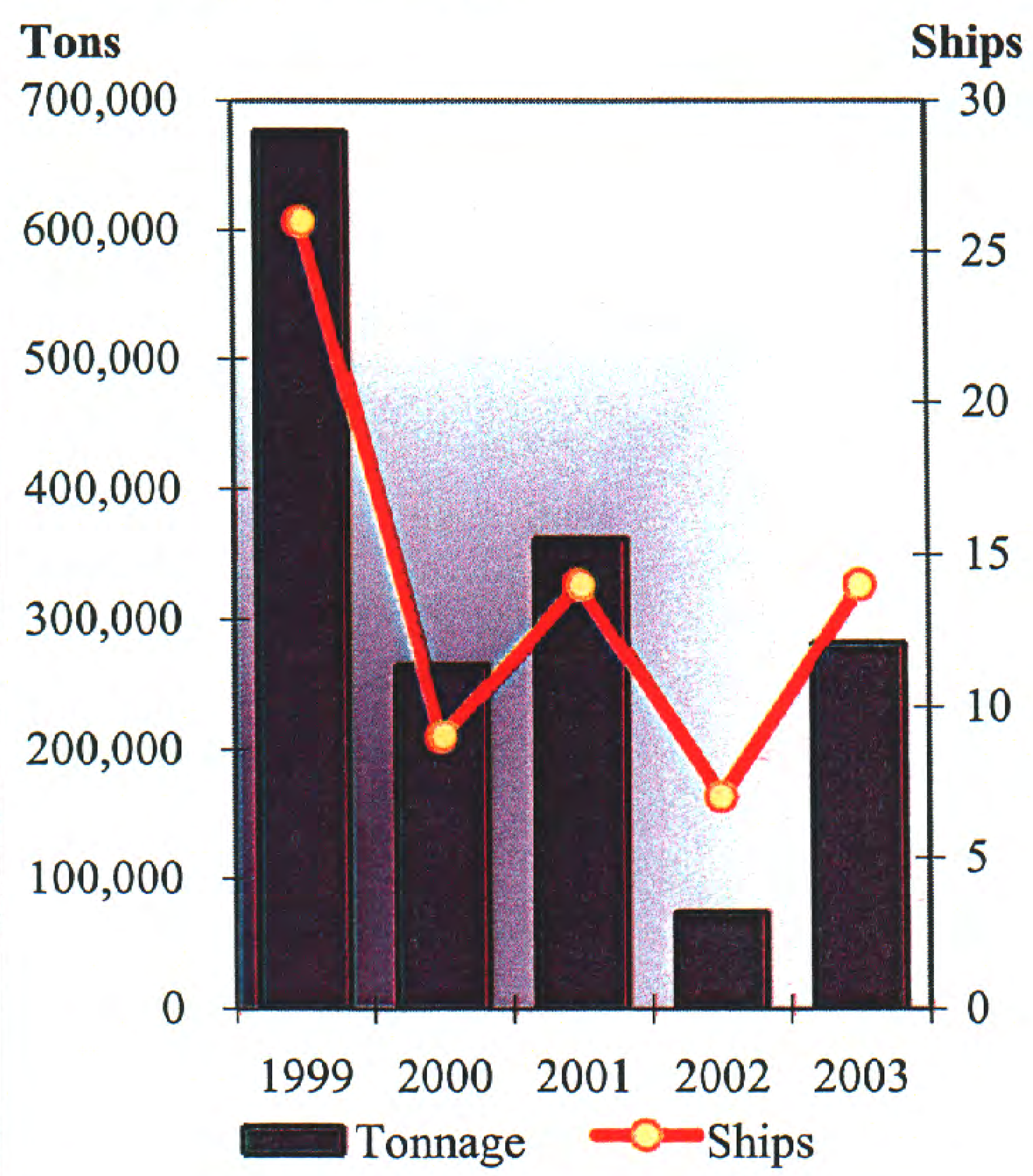
Reported in Short Tons (Unaudited)



CARGILL GRAIN ELEVATOR

For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001 and
the Fiscal Year Ended December 31, 2002 through 2003.

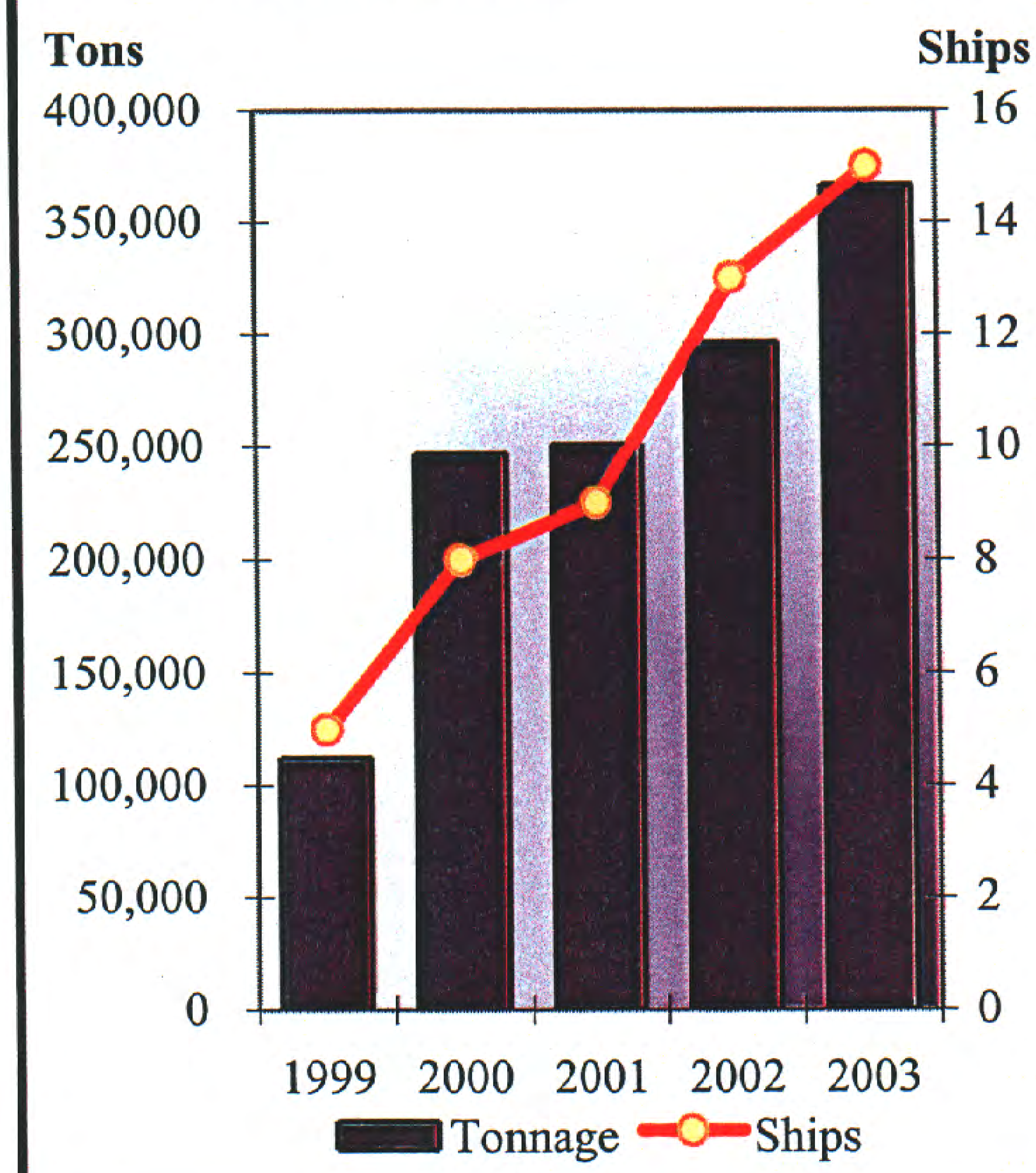
Reported in Short Tons (Unaudited)



MOLASSES TERMINAL

For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001 and
the Fiscal Year Ended December 31, 2002 through 2003.

Reported in Short Tons (Unaudited)

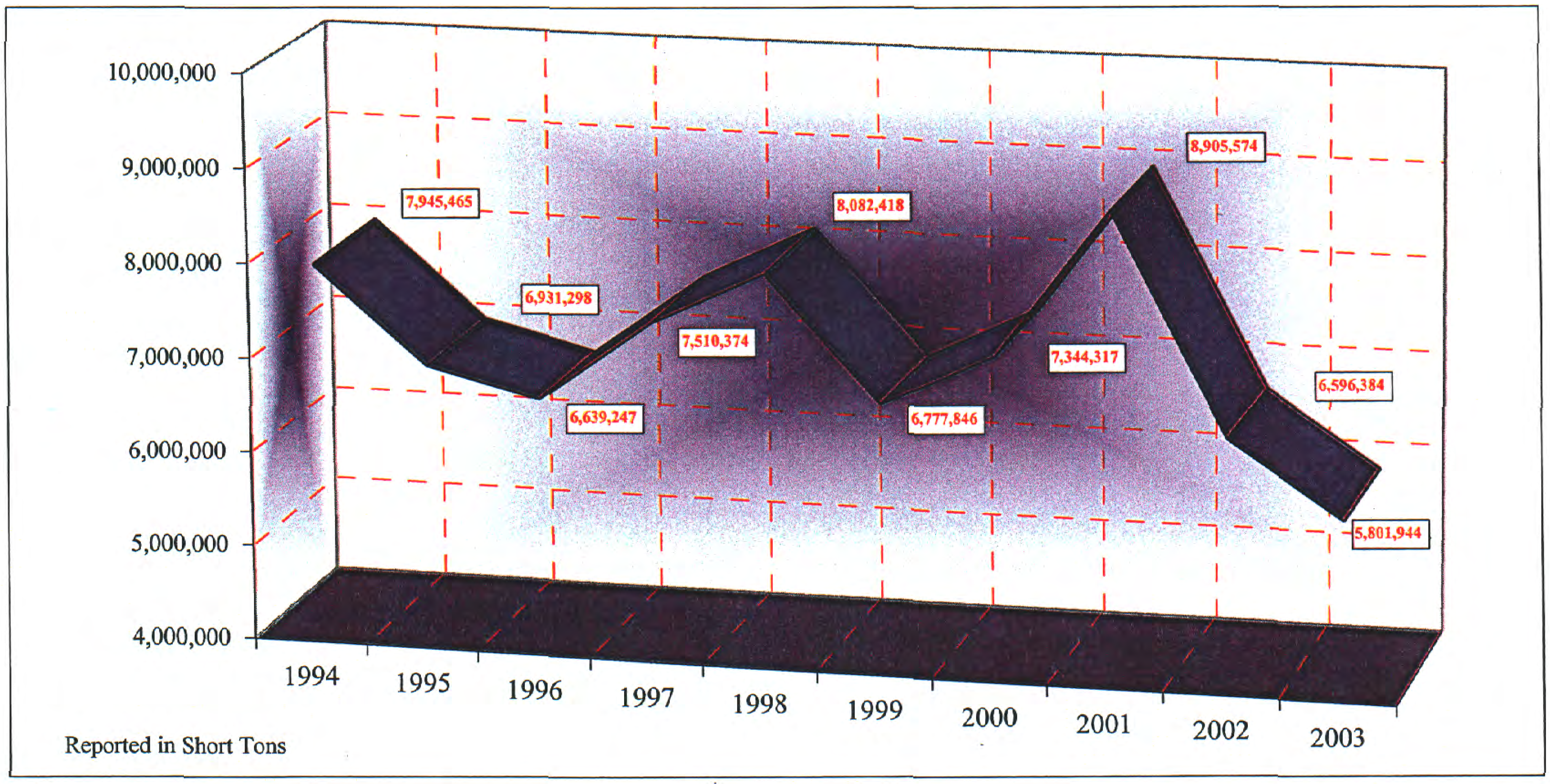


Greater Baton Rouge Port Commission
Five Year Cargo Summary
For the Fiscal Years Ended October 31, 1999 through 2000, the Fourteen-month period ended December 31, 2001, and the Fiscal Year Ended December 31, 2002 through 2003.
(Unaudited)

	1999	2000	2001	2002	2003
Cargo Docks	222,308	143,437	124,431	15,556	21,019
Coke Handling Facility	1,377,154	1,577,809	1,675,117	1,222,082	1,393,356
Inland River Marine	4,721	66,963	129,811	174,776	276,717
Midstream Buoys	45,100	195,038	726,933	-	414
Petroleum Terminal	850,980	1,304,471	1,606,581	2,064,609	1,368,863
Molasses Terminal	112,307	246,905	250,912	296,220	366,631
Grain Elevator	676,921	265,772	362,639	74,685	282,614
Burnside Terminal	3,488,355	3,543,922	4,029,150	2,748,456	2,092,330
	6,777,846	7,344,317	8,905,574	6,596,384	5,801,944

Reported in Short Tons

Greater Baton Rouge Port Commission
Ten Year Tonnage Summary
For the Fiscal Years Ended October 31, 1994 through 2000, the Fourteen-month period ended December 31, 2001, and the Fiscal Year Ended December 31, 2002 through 2003.
(Unaudited)



Greater Baton Rouge Port Commission
General Cargo Docks Cargo Comparison Report
For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Year Ended December 31, 2002 through 2003.

Reported in Short Tons (Unaudited)

Import	**FY 98-99**	**FY 99-00**	**FY 00-01**	**FY 2002**	**FY 2003**
Linerboard, MCS, etc.	2,261	-	-	-	-
Machines, Machinery, etc.	-	792	821	-	145
Ores, Earths, etc.	3,197	6,341	1,692	3,384	423
Pipes, Tubing, etc.	-	16,992	14,372	-	774
Steel Beams, Rail, etc.	212	5,185	-	-	-
Miscellaneous Cargoes	-	-	-	1,003	-
Total Import Tonnage	**5,670**	**29,310**	**16,885**	**4,387**	**1,342**

Export	**FY 98-99**	**FY 99-00**	**FY 00-01**	**FY 2002**	**FY 2003**
Linerboard, MCS, etc.	129,711	82,117	86,153	-	-
Lumber, Flitches, etc.	2,475	1,047	546	-	-
Machinery	1,512	-	-	-	-
Pipes, Tubing, etc.	23,200	-	-	2,160	3,750
Plywood, Veneer, etc.	273	368	502	-	-
Woodpulp, Rolled Pulp, etc.	56,251	18,259	12,049	-	-
Miscellaneous Cargoes	81	-	-	234	-
Total Export Tonnage	**213,503**	**101,791**	**99,250**	**2,394**	**3,750**

Domestic	**FY 98-99**	**FY 99-00**	**FY 00-01**	**FY 2002**	**FY 2003**
Linerboard, MCS, etc.	1,363	1,523	2	-	-
Lumber, Flitches, etc.	54	-	-	-	-
Gas, Diesel, Fuels, etc.	1,039	-	95	75	1,889
Ores, Earths, etc.	-	-	-	1,089	5,051
Pipes, Tubing, etc.	235	1,430	79	-	666
Plywood, Veneer, etc.	289	-	-	-	-
Rice	-	6,723	2,819	-	-
Steel Beams, Rail, etc.	-	-	3,273	7,788	8,321
Woodpulp, Rolled Pulp, etc.	110	-	-	-	-
Miscellaneous Cargoes	45	2,660	2,028	34	-
Total Domestic Tonnage	**3,135**	**12,336**	**8,296**	**8,986**	**15,927**

Total Tonnage Handled	**222,308**	**143,437**	**124,431**	**15,767**	**21,019**

Greater Baton Rouge Port Commission
General Cargo Dock Tonnage
Five Year Comparison
For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Year Ended December 31, 2002 through 2003.

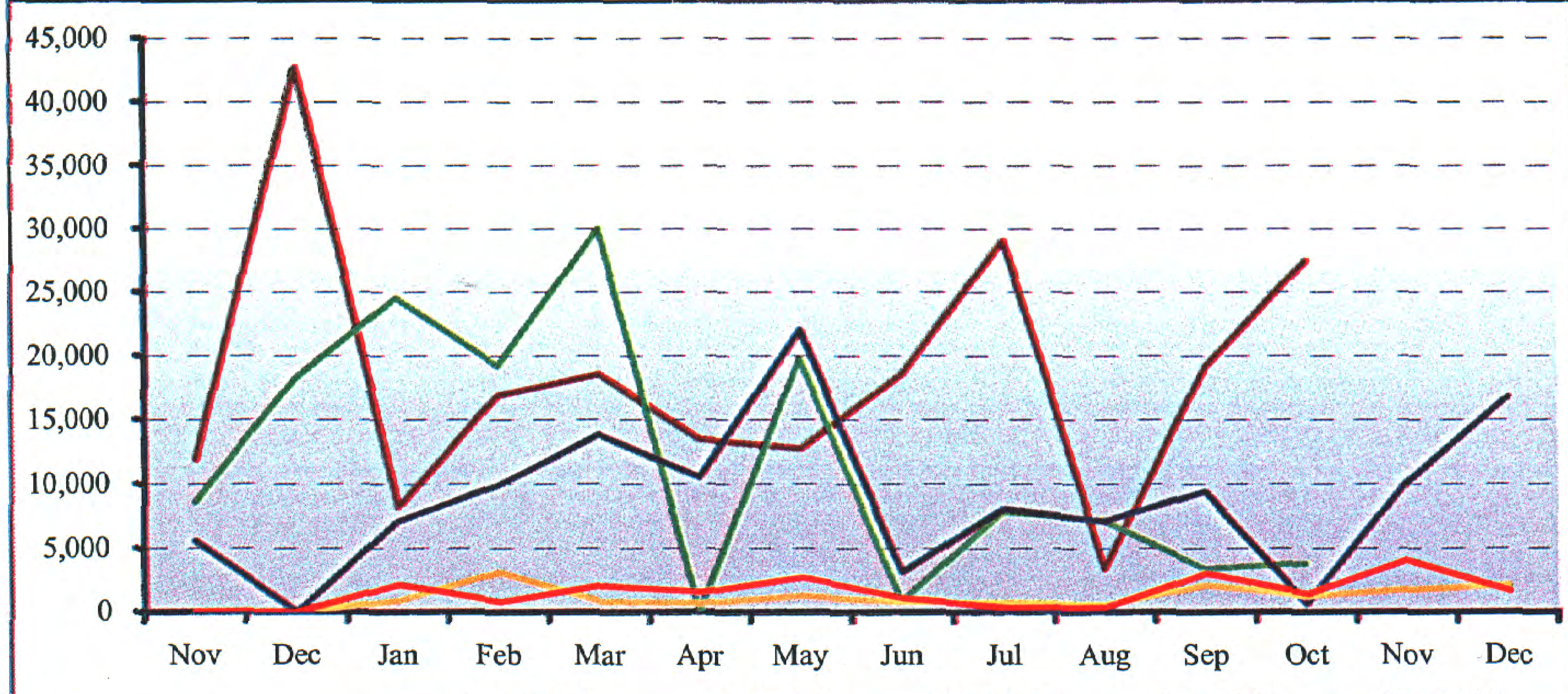
(Unaudited)

	FY 98-99	FY 99-00	FY 00-01	FY 2002	FY 2003
November	11,921	8,614	5,611		
December	42,738	18,258	6		
January	8,216	24,557	7,096	856	2,111
February	16,905	19,200	9,957	3,085	745
March	18,558	29,977	13,857	773	2,040
April	13,499	26	10,557	629	1,536
May	12,775	19,725	22,033	1,210	2,677
June	18,581	840	3,119	714	1,089
July	29,100	7,854	8,110	702	366
August	3,379	7,186	7,115	485	375
September	19,139	3,379	9,443	2,096	3,025
October	27,497	3,821	613	1,208	1,415
November			10,155	1,724	4,039
December			16,759	2,074	1,601
	222,308	143,437	124,431	15,556	21,019

Reported in Short Tons

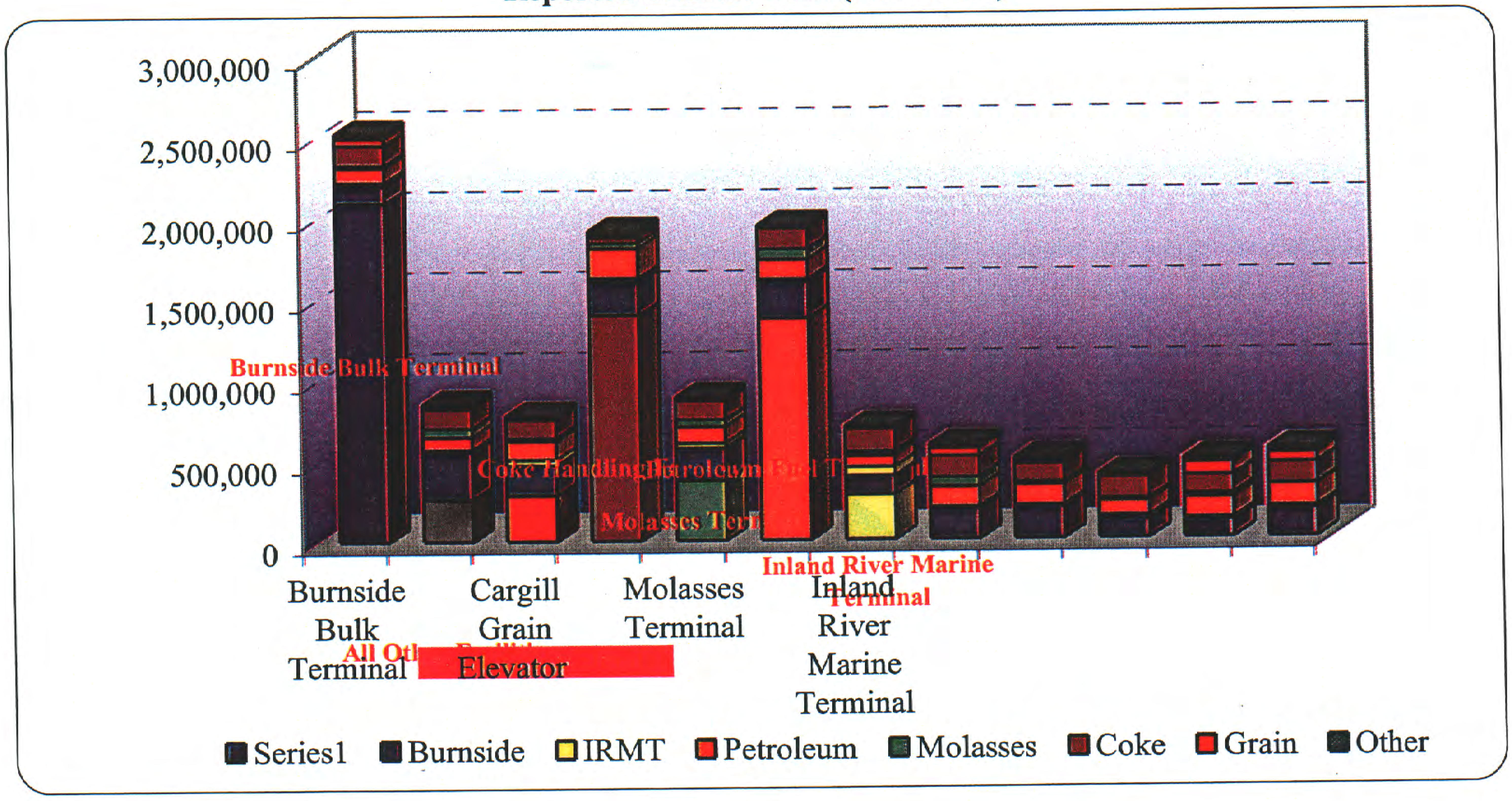
General Cargo Dock Tonnage
Five Year Cargo Movements
For the Fiscal Years Ended October 31, 1999 through 2000,
the Fourteen-month period ended December 31, 2001, and
the Fiscal Year Ended December 31, 2002 through 2003.

(Unaudited)

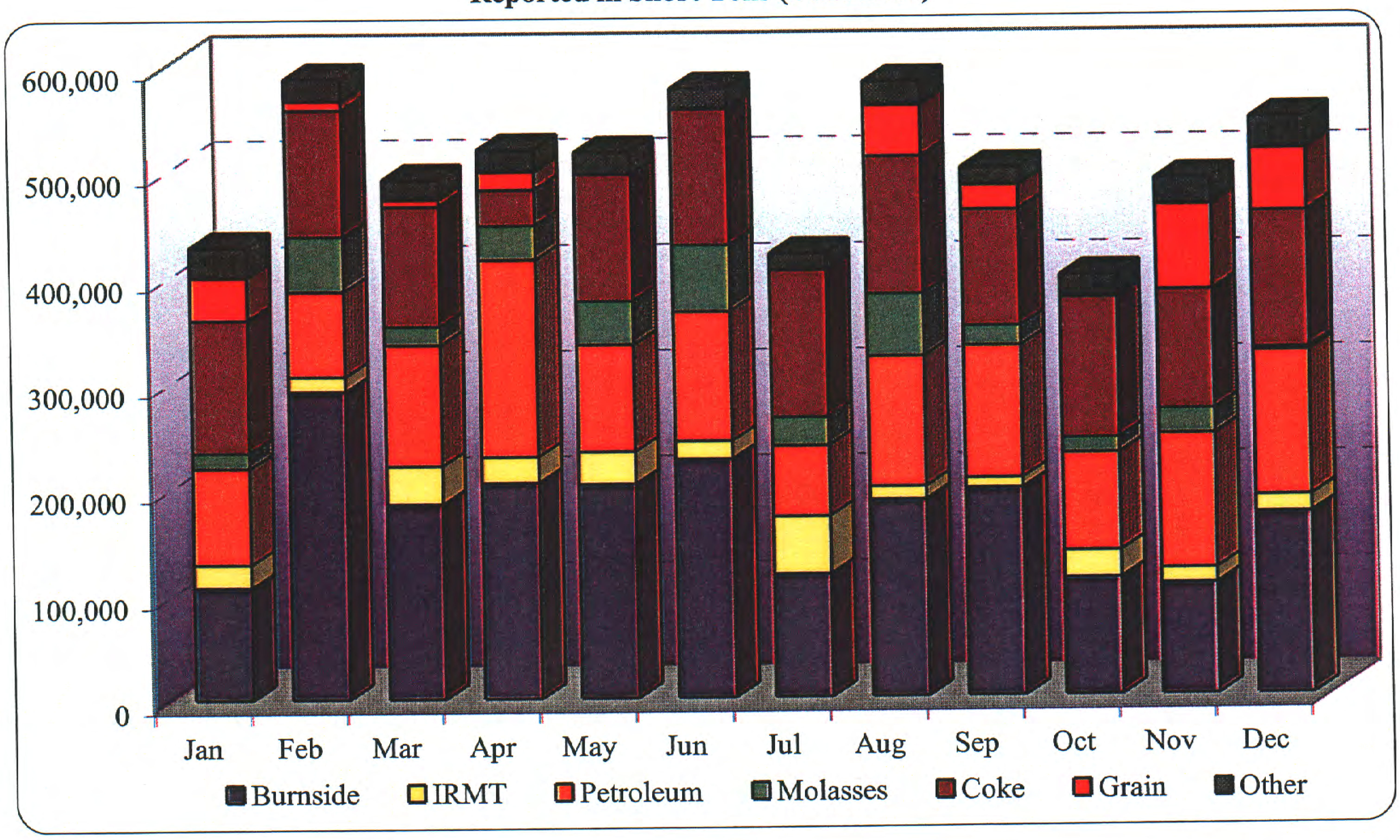


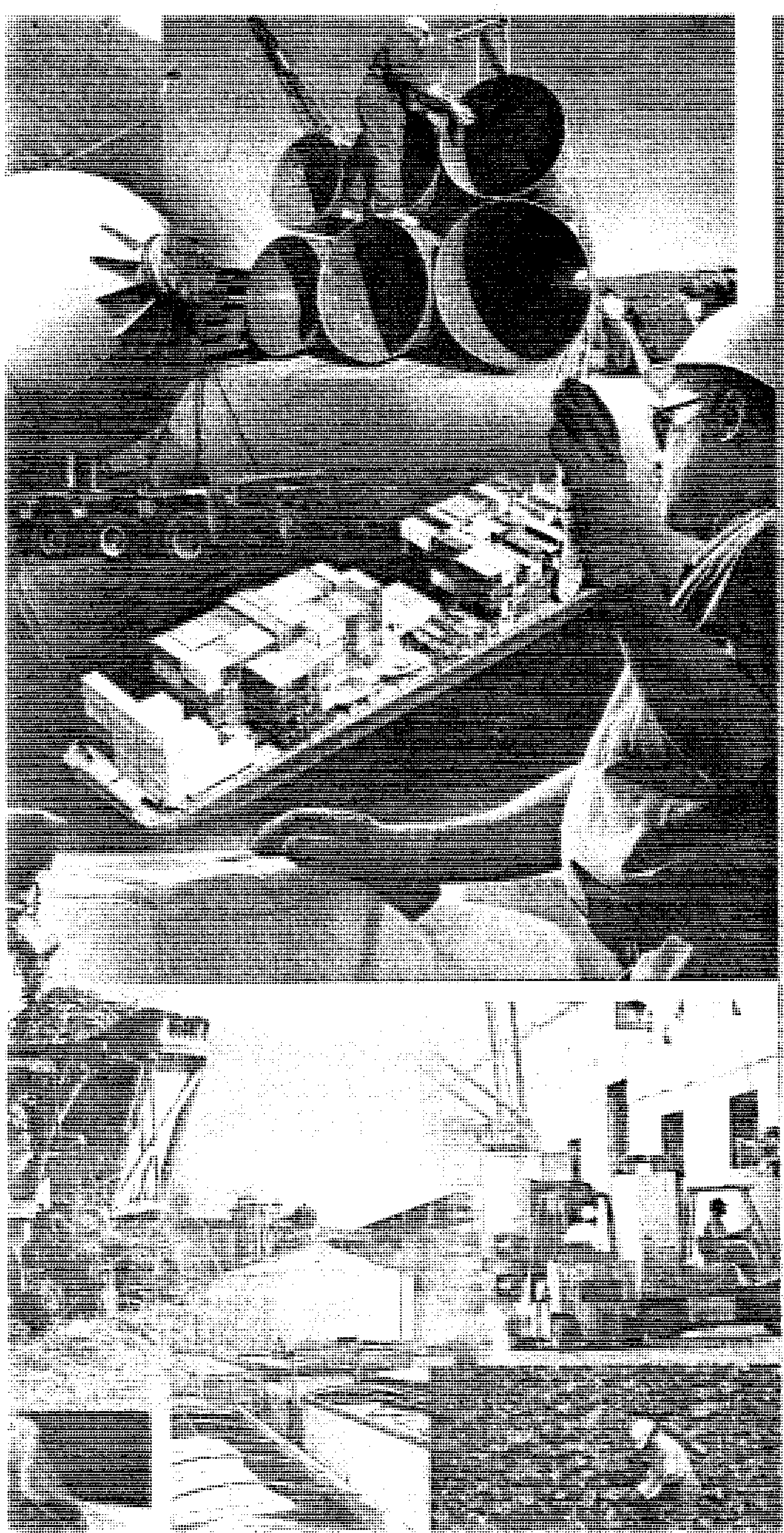
Reported in Short Tons

Percentage of Tonnage Handled by Facility
For the Fiscal Year Ended December 31, 2003
Reported in Short Tons (Unaudited)



Monthly Cargo Activity
For the Fiscal Year Ended December 31, 2003
Reported in Short Tons (Unaudited)





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

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Hannis T. Bourgeois, LLP
Certified Public Accountants

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February 23, 2004

Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

We have audited the basic financial statements of the Greater Baton Rouge Port Commission as of December 31, 2003 and for the year then ended, and have issued our report thereon dated February 23, 2004. 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.

Compliance

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, and contracts, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2003-1.

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 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated February 23, 2004.

This report is intended for the information and use of the Greater Baton Rouge Port Commission, management, and others within the organizations. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP

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GREATER BATON ROUGE PORT COMMISSION

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2003

Finding 2003-1

As indicated in Note 2 of the basic Financial Statements, the Port Commission failed to maintain adequate federal deposit insurance or obtain a sufficient amount of pledged collateral for their Cash and Cash Equivalents. At December 31, 2003, the Port Commission was underinsured by $125,141. This relates to the Port Commission's custodial bank failing to pledge adequate securities on the deposits.

Recommendation:

We recommend that the Port Commission more closely monitor the pledged collateral on all deposits and make sure the Port Commission's fiscal agent has pledged adequate collateral to insure all deposits.

GREATER BATON ROUGE PORT COMMISSION

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2003

None

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
Twelve Months Ending December 31, 2003

CONTENTS

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GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
Twelve Months Ending December 31, 2003

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, 2003 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 22th day of April, 2004.

Bradley L. Stueber
Signature of Agency Official

NOTARY PUBLIC

Prepared by: Bradley L. Stueber

Title: Administrative Accountant

Telephone No.: (225) 342-1660

Date: April 22, 2004

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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 Introductory Section of this Comprehensive Annual Financial Report for the twelve-month period ending December 31, 2003.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
BALANCE SHEET
AS OF DECEMBER 31, 2003

Statement A

ASSETS		
CURRENT ASSETS:		(in thousands)
Cash and cash equivalents (Note C1)	$	1,049
Investments (Note C2)		12,311
Receivables (net of allowance for doubtful accounts)(Note U)		628
Due from other funds (Note Y)		0
Due from federal government		1,403
Prepayments		112
Notes receivable		252
Total current assets	$	15,755
NONCURRENT ASSETS:		
Restricted assets (Note F):		
Cash		70
Investments		4,057
Receivables		11
Notes receivable		1,527
Capital assets (net of depreciation)(Note D)		
Land and Construction in Progress		10,039
Other Capital Assets, Net of Accumulated Depreciation		41,962
Total Capital Assets		52,001
Other noncurrent assets		249
Total noncurrent assets	$	57,915
Total assets	$	73,670

The accompanying notes are an integral part of this statement.

Statement A (Continued)

LIABILITIES		(in thousands)
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	2,331
Deferred revenues		353
Bonds payable		320
Other current liabilities		218
Total current liabilities	$	3,222
NON-CURRENT LIABILITIES:		
Bonds payable		7,700
Total long-term liabilities		7,700
Total liabilities	$	10,922
NET ASSETS		
Invested in capital assets, net of related debt		47,273
Restricted for:		
Capital projects		3,292
Debt service		296
Other purposes		0
Unrestricted		11,887
Total net assets	$	62,748
Total liabilities and net assets	$	73,670

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, 2003

Statement B

	(in thousands)
OPERATING REVENUES	
Sales of commodities and services	$ -
Licenses, permits, and fees	1,052
Other	3,397
Total operating revenues	$ 4,449
OPERATING EXPENSES	
Personal services	2,192
Travel	49
Operating services	1,402
Supplies	154
Professional services	185
Depreciation	2,064
Other	43
Total operating expenses	$ 6,089
Operating income(loss)	$ (1,640)
NON-OPERATING REVENUES(EXPENSES)	
Gain (loss) on disposal of fixed assets	10
Investment Revenue	378
Federal grants	0
Interest expense	(448)
Other	(16)
Total non-operating revenues(expenses)	$ (76)
Income(loss) before contributions and transfers	$ (1,716)
Capital Contributions	5,704
Change in net assets	$ 3,988
Total net assets – beginning	$ 58,760
Total net assets – ending	$ 62,748

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, 2003

Statement C

(In Thousands)

		Program Revenues			
Component Unit:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Greater Baton Rouge Port Commission	$ 6,553	$ 4,449	$ -	$ 5,704	$ 3,600
General revenues:					
Taxes					0
State appropriations					0
Grants and contributions not restricted to specific programs					0
Interest					378
Miscellaneous					10
Special items					0
Transfers					0
Total general revenues, special items, and transfers					$ 388
Change in net assets					$ 3,988
Net assets - beginning					$ 58,760
Net assets - ending					$ 62,748

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003

Statement D

Cash flows from operating activities		(in thousands)
Cash received from customers	$ 4,730	
Cash payments to suppliers for goods and services	(2,523)	
Cash payments to employees for services	(1,905)	
Other operating revenues(expenses)	284	
Net cash provided(used) by operating activities		$ 586
Cash flows from non-capital financing activities		$ -
State appropriations		
Proceeds from sale of bonds		
Operating grants received		
Other		
Transfers in		
Transfers out		
Net cash provided(used) by non-capital financing activities		$ -
Cash flows from capital and related financing		
Proceeds from sale of bonds		
Principal paid on bonds	(300)	
Interest paid on bond maturities	(455)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(7,173)	
Proceeds from sale of capital assets	14	
Capital contributions	5,497	
Other		
Net cash provided(used) by capital and related financing		$ (2,417)
Cash flows from investing activities		
Purchase of investments securities	(3,168)	
Proceeds from sale of investment securities	4,859	
Interest and dividends earned on investment securities	408	
Net cash provided(used) by investing activities		$ 2,099
Net increase(decrease) in cash and cash equivalents		$ 268
Cash and cash equivalents at beginning of year		$ 851
Cash and cash equivalents at end of year		$ 1,119

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, 2003

Statement D (Continued)

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

		(in thousands)
Operating income(loss)		$ (1,640)
Adjustments to reconcile operating income(loss) to net		
Amortization of Debt Issue Costs	16	
Depreciation/amortization	2,064	
(Gain) Loss on Sale of Fixed Assets	(11)	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(164)	
(Increase)decrease in contracts receivable	239	
(Increase)decrease in prepayments	73	
Increase(decrease) in accounts payable and accruals	(49)	
Increase(decrease) in construction contracts	(36)	
Increase(decrease) in deferred revenues	27	
Increase(decrease) in other liabilities	68	
Increase(decrease) in bonds & coupons	(1)	
Net cash provided(used) by operating activities		$ 586

Schedule of noncash investing, capital, and financing activities (in thousands):

Contributions of fixed assets	136
Other (specify)	
Change in Unrealized (Gain) Loss on Investments	191
Fixed Assets Acquired in Exchange for Lease Termination	(136)
Total noncash investing, capital, and financing activities:	$ 191

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, 2003	$ 4,612
Amendments:	
Increase in Cost of Insurance Expense	56
Increase in Rail Switching Services	124
Decrease in Salaries & Related	(52)
Decrease in Consulting	(68)
Decrease in Services & Supplies	(63)
Decrease in Security Guard Services	(70)
Decrease in Travel Expense	(30)
Decrease in Educational Expense	(23)
Decrease in Dredging Expense	(50)
Final approved budget for 12 months ended December 31, 2003	$ 4,436

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, 2003, were secured as follows:

	Deposits in bank accounts (in thousands)			
	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	$ 1,119	$ -	$ -	$ 1,119
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	125			125
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name.	1,215			1,215
Total category 3 bank balances	$ 1,340	$ -	$ -	$ 1,340
Total bank balances (regardless of category)	$ 1,643	$ -	$ -	$ 1,643

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)
1. Hancock Bank - Consolidated Checking	$	1,470
2. Hancock Bank Trust Accounts		70
3. Bank One		78
4. LAMP		25
Total	$	1,643

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

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

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

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk. Beginning with fiscal year ending June 30, 2004 only risk category 3 has to be broken out separately. However, the total reported amount and total market value still must be included.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

(in thousands)

Type of Investment	Amount Reported in Risk Category 3, if Any: Held by Counterparty	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	$ -	11,129	11,129	11,129
Other: (identify)				
Louisiana Asset Management Pool			1,181	1,181
Federated Treas MMFund	$ -	$ -	4,056	4,056
Total Investments	$ -	$ 11,129	16,366	$ 16,366

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, 2003, 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. Disclosure no longer required.

f. Losses during the year due to default by counter parties to deposit or investment transactions ____________________________________.

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

Legal or Contractual Provisions for Reverse Repurchase Agreements

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

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

Reverse Repurchase Agreements as of the Balance Sheet Date

j. 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 ____________________.

k. Commitments on December 31, 2003, to repurchase securities under yield maintenance agreements ____________________.

l. Market value on December 31, 2003, of the securities to be repurchased ____________________.

m. Description of the terms of the agreements to repurchase ____________________.

n. Losses recognized during the year due to default by counter parties to reverse repurchase agreements ____________________.

o. Amounts recovered from prior-period losses, which are not separately shown on the operating statement ____________________.

Fair Value Disclosures:

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

q. Basis for determining which investments, if any, are reported at amortized cost ____________________.

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

s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares ____________________.

t. Any involuntary participation in an external investment pool __________.

u. 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 ____________________.

v. Any income from investments associated with one fund that is assigned to another fund ____________________.

D. CAPITAL 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 fixed 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, 2003				
	Balance 12/31/02	Additions	Transfers *	Retirements	Balance 12/31/03
Capital assets not being depreciated					
Land	3,742	--	--	--	3,742
Construction in progress	10,532	7,138	(11,371)	(1)	6,298
Total capital assets not being depreciated	$ 14,274	$ 7,138	$ (11,371)	$ (1)	$ 10,040
Other capital assets					
Furniture, fixtures, and equipmen	4,590	176	--	(21)	4,745
Less accumulated depreciation	(3,503)	(146)	--	20	(3,629)
Total furniture, fixtures, and e	1,087	30	--	(1)	1,116
Buildings and improvements	65,144	5,310		(13)	70,441
Less accumulated depreciation	(35,057)	(1,766)		10	(36,813)
Total buildings and improvem	30,087	3,544	--	(3)	33,628
Infrastructure	5,303	5,922	--	--	11,225
Less accumulated depreciation	(3,856)	(152)	--	--	(4,008)
Total infrastructure	1,447	5,770	--	--	7,217
Total other capital assets	$ 32,621	$ 9,344	$ -	$ (4)	$ 41,961
Capital Asset Summary:					
Capital assets not being depreciat	14,274	7,138	(11,371)	(1)	10,040
Other capital assets, at cost	75,037	11,408	--	(34)	86,411
Total cost of capital assets	89,311	18,546	(11,371)	(35)	96,451
Less accumulated depreciation	(42,416)	(2,064)	--	30	(44,450)
Capital assets, net	$ 46,895	$ 16,482	$ (11,371)	$ (5)	$ 52,001

* 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, 2003, reflected as $4,137,304 in the non-current assets section on Statement A, consisting of $69,809 in unpaid bond coupons, $4,056,304 in cash invested with fiscal agent and $11,470 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. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

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, 2003 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $86,943. 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, 2003, changed at July 1, 2003 from 14.1% to 15.2% of annual covered payroll. The Port Commission contributions to the System for the twelve month fiscal year ending December 31,2003 and December 31, 2002 and the fourteen month period ending December 31, 2001 were $192,640, $172,296 and $194,328, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all Port Commission employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Port Commission. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Port Commission. For the twelve-month period ending December 31, 2003, the cost of providing those benefits for the 23 retirees totaled $74,273 compared to 26 retirees with the cost of providing benefits of $85,844 for the prior year twelve-month period ending December 31, 2002.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year December 31, 2003 amounted to $0. A schedule of payments for operating leases follows:

Nature of lease	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008-2012	FY2013-2015
	$	$	$	$	$	$	$
Total	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

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
2003	
2004	
2005	
2006	
2007	
2008-2012	
2013-2015	
Total minimum lease payments	0
Less amounts representing executory costs	
Net minimum lease payments	0
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 2003 were $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, 2003:

Year ending December 31:	
2003	$ -
2004	0
2005	0
2006	0
2007	0
2008-2012	0
2013-2017	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.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2003:

(in thousands)	Cost	Accumulated Depreciation	Carrying Amount
a. Facility Space	$ 38,307	$ (22,954)	$ 15,353
b. Equipment	2,257	(2,257)	0
c. Land	3,318	(695)	2,623
Total	$ 43,882	$ (25,906)	$ 17,976

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of December 31, 2003:

(in thousands)

Twelve Month Period Ended December 31, 2003	Facility Space	Equipment	Land	Other	Total
2004	$ 1,692	$ 36	$ 154	$ -	$ 1,882
2005	949	15	98	0	1,062
2006	511	0	42	0	553
2007	223	0	23	0	246
And Later	108	0	47	0	155
Total	$ 3,483	$ 51	$ 364	$ -	$ 3,898

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, 2003:

(in thousands)	Twelve-Month Period Ended December 31, 2003 Balance 31-Dec 2002	Additions	Reductions	Balance 31-Dec 2003	Amounts due within one year
Bonds and notes payable:					
Bonds payable	8,324		304	8,020	320
Total notes and bonds	$ 8,324	$ -	$ 304	$ 8,020	$ 320
Other liabilities:					
Contracts payable	—			—	
Total other liabilities	$ -	$ -	$ -	$ -	$ -
Total long-term liabilities	$ 8,324	$ -	$ 304	$ 8,020	$ 320

A detailed summary, by issues, of all debt outstanding at December 31, 2003 including outstanding interest of $3,909,000 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, 2003 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 2003 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, 2003 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, 2003, the Greater Baton Rouge Port Commission had six cooperative endeavor contracts awarded in the amount of $ 7,681,368. Approximately $ 7,057,582 of the costs have been incurred. The Port Commission has received reimbursement for these projects of $ 4,805,878 from the Department of Transportation and Development. The estimated Port Commission liability to complete construction work in progress after maximum reimbursement is approximately $249,726, plus additional fees for testing and inspection. At December 31, 2003, 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 2003:

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

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2003, 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, 2003, were as follows (in thousands):

	$ 555		$ 1,403	$ 1,865	$ 3,823
Gross receivables	$ 555	$ -	$ 1,403	$ 1,865	$ 3,823
Less allowance for uncollectible accounts	2	0	0	0	2
Receivables, net	$ 553	$ -	$ 1,403	$ 1,865	$ 3,821
Amounts not scheduled for collection during the subsequent year	$ -	$ -	$ -	$ 1,538	$ 1,538

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2003, were as follows (in thousands):

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$ 270	$ 455	$ 148	$ 2,029	$ 2,902
					0
Total payables	$ 270	$ 455	$ 148	$ 2,029	$ 2,902

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 an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

A. Condensed statement of net assets:

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

(2) Total liabilities – distinguishing 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	$ 15,755
Due from other funds	0
Capital assets	52,001
Other assets	5,914
Current liabilities	3,222
Due to other funds	0
Long-term liabilities	7,700
Restricted net assets	3,588
Unrestricted net assets	11,887
Invested in capital assets, net of related debt	$ 47,273

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	$ 4,449
Operating expenses	4,025
Depreciation and amortization	2,064
Operating income (loss)	(1,640)
Nonoperating revenues (expenses)	(76)
Capital contributions/additions to permanent and term endowments	5,704
Special and extraordinary items	0
Transfers in	0
Transfers out	0
Change in net assets	$ 3,988
Beginning net assets	$ 58,760
Ending net assets	$ 62,748

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	$ 586
Net cash provided (used) by noncapital financing activities	
Net cash provided (used) by capital and related financing activities	(2,417)
Net cash provided (used) by investing activities	2,099
Beginning cash and cash equivalent balances	851
Ending cash and cash equivalent balances	$ 1,119

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		$ 0

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Greater Baton Rouge Port Commission at December 31, 2003, reflected at $537,777 in Current Liabilities Payable from Restricted Assets on Statement A, consist of $320,000 in Current Portion of Bonds Payable, $147,968 in Accrued Bond Interest and $69,809 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, 2003.

Fund balance assets, Dec 31, 2002, previously reported	Adjustments + or (-)	Beginning net assets, Jan 1, 2003, As restated
	$ -	$ -
		--
		--

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

(NOTE: Net Assets at January 1, 2003, previously reported, must correspond to Net Assets at December 31, 2002, per the information received from OSRAP.)

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For the Twelve Months Ended December 31, 2003

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
Schedule 1

Commissioner	Amount in dollars
Brian, Randy	1,425
D'Agostino, Charles	1,425
Dragg, Alvin	1,725
Ishmael, Calvin	1,200
Johnson, Larry	1,800
Juneau, Jerald	1,800
Kimball, H. M.	1,350
Robertson, Lynn	1,275
Scott, Henry	1,350
Smith, Lucille	1,275
Thibaut, Charles	1,425
Tillis, Chucky	1,350
Wales, Robert	1,500
Wallace, Steve	1,125
Woods, Larry	1,575
Total Per Diems	$ 21,600

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, 2003

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE **Schedule 3-A**

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2002	Redeemed (Issued)	Principal Outstanding 12/31/2003	Interest Rates	Interest Outstanding 12/31/2003
		$	$	$	$		$
Total		$	$	$	$		$

SCHEDULE OF NOTES PAYABLE **Schedule 3-B**

Issue	Date of Issue	Original Issue	Principal Outstandin g 12/31/2002	Redeemed (Issued)	Principal Outstanding 12/31/2003	Interest Rates	Interest Outstanding 12/31/2003
		$	$	$	$		$
Total		$	$	$	$		$

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

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2002	Redeemed (Issued)	Principal Outstanding 12/31/2003	Interest Rates	Interest Outstanding 12/31/2003
1999A	03/31/99	$ 5,700	$ 5,185	$ 190	$ 4,995	8% - 5.5%	$ 2,512
1999B	03/31/99	3,300	$ 3,000	$ 110	$ 2,890	8% - 5.25%	$ 1,397
Total		$ 9,000	$ 8,185	$ 300	$ 7,885		$ 3,909

*Send copies of new amortization schedules.

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For the Twelve Month Period Ended December 31, 2003

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
Schedule 4-A

Fiscal Year Ending:	Principal	Interest
2003	$ -	$ -
2004		
2005		
2006		
2007		
2008-2012		
2013-2017		
2018-2022		
2023-2027		
Total	$ -	$ -

SCHEDULE OF CAPITAL LEASE AMORTIZATION **Schedule 4-B**

Ending:	Payment	Interest	Principal	Balance
2003	$ -	$ -	$ -	$ -
2004				--
2005				--
2006				--
2007				--
2008-2012				--
2013-2017				--
2018-2022				--
2023-2027				--
Total	$ -	$ -	$ -	$ -

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
For The Twelve Month Period Ended December 31, 2003

SCHEDULE OF NOTES PAYABLE AMORTIZATION

Schedule 4-C

Fiscal Year Ending:	Principal	Interest
2003	$ -	$ -
2004		
2005		
2006		
2007		
2008-2012		
2013-2017		
2018-2022		
2023-2027		
Total	$ -	$ -

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Schedule 4-D

(in thousands)

Fiscal Year Ending:	Principal	Interest
2004	$ 320	$ 433
2005	340	411
2006	355	388
2007	380	364
2008	395	339
2009-2013	2,335	1,333
2014-2018	3,050	622
2019	710	19
Total	$ 7,885	$ 3,909

GREATER BATON ROUGE PORT COMMISSION
STATE OF LOUISIANA
COMPARISON FIGURES
For The Twelve Month Period Ended December 31, 2003

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 10% explain the reason for the change.

	2003	2002	Difference	Percentage Change
1) **Revenues**	$ 4,449	$ 4,493	$ (44)	% (1.00)
Expenses	$ 6,089	$ 5,856	$ 233	% 4.00
2) **Capital Assets**	$ 52,001	$ 46,895	$ 5,106	% 10.9
Long-term debt	$ 7,000	$ 8,029	$ (1,029)	% 12.82
Net Assets	$ 62,748	$ 58,760	$ 3,988	% 6.78

Explanation of Change (greater than 10%)

--**Capital Assets** increase is due to completion of several major construction projects during fiscal year ending December 31, 2003.

--**Long Term Debt** reduction was due to regularly schedule payments against principal balance during fiscal year ending December 31, 2003.

3)	2003 Original Budget	2003 Final Budget	Difference	Percentage Change
Revenues	$ 5,334	$ 4,606	$ (728)	% (13.7)
Expenditures	$ 4,612	$ 4,436	$ (176)	% (0.02)

Explanation of Change (greater than 10%)

--**Decrease in Revenues** budget was primarily due to adjustment for reduced revenues-generating activity at the general cargo docks a the port.

Schedule 15

GREATER BATON ROUGE PORT COMMISSION

MANAGEMENT LETTER

DECEMBER 31, 2003

PORT ALLEN, LOUISIANA

Hannis T. Bourgeois, LLP

Certified Public Accountants

Hannis T. Bourgeois, LLP
Certified Public Accountants

Randy J. Bonnecaze, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
Fernand P. Genre, CPA*
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Monica L. Zumo, CPA*
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Denham Springs, LA 70726

www.htbcpa.com

February 23, 2004

Greater Baton Rouge Port Commission
State of Louisiana
Port Allen, Louisiana

In planning and performing our audit of the basic financial statements of the Greater Baton Rouge Port Commission for the year ended December 31, 2003, we considered its internal control structure 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. However, during our audit we became aware of certain matters, which are opportunities to strengthen internal controls as discussed below. This letter does not affect our report dated February 23, 2004 on the financial statements of the Port Commission.

Construction Contracts Payable

Finding:

During our current year testing of construction contracts, it was noted that the December applications for payment submitted to the Port Commission for two of the incomplete construction projects at December 31, 2003, had not been recorded as payables as of year-end. Likewise, the corresponding amounts due from the State for the capital contributions on these projects were also not recorded.

Recommendation:

We recommend that the Port Commission implement new procedures to ensure that proper year-end cutoff on the construction contracts is achieved. Each construction contract's December application for payment should be reviewed to determine if the proper amount was set up as a payable.

Lease Agreements

Finding:

During our current year testing, it was noted that the terms on various rental agreements had changed, however the proper documentation was not maintained in the rental folder.

Recommendation:

We recommend that all changes to rental agreements be communicated to the accounting department, and the proper documentation should be added to the tenants rental file.

Safekeeping Account Authorization

Finding:

During the current year, it was noted that the persons authorized to initiate and confirm business transactions as confirmed by the bank were not current on the safekeeping account.

Recommendation:

We recommend that the Port Commission update the listing of persons authorized to initiate and confirm business transactions on file with the bank.

This report is intended solely for the information and use of the Greater Baton Rouge Port Commission and its management. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, LLP

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

March 31, 2004

Mr. Grover Austin
Office of Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

This letter is written to address the matter of compliance as reported by our auditors, Hannis T. Bourgeois, in their Schedule of Current Year Audit Findings for the year ended December 31, 2003.

Finding 2003-1:

As indicated in note 2 of the Basic Financial Statements, the Port Commission failed to maintain adequate federal deposit insurance or obtain a sufficient amount of pledged collateral for their Cash and Cash Equivalents. At December 31, 2003, the Port Commission was underinsured by $125,141. This relates to the Port Commission's custodial bank failing to pledge adequate securities on the deposits.

Corrective Action Taken:

Checking to ensure that an adequate amount of collateral is available and pledged to the Cash and Cash Equivalent accounts has been adopted as a mandatory component of the port's accounting procedures.

Sincerely,

R Richard

Roger Richard
Executive Director and CEO

xc: Al Starns
Audit file

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

March 31, 2004

Mr. Grover Austin
Office of Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

This letter is written to address the matters of internal control as reported by our auditors, Hannis T. Bourgeois, in their Management Letter dated February 23, 2004. Each item is listed below.

Construction Contracts Payable

Finding:

During our current year and prior year testing of construction contracts, it was noted that the December applications for payment submitted to the Port Commission for two of the incomplete construction projects at December 31, 2003, had not been recorded as payables as of year-end. Likewise, the corresponding amounts due from the State for the capital contributions on these projects were also not recorded.

Corrective Action Taken:

New procedures will be enacted in 2004 to ensure that proper year-end cutoff on the construction contracts is achieved, inclusive of reviewing the December applications for payment to determine whether the proper amount was set up as a payable.

Lease Agreements

Finding:

During our current year testing, it was noted that the terms on various rental agreements had changed, however the proper documentation was not maintained in the rental folder.

Corrective Action Taken

Necessary changes to any such agreements will be formally documented and proper written correspondence will be placed in the files.

Safekeeping Account Authorization

Finding:

During the current year, it was noted that persons authorized to initiate and confirm business transactions as confirmed by the bank were not current on the safekeeping account.

Corrective Action Taken

The list of employees authorized to initiate and confirm business transactions on the safekeeping account has been updated and placed on file with the bank.

Sincerely,

Roger Richard
Executive Director and CEO

xc: Al Starns
Audit file