

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

City Sales Tax Revenue Bonds -

1993 City STRB Public Buildings Debt Service accounts for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and related charges on the 1993 City Sales Tax Revenue Bonds. The purpose of this bond issue was to provide funding for the completion of the Courthouse Renovation Project and the relocation of the Fire Department Administrative and Training Facilities.

1997 City STRB Construction Debt Service accounts for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1997 City Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding for the Airport Terminal Development Program and Solid Waste Disposal Facility improvements, as well as provide for a debt service reserve and the costs of debt issuance.

1998A City STRB Revenue and Refunding Debt Service accounts for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1998A City Sales Tax Revenue and Refunding Bond Issue. The purpose of this bond issue was to provide sufficient funds to advance refund the Callable Series 1989 Bonds, the Callable Series 1990 Bonds, the Callable Series 1992 Bonds, and the Callable Series 1992A Bonds, and to provide funds to acquire and construct certain improvements to public buildings and facilities, as well as provide for a debt service reserve and the costs of debt issuance.

2001 City STRB Centroplex/Airport Debt Service accounts for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 2001 City Sales Tax Revenue and Refunding Bond Issue. The purpose of this bond issue was to provide funding for the local match on the Centroplex Expansion Project and to refund the Passenger Facility Charge 1997 Promissory Note of the Greater Baton Rouge Airport District to the City General Fund, as well as to provide for a debt service reserve and the costs of debt issuance.

1998C Parish STRB Revenue and Refunding Debt Service accounts for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1998C Parish Sales Tax Revenue and Refunding Bond Issue. The purpose of this bond issue was to provide sufficient funds to advance refund the Callable Series 1989 Bonds, as well as to provide for the costs of debt issuance.

1997 City SLGS Refunding Debt Service accounts for the portion of the 1997 City Sales Tax Revenue Bonds which were previously being paid from the 1997 Passenger Facility Charge Intergovernmental Obligation from the Greater Baton Rouge Airport District to the City General Fund. The proceeds reserved for refunding of the 1997 note were placed in State and Local Government Series securities (SLGS), where they will be used to service the original 1997 City Bonds.

Taxable Refunding Bonds accounts for the payment of principal, interest, and related charges for the 2002-A Fixed Rate Taxable Refunding Bonds, the 2002-B Fixed Rate Taxable Refunding Bonds, and for fiscal year 2002 the debt service for the City of Baton Rouge's long-term Note to the Municipal Employees' Police Retirement System (MPERS) prior to its refunding.

Limited Tax Bonds accounts for transfers from the General Fund, Special Revenue Funds, and Capital Project Funds for payment of principal and interest on notes and bonds that do not require a vote of the general public. The current obligation is the 1999 Louisiana Community Development Authority Note.

Supplemental Debt Service Information includes the following:

- Combined Schedule of Bonds Payable
- Schedule of Debt Service Requirements to Maturity
- Schedule of Debt Limitations

DEBT SERVICE NARRATIVE

The City Sales Tax Revenue Bonds (STRB) detailed below account for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and related charges. The purpose of these bonds are to provide funding for various public improvements within the City of Baton Rouge.

BUDGET SUMMARY	2003 ACTUAL	2004 BUDGET	REQUEST	2005 PROPOSED	FINAL
REVENUES:					
Taxes	14,858,520	14,993,830	14,536,460	14,536,460	14,536,460
Miscellaneous	701,190	700,000	683,300	683,300	683,300
TOTAL REVENUES	15,559,710	15,693,830	15,219,760	15,219,760	15,219,760
APPROPRIATIONS:					
1993 City STRB Public Buildings	286,420	291,210	294,700	294,700	294,700
1997 City STRB Construction	2,498,790	2,533,430	2,564,980	2,564,980	2,564,980
1998A City STRB Rev. & Refunding	11,101,550	11,245,050	11,266,820	11,266,820	11,266,820
2001 City STRB Centroplex/Airport	1,598,070	1,599,630	1,601,630	1,601,630	1,601,630
TOTAL APPROPRIATION	15,484,830	15,669,320	15,728,130	15,728,130	15,728,130
% CHANGE OVER PRIOR YEAR	-----	1.19%	0.38%	0.38%	0.38%
FUND BALANCE, JANUARY 1	22,172,190	22,247,070	22,271,580	22,271,580	22,271,580
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	22,247,070	22,271,580	21,763,210	21,763,210	21,763,210
DEBT SERVICE RESERVE	15,721,100	15,721,100	15,721,110	15,721,110	15,721,110
SINKING FUND REQUIREMENT	6,525,970	6,550,480	6,042,100	6,042,100	6,042,100

PURPOSE OF DEBT ISSUE

1993 CITY STRB PUBLIC BUILDING DEBT SERVICE - FUND 215

This non-departmental budget provides funds for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1993 \$4,000,000 City Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding for the completion of the Courthouse Renovation Project and the relocation of the Fire Department administrative and training facilities.

Debt Service Reserve for 2005	303,930
Sinking Fund Reserve for 2005	121,490

1997 CITY STRB CONSTRUCTION DEBT SERVICE - FUND 216

This non-departmental budget provides funds for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1997 \$19,325,000 City Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding for the Airport Terminal Development Program and Solid Waste Disposal Facility improvements, as well as provide for a debt service reserve and the costs of debt issuance.

Debt Service Reserve for 2005	2,297,000
Sinking Fund Reserve for 2005	582,440

PURPOSE OF DEBT ISSUE (CONT.)

1998A CITY STRB REVENUE & REFUNDING DEBT SERVICE - FUND 217

This non-departmental budget provides funds for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1998A \$94,450,000 City Sales Tax Revenue and Refunding Bonds. The bonds were issued for the purpose of providing sufficient funds to advance refund the Callable Series 1989 Bonds, the Callable Series 1990 Bonds, the Callable Series 1992 Bonds, and the Callable Series 1992A Bonds, and to provide funds to acquire and construct certain improvements to public buildings and facilities, as well as to provide for a debt service reserve and the costs of debt issuance.

Debt Service Reserve for 2005	11,520,550
Sinking Fund Reserve for 2005	4,672,160

2001 CITY STRB CENTROPLEX/AIRPORT DEBT SERVICE - FUND 218

This non-departmental budget provides funds for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 2001 \$23,625,000 City Sales Tax Revenue Bond Issue. The bonds were issued in order to provide the local match for Phase I of the Riverside Centroplex Convention Center (now known as the Baton Rouge River Center) Expansion Project and to refund the Passenger Facility Charge 1997 Promissory Note of the Greater Baton Rouge Airport District to the City General Fund, as well as to provide for a debt service reserve and the costs of debt issuance.

Debt Service Reserve for 2005	1,599,630
Sinking Fund Reserve for 2005	666,010

BUDGET HIGHLIGHTS

1998A CITY STRB REVENUE & REFUNDING DEBT SERVICE - FUND 217

In 2005, sales tax revenue in the amount of \$332,857 will be replaced in the General Fund with a portion of the .97% state sales tax on hotel and motel rooms dedicated for riverfront improvements. By agreement, the proceeds of this tax are utilized to reimburse the General Fund for the debt service on the Louisiana Art & Science Museum Planetarium/Space Theater.

PURPOSE OF DEBT ISSUE

This non-departmental budget provides funds for the payment of principal, interest, paying agent fees, and related charges for long-term debt for the 1998C \$4,600,000 Parish Sales Tax Revenue and Refunding Bonds. The bonds were issued for the purpose of providing sufficient funds to advance refund the Callable Series 1989 Bonds, as well as to provide for the costs of debt issuance.

BUDGET SUMMARY	2003 ACTUAL	2004 BUDGET	REQUEST	2005 PROPOSED	FINAL
REVENUES:					
Taxes	628,620	620,130	623,930	623,930	623,930
Miscellaneous	21,040	22,000	21,000	21,000	21,000
TOTAL REVENUES	649,660	642,130	644,930	644,930	644,930
APPROPRIATIONS:					
Debt Service	649,740	642,530	641,530	641,530	641,530
TOTAL APPROPRIATION	649,740	642,530	641,530	641,530	641,530
% CHANGE OVER PRIOR YEAR	-----	-1.11%	-0.16%	-0.16%	-0.16%
FUND BALANCE, JANUARY 1	727,380	727,300	726,900	726,900	726,900
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	727,300	726,900	730,300	730,300	730,300
DEBT SERVICE RESERVE	460,000	460,000	460,000	460,000	460,000
SINKING FUND REQUIREMENT	267,300	266,900	270,300	270,300	270,300

PURPOSE OF DEBT ISSUE

This non-departmental budget was established to service the portion of the 1997 City Sales Tax Revenue Bonds which were previously being paid from the 1997 Passenger Facility Charge Intergovernmental Obligation from the Greater Baton Rouge Airport District to the City General Fund. In the 2001 issue, the Airport refinanced the 1997 note and signed a new Intergovernmental Obligation. The proceeds reserved for the refunding were placed in State and Local Government Series (SLGS) securities, where they will be used to service the original 1997 City Bonds. Funded debt service payments will be made through final maturity on August 1, 2007.

BUDGET SUMMARY	2003 ACTUAL	2004 BUDGET	REQUEST	2005 PROPOSED	FINAL
REVENUES:					
Miscellaneous	175,380	144,980	110,470	110,470	110,470
TOTAL REVENUES	175,380	144,980	110,470	110,470	110,470
APPROPRIATIONS:					
Operating Transfers Out	1,001,480	1,014,480	1,027,570	1,027,570	1,027,570
TOTAL APPROPRIATION	1,001,480	1,014,480	1,027,570	1,027,570	1,027,570
% CHANGE OVER PRIOR YEAR	-----	1.30%	1.29%	1.29%	1.29%
FUND BALANCE, JANUARY 1	4,167,170	3,341,070	2,471,570	2,471,570	2,471,570
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	3,341,070	2,471,570	1,554,470	1,554,470	1,554,470

PURPOSE OF DEBT ISSUE

This non-departmental budget provides funds for the payment of debt principal, interest, and related charges for the 2002-A Fixed and Rate Taxable Refunding Bonds, and the 2002-B Fixed Rate Taxable Refunding Bonds.

BUDGET SUMMARY	2003 ACTUAL	2004 BUDGET	REQUEST	2005 PROPOSED	FINAL
REVENUES:					
Miscellaneous	1,880	0	0	0	0
Proceeds from Long-Term Debt	25,035,000	0	0	0	0
Transfer from City General Fund	4,125,190	5,243,280	5,243,620	5,243,620	5,243,620
TOTAL REVENUES	29,162,070	5,243,280	5,243,620	5,243,620	5,243,620
APPROPRIATIONS:					
2002-A Taxable Variable Rate Bonds	1,065,010	0	0	0	0
2002-B Taxable Fixed Rate Bonds	3,184,830	3,380,320	3,382,780	3,382,780	3,382,780
2002-A Taxable Fixed Rate Bonds	25,866,340	1,862,960	1,860,840	1,860,840	1,860,840
TOTAL APPROPRIATION	30,116,180	5,243,280	5,243,620	5,243,620	5,243,620
% CHANGE OVER PRIOR YEAR	-----	-82.59%	0.01%	0.01%	0.01%
FUND BALANCE, JANUARY 1	954,110	0	0	0	0
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	0	0	0	0	0

BUDGET HIGHLIGHTS

On March 6, 2003 the City of Baton Rouge converted the Series 2002-A Taxable Refunding Bonds from a variable rate to a fixed rate. The bonds were originally issued at a par amount of \$25,900,000 on May 17, 2002, to refund one-third of the City's obligation to the Municipal Police Employees' Retirement System (MPERS). On March 6, 2003, the City exercised its option under the bond resolution to convert the remaining principal balance of \$25,035,000 to fixed rate bonds. The true interest cost on the conversion date was 5.65%, and this transaction resulted in a gross debt service savings of \$3.6 million and a present value savings of \$1.8 million.

PURPOSE OF DEBT ISSUE

This non-departmental budget provides funds for the payment of debt principal, interest, and related charges for long-term debt for the 1999 Louisiana Community Development Authority (LCDA) Note.

BUDGET SUMMARY	2003 ACTUAL	2004 BUDGET	REQUEST	2005 PROPOSED	FINAL
OPERATING TRANSFERS IN:					
Parish General Fund	390,980	407,150	409,890	409,890	409,890
LCDA Capital Projects Fund	1,933,950	0	0	0	0
TOTAL TRANSFERS IN	2,324,930	407,150	409,890	409,890	409,890
APPROPRIATIONS:					
La. Community Development Authority	2,324,930	407,150	409,890	409,890	409,890
TOTAL APPROPRIATION	2,324,930	407,150	409,890	409,890	409,890
% CHANGE OVER PRIOR YEAR	-----	-82.49%	0.67%	0.67%	0.67%
FUND BALANCE, JANUARY 1	0	0	0	0	0
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	0	0	0	0	0

BUDGET HIGHLIGHTS

On May 26, 1999, the Metropolitan Council authorized the execution of a \$15 million loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for funding associated with the construction of the Advanced Traffic Management and Emergency Operations Center and other capital programs. A total of \$7,643,873 was actually drawn down from LCDA for the Advanced Traffic Management and Emergency Operations Center over the construction period, of which \$5,756,318.40 in principal has been repaid as of September 30, 2004. A total of \$425,289.26 has been drawn down from LCDA for the Arts Block Parking garage facility, of which \$500 in principal has been repaid as September 30, 2004, financed from the Greater Baton Rouge Parking Authority (Fund 407). The 2005 appropriations will provide for principal and interest payments on the remaining balance at an assumed rate of 4.0%. The interest rate on this fluctuates weekly with changes in the Bond Market Association (BMA) Municipal Swap Index. The weekly BMA Swap Index rate plus 100 basis points constitutes the Participant Rate charged to the City-Parish.

**COMBINED SCHEDULE OF BONDS PAYABLE
DECEMBER 31, 2004**

	Interest Dates	Issue Date	Final Maturity/ Call Date	Original Authorized and Issued	Principal Outstanding
Governmental Activities:					
<u>Excess Revenue Contracts</u>					
City of Baton Rouge:					
2002A Fixed Rate Taxable Refunding	01/15-07/15	05/17/02	01/01/2029	25,900,000	24,470,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/02	01/15/2029	47,550,000	45,365,000
Parish of East Baton Rouge:					
Louisiana Community Development Authority	Monthly	08/11/99	05/31/2018	10,143,873	4,293,676
Total Excess Revenue Contracts				<u>\$83,593,873</u>	<u>\$74,128,676</u>
<u>Revenue Bonds</u>					
City of Baton Rouge:					
1993 Public Improvement Sales Tax	02/01-08/01	10/01/93	08/01/2018	4,000,000	2,920,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	7,310,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	73,240,000
2001A Public Improvement Sales Tax	02/01-08/01	08/15/01	08/01/2026	23,625,000	22,305,000
Less: Debt Recorded in Business-Type Activities				(103,245,452)	(40,996,047)
Parish of East Baton Rouge:					
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	4,600,000	2,335,000
Total Revenue Bonds				<u>\$42,754,548</u>	<u>\$67,113,953</u>
Total Governmental Activities				<u>\$126,348,421</u>	<u>\$141,242,629</u>
Business-Type Activities:					
<u>Excess Revenue Contracts, Loans, and Notes</u>					
City of Baton Rouge:					
Louisiana Community Development Authority (Airport) 2001	Monthly	10/04/01	11/30/2029	9,000,000	8,721,500
Louisiana Community Development Authority (Airport) 2004	Monthly	04/08/04	11/30/2029	2,744,348	2,730,268
Total Excess Revenue Contracts and Loans				<u>11,744,348</u>	<u>11,451,768</u>
<u>Revenue Bonds</u>					
City of Baton Rouge:					
Revenue Bonds Payable From City Issues				103,245,452	40,996,047
Parish of East Baton Rouge:					
Sewer Sales Tax Bonds:					
1993 Public Improvement Sales Tax	02/01-08/01	03/01/93	02/01/2018	30,200,000	--
1993A Public Improvement Sales Tax	02/01-08/01	10/01/93	02/01/2018	70,000,000	--
1995 Public Improvement Sales Tax	02/01-08/01	08/01/95	02/01/2005	36,000,000	770,000
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	30,855,000
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	14,635,000
1999 Public Improvement Sales Tax	02/01-08/01	08/01/99	02/01/2024	43,000,000	37,740,000
2001B Public Improvement Sales Tax	02/01-08/01	08/15/01	02/01/2026	20,000,000	19,855,000
2003 Public Improvement Sales Tax	02/01-08/01	08/01/03	02/01/2020	112,720,000	108,790,000
2004 Public Improvement Sales Tax	02/01-08/01	10/28/04	02/01/2021	24,865,000	24,865,000
DEQ 2004-A1 Sewer Revenue Bonds	04/01-10/01	11/12/04	04/01/2026	25,000,000	25,000,000
Total Revenue Bonds				<u>546,855,452</u>	<u>303,506,047</u>
Total Business-Type Activities				<u>\$558,599,800</u>	<u>\$314,957,815</u>
Total All Bonds and Contracts				<u>\$ 684,948,221</u>	<u>\$ 456,200,444</u>

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2004**

YEAR	EXCESS REVENUE CONTRACTS	REVENUE BONDS	TOTAL
2005	6,584,682	37,945,292	44,529,974
2006	6,628,833	37,313,041	43,941,874
2007	6,639,914	38,141,845	44,781,759
2008	6,650,080	36,974,729	43,624,809
2009	6,545,054	34,823,677	41,368,731
2010	6,229,269	34,803,268	41,032,537
2011	6,230,483	34,836,291	41,066,774
2012	6,232,439	34,921,749	41,154,188
2013	6,231,817	27,858,678	34,090,495
2014	6,231,347	27,851,253	34,082,600
2015	6,238,046	27,806,977	34,045,023
2016	6,233,774	27,295,326	33,529,100
2017	6,237,989	25,163,183	31,401,172
2018	6,037,116	24,755,678	30,792,794
2019	5,935,352	17,714,214	23,649,566
2020	5,946,644	17,615,289	23,561,933
2021	5,955,780	14,940,365	20,896,145
2022	5,960,510	8,892,061	14,852,571
2023	5,969,692	8,932,154	14,901,846
2024	5,977,986	9,070,330	15,048,316
2025	5,985,393	4,844,491	10,829,884
2026	5,983,631	4,786,208	10,769,839
2027	5,991,929	--	5,991,929
2028	5,996,113	--	5,996,113
2029	4,466,054	--	4,466,054
2030	--	--	--
	\$153,119,927	\$537,286,099	\$690,406,026

SCHEDULE OF DEBT LIMITATIONS

CITY

2% GENERAL SALES AND USE TAX:

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a.) imposes a limit on debt service obligations of sales tax revenue bonds then outstanding to be 40% of the gross avails of the sales and use tax for the last completed year.

Anticipated 2004 Revenues	77,053,600
Limit of 40%	<u>0.40</u>
Debt Capacity Before Outstanding Bonds	30,821,440
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2005)	<u>(15,721,106)</u>
Debt Capacity	\$15,100,334
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822671</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u><u>\$193,032,968</u></u>

<u>BONDS</u>	<u>Original Authorized and Issued</u>	<u>Principal Outstanding 12-31-2004</u>
1993 Public Improvement Sales Tax	4,000,000	2,920,000
1997 Public Improvement Sales Tax	19,325,000	7,310,000
1998A Public Improvement Sales Tax	94,450,000	73,240,000
2001 Public Improvement Sales Tax	<u>23,625,000</u>	<u>22,305,000</u>
	<u><u>\$141,400,000</u></u>	<u><u>\$105,775,000</u></u>

Parity provisions set forth in the bond resolutions further restrict the issuance of bonds and for this issue change bonding capacity slightly.

AD VALOREM TAX:

Louisiana Revised Statute 39:562 imposes an ad valorem tax debt limitation of 10% of the assessed valuation of property in a political subdivision for any one of the purposes specified by law. However, this limit may be exceeded by a municipality, provided the aggregate outstanding debt for all such purposes does not exceed 35% of the assessed valuation of taxable property of the municipality. The Louisiana Constitution of 1921, in Article 14, Section 3(d), authorizes for East Baton Rouge Parish, any municipal corporation in said parish, and any sewerage district in said parish, a debt limitation for sewerage purposes of 15% of the assessed valuation of property in such political subdivision. This constitutional provision was continued as a statute in accordance with Article XIV, Section 16(10) of the Louisiana Constitution of 1974.

Assessed Valuation - 2004 Tax Rolls	\$1,284,097,910
Limit of 10%	\$128,409,791
Limit of 15%	\$192,614,687
Limit of 35%	\$449,434,269

There are no outstanding bonds secured by ad valorem taxes of the City of Baton Rouge at this time.

SCHEDULE OF DEBT LIMITATIONS

PARISH

2% GENERAL SALES AND USE TAX:

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a.) imposes a limit on debt service obligations of sales tax revenue bonds then outstanding to be 40% of the gross avails of the sales and use tax for the last completed year.

Anticipated 2004 Revenues	55,502,850
Limit of 40%	<u>0.40</u>
Debt Capacity Before Outstanding Bonds	22,201,140
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2006)	<u>(648,723)</u>
Debt Capacity	\$21,552,417
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822671</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u><u>\$275,512,252</u></u>

	Original Authorized and Issued	Principal Outstanding 12-31-2004
<u>BONDS</u>		
1998C Public Improvement Sales Tax	<u>\$4,600,000</u>	<u>\$2,335,000</u>

Parity provisions set forth in the bond resolutions further restrict the issuance of bonds and for this issue change bond capacity slightly.

1/2% SEWER SALES AND USE TAX:

Louisiana Revised Statute 39:698.4 requires that the maturities of sales tax bonds be so arranged that the total amount of principal and interest falling due in any year, together with principal and interest falling due in such year on all bonds theretofore issued, and then outstanding, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued.

Budgeted 2005 Revenues	30,907,180
Limit of 75%	<u>0.75</u>
Debt Capacity Before Outstanding Bonds	23,180,385
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2007)	<u>(21,219,096)</u>
Debt Capacity	\$1,961,289
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822671</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u><u>\$25,071,858</u></u>

	Original Authorized and Issued	Principal Outstanding 12-31-2004
<u>BONDS</u>		
1993 Public Improvement Sales Tax	30,200,000	--
1993A Public Improvement Sales Tax	70,000,000	--
1995 Public Improvement Sales Tax	36,000,000	770,000
1996 Public Improvement Sales Tax	65,000,000	30,855,000
1998B Public Improvement Sales Tax	16,825,000	14,635,000
1999 Public Improvement Sales Tax	43,000,000	37,740,000
2001B Public Improvement Sales Tax	20,000,000	19,855,000
2003 Public Improvement Sales Tax	112,720,000	108,790,000
2004 Public Improvement Sales Tax	<u>\$24,865,000</u>	<u>24,865,000</u>
	<u><u>\$418,610,000</u></u>	<u><u>\$237,510,000</u></u>

Parity provisions set forth in the bond resolutions further restrict the issuance of bonds and for this issue reduce bonding capacity to about 70% of the amount computed herein.

SCHEDULE OF DEBT LIMITATIONS

PARISH

AD VALOREM TAX:

Louisiana Revised Statute 39:562 imposes an ad valorem tax debt limitation of 10% of the assessed valuation of property in a political subdivision for any one of the purposes specified by law. The Louisiana Constitution of 1921, in Article 14, Section 3(d), authorizes for East Baton Rouge Parish, any municipal corporation in said parish, and any sewerage district in said parish, a debt limitation for sewerage purposes of 15% of the assessed valuation of property in such political subdivision. This constitutional provision was continued as a statute in accordance with Article XIV, Section 16(10) of the Louisiana Constitution of 1974.

Assessed Valuation - 2004 Tax Rolls	\$2,885,035,660
Limit of 10%	\$288,503,566
Limit of 15%	\$432,755,349

There are no outstanding bonds secured by ad valorem taxes of the Parish of East Baton Rouge at this time.

EAST BATON ROUGE SEWERAGE COMMISSION

AD VALOREM TAX:

The Louisiana Constitution of 1921, in Article 14, Section 3(d), authorizes for East Baton Rouge Parish, any municipal corporation in said parish, and any sewerage district in said parish, a debt limitation for sewerage purposes of 15% of the assessed valuation of property in such political subdivision. This constitutional provision was continued as a statute in accordance with Article XIV, Section 16(10) of the Louisiana Constitution of 1974.

Assessed Valuation - 2004 Tax Rolls	\$2,885,035,660
Limit of 15%	\$432,755,349

There are no outstanding bonds secured by ad valorem taxes of the East Baton Rouge Sewerage Commission at this time.