



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.

Road & Street Improvements Debt Service –

2006A \$32.7M Road and Street Improvement STRB Debt Service provides funds for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and other related charges for long-term debt for the 2006A Road and Street Improvement Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding to pay the costs of widening existing public roads and streets, and/or the construction of new public roads and streets, within the Parish, as well as provide for a reserve fund surety bond and the cost of debt issuance.

2006B \$92.2M Road and Street Improvement STRB Debt Service This non-departmental budget provides funds for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and other related charges for long-term debt for the 2006B Road and Street Improvement Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding to pay the costs of widening existing public roads and streets, and/or the construction of new public roads and streets, within the Parish, as well as provide for a reserve fund surety bond and the cost of debt issuance.

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 is to provide funding for various public improvements within the City of Baton Rouge.

Budget Summary	2005 Actual	2006 Budget	Request	2007 Proposed	Final
Revenues:					
Taxes	13,053,680	13,728,630	12,390,590	12,390,590	12,390,590
Miscellaneous	790,120	764,000	811,000	811,000	811,000
Total Revenues	13,843,800	14,492,630	13,201,590	13,201,590	13,201,590
Appropriations:					
1993 City STRB Public Buildings	294,000	292,570	290,130	290,130	290,130
1997 City STRB Construction	2,564,090	1,398,850	1,415,700	1,415,700	1,415,700
1998A City STRB Construction	11,265,310	11,214,170	11,169,670	11,169,670	11,169,670
2001 City STRB Centroplex/Airport	1,599,870	1,599,430	1,601,030	1,601,030	1,601,030
Total Appropriation	15,723,270	14,505,020	14,476,530	14,476,530	14,476,530
% Change Over Prior Year	-----	-7.75%	-0.20%	-0.20%	-0.20%
Fund Balance, January 1	22,271,560	20,392,090	20,379,700	20,379,700	20,379,700
Adjustments	0	0	0	0	0
Fund Balance, December 31	20,392,090	20,379,700	19,104,760	19,104,760	19,104,760
Debt Service Reserve Requirement	14,350,000	14,350,000	13,532,330	13,532,330	13,532,330
Sinking Fund Requirement	6,042,090	6,029,700	5,572,430	5,572,430	5,572,430

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 2007	300,440
Sinking Fund Reserve for 2007	121,430

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 2007	1,080,170
Sinking Fund Reserve for 2007	138,710



Purpose of Debt Issue (Continued)

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 2007	10,570,480
Sinking Fund Reserve for 2007	4,641,650

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 2007	1,581,240
Sinking Fund Reserve for 2007	670,640

Budget Highlights

1998A City STRB Revenue & Refunding Debt Service - Fund 217

In 2007, sales tax revenue in the amount of \$332,469 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 Theatre.



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	2005 Actual	2006 Budget	Request	2007 Proposed	Final
Revenues:					
Taxes	617,530	624,360	619,690	536,550	536,550
Miscellaneous	26,410	24,000	27,000	27,000	27,000
Total Revenues	643,940	648,360	646,690	563,550	563,550
Appropriations:					
Debt Service	640,520	649,730	646,440	646,440	646,440
Total Appropriation	640,520	649,730	646,440	646,440	646,440
% Change Over Prior Year	-----	1.44%	-0.51%	-0.51%	-0.51%
Fund Balance, January 1	726,880	730,300	728,930	728,930	728,930
Adjustments	0	0	0	0	0
Fund Balance, December 31	730,300	728,930	729,180	646,040	646,040
Debt Service Reserve Requirement	460,000	460,000	460,000	460,000	460,000
Sinking Fund Requirement	270,300	268,930	269,180	186,040	186,040



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	2005 Actual	2006 Budget	Request	2007 Proposed	Final
Revenues:					
Taxes	110,470	71,380	27,420	27,420	27,420
Total Revenues	110,470	71,380	27,420	27,420	27,420
Appropriations:					
Debt Service	1,027,570	1,041,270	612,000	612,000	612,000
Total Appropriation	1,027,570	1,041,270	612,000	612,000	612,000
% Change Over Prior Year	-----	1.33%	-41.23%	-41.23%	-41.23%
Fund Balance, January 1	2,471,570	1,554,470	584,580	584,580	584,580
Adjustments	0	0	0	0	0
Fund Balance, December 31	1,554,470	584,580	0	0	0



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 Rate Taxable Refunding Bonds, and the 2002-B Fixed Rate Taxable Refunding Bonds.

Budget Summary	2005 Actual	2006 Budget	Request	2007 Proposed	Final
Revenues:					
Transfer from City General Fund	5,242,610	5,241,050	5,244,510	5,244,510	5,244,510
Total Revenues	5,242,610	5,241,050	5,244,510	5,244,510	5,244,510
Appropriations:					
2002-B Taxable Fixed Rate Bonds	3,382,280	3,379,790	3,381,430	3,381,430	3,381,430
2002-A Taxable Fixed Rate Bonds	1,860,330	1,861,260	1,863,080	1,863,080	1,863,080
Total Appropriation	5,242,610	5,241,050	5,244,510	5,244,510	5,244,510
% Change Over Prior Year	-----	-0.03%	0.07%	0.07%	0.07%
Fund Balance, January 1	0	0	0	0	0
Adjustments	0	0	0	0	0
Fund Balance, December 31	0	0	0	0	0



Purpose of Debt Issue

2006A \$32.7M Road and Street Improvement STRB Debt Service — Fund 271

This non-departmental budget provides funds for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and other related charges for long-term debt for the 2006A Road and Street Improvement Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding to pay the costs of widening existing public roads and streets, and/or the construction of new public roads and streets, within the Parish, as well as provide for a reserve fund surety bond and the cost of debt issuance.

2006B \$92.2M Road and Street Improvement STRB Debt Service — Fund 272

This non-departmental budget provides funds for sales tax revenues dedicated for the payment of principal, interest, paying agent fees, and other related charges for long-term debt for the 2006B Road and Street Improvement Sales Tax Revenue Bond Issue. The purpose of this bond issue was to provide funding to pay the costs of widening existing public roads and streets, and/or the construction of new public roads and streets, within the Parish, as well as provide for a reserve fund surety bond and the cost of debt issuance.

Budget Summary	2005 Actual	2006 Budget	2007 Request	2007 Proposed	Final
Revenues:					
Taxes	0	0	8,476,640	8,476,640	8,476,640
Miscellaneous	0	0	3,772,820	3,772,820	3,772,820
Total Revenues	0	0	12,249,460	12,249,460	12,249,460
Appropriations:					
2006-A \$32.7M Road & Street Imp. Bond	0	0	4,517,650	4,517,650	4,517,650
2006-B \$92.2M Road & Street Imp. Bond	0	0	7,730,890	7,730,890	7,730,890
Total Appropriation	0	0	12,248,540	12,248,540	12,248,540
% Change Over Prior Year	-----	-----	-----	-----	-----
Fund Balance, January 1	0	0	3,447,160	3,447,160	3,447,160
Adjustments	0	3,447,160	0	0	0
Fund Balance, December 31	0	3,447,160	3,448,080	3,448,080	3,448,080



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	2005	2006	2007		
	Actual	Budget	Request	Proposed	Final
Revenues:					
Parish General Fund	400,680	424,810	437,000	437,000	437,000
Total Revenues	400,680	424,810	437,000	437,000	437,000
Appropriations:					
LA Community Development Authority	400,680	424,810	437,000	437,000	437,000
Total Appropriation	400,680	424,810	437,000	437,000	437,000
% Change Over Prior Year	-----	6.02%	2.87%	2.87%	2.87%
Fund Balance, January 1	0	0	0	0	0
Adjustments	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. This fund accounts for a total of \$7,643,873.38 that was actually drawn down from LCDA for the Advanced Traffic Management and Emergency Operations Center over the construction period, of which \$6,361,818.40 in principal has been repaid as of August 1, 2006. This portion is expected to mature in 2009, rather than 2018. The 2007 appropriations will provide for principal and interest payments on the remaining balance at an assumed rate of 6.0%. 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.

Uses of Funds	Information as of August 1, 2006	
	Amount Drawn Down	Actual Principal Paid
Advanced Traffic Management and Emergency Operations Center (Fund 290)	\$7,643,873.38	\$6,361,818.40
Third Street Parking Facility (Fund 407)	\$2,500,000.00	\$203,000.00
Solid Waste Collection Fund (Fund 462)	\$2,406,233.00	\$17,500.00
Greater Baton Rouge Airport District (Fund 483)	\$2,139,792.34	\$0.00
Total	\$14,689,898.72	\$6,582,318.40



2007 Annual Operating Budget

Combined Schedule of Bonds Payable
For the Year Ending December 31, 2006

	Interest Dates	Issue Date	Final Maturity/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	23,305,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/02	01/15/2029	47,550,000	43,420,000
Parish of East Baton Rouge:					
Louisiana Community Development Authority	Monthly	08/11/99	05/31/2018	7,643,873	1,101,055
Total Excess Revenue Contracts				<u>81,093,873</u>	<u>67,826,055</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	2,615,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	3,925,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	57,980,000
2001A Public Improvement Sales Tax	02/01-08/01	08/15/01	08/01/2026	23,625,000	21,235,000
Less: Debt Recorded in Business-Type Activities				(103,245,452)	(30,385,116)
Parish of East Baton Rouge:					
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	4,600,000	1,215,000
Road and Street Improvement					
2006A Sales Tax Bonds	02/01-08/01	05/03/06	08/01/2015	32,760,000	32,760,000
2006B Sales Tax Bonds (Variable Rate)	02/01-08/01	05/03/06	08/01/2030	92,240,000	92,240,000
Total Revenue Bonds				<u>167,754,548</u>	<u>181,584,884</u>
Total Governmental Activities				<u>248,848,421</u>	<u>249,410,939</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	8,367,400
Louisiana Community Development Authority (Airport) 2004	Monthly	04/08/04	11/30/2029	8,807,213	8,522,213
Parish of East Baton Rouge:					
LA Community Development 1999 Program	Monthly		05/31/2018	7,269,167	6,877,760
Total Excess Revenue Contracts and Loans				<u>25,076,380</u>	<u>23,767,373</u>
<u>Revenue Bonds</u>					
City of Baton Rouge:					
2005B Public Improvement Sales Tax (Taxable)	02/01-08/01	04/19/05	08/01/2029	2,100,000	2,010,000
Revenue Bonds Payable From City Issues				103,245,452	30,385,116
Parish of East Baton Rouge:					
Sewer Sales Tax Bonds:					
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	---
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	---
1999 Public Improvement Sales Tax	02/01-08/01	08/01/99	02/01/2024	43,000,000	3,515,000
2001B Public Improvement Sales Tax	02/01-08/01	08/15/01	02/01/2026	20,000,000	---
2003 Public Improvement Sales Tax	02/01-08/01	04/01/03	02/01/2020	112,720,000	---
2004 Public Improvement Sales Tax	02/01-08/01	10/28/04	02/01/2021	24,865,000	---
2005A Public Improvement Sales Tax	02/01-08/01	05/05/05	02/01/2024	33,255,000	33,140,000
2005B Public Improvement Sales Tax	02/01-08/01	11/03/05	02/01/2014	25,855,000	25,490,000
Sewerage Commission					
DEQ 2004-A1 Sewer Revenue Bonds	04/01-10/01	11/12/04	04/01/2026	5,671,062	---
2006 Revenue Refunding Bonds	02/01-08/01	08/17/06	02/01/2036	196,930,000	196,930,000
Total Revenue Bonds				<u>649,466,514</u>	<u>291,470,116</u>
Total Business-Type Activities				<u>674,542,894</u>	<u>315,237,489</u>
Total All Bonds and Contracts and Loans				<u>\$ 923,391,315</u>	<u>\$ 564,648,428</u>

**2007 Annual Operating Budget****Schedule of Debt Service Requirements to Maturity
For the Year Ending December 31, 2006**

Year	Excess Revenue Contracts	Revenue Bonds	Total
2007	7,911,275	40,825,635	48,736,910
2008	7,907,784	42,069,789	49,977,573
2009	7,792,594	40,034,650	47,827,244
2010	7,467,843	40,090,743	47,558,586
2011	7,459,576	35,877,711	43,337,287
2012	7,451,047	36,021,897	43,472,944
2013	7,443,184	41,271,720	48,714,904
2014	7,431,908	32,827,596	40,259,504
2015	7,423,751	29,066,412	36,490,163
2016	7,402,638	28,567,719	35,970,357
2017	7,394,257	26,482,116	33,876,373
2018	6,861,146	26,105,218	32,966,364
2019	6,514,913	25,823,162	32,338,075
2020	6,518,285	25,847,108	32,365,393
2021	6,517,675	25,825,909	32,343,584
2022	6,513,700	26,202,856	32,716,556
2023	6,514,480	26,330,252	32,844,732
2024	6,512,037	26,538,445	33,050,482
2025	6,508,158	22,448,109	28,956,267
2026	6,494,710	22,470,668	28,965,378
2027	6,490,056	21,033,338	27,523,394
2028	6,482,694	21,030,973	27,513,667
2029	4,995,337	21,048,100	26,043,437
2030	---	20,897,614	20,897,614
2031	---	12,442,875	12,442,875
2032	---	9,397,875	9,397,875
2033	---	9,389,512	9,389,512
2034	---	9,380,288	9,380,288
2035	---	9,374,412	9,374,412
2036	---	9,366,100	9,366,100
	\$ 160,009,048	\$ 764,088,802	\$ 924,097,850

Note: Future debt service for Road and Street Improvement 2006B (Variable Rate Bonds) was calculated using the fixed SWAP rate.



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 2006 Revenues	79,355,940
Limit of 40%	0.40
Debt Capacity Before Outstanding Bonds	31,742,376
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2007)	(14,631,944)
Debt Capacity	\$17,110,432
Interest factor for \$1 of debt, 6% 25 years	0.07822672
Additional Bonding Capacity (Debt Capacity/Interest Factor)	\$218,728,746

<u>Bonds</u>	Original Authorized and Issued	Principal Outstanding 12/31/2006
1993 Public Improvement Sales Tax	4,000,000	2,615,000
1997 Public Improvement Sales Tax	19,325,000	3,925,000
1998A Public Improvement Sales Tax	94,450,000	57,980,000
2001 Public Improvement Sales Tax	23,625,000	21,235,000
	\$141,400,000	\$85,755,000

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 - 2006 Tax Rolls	\$1,409,802,850
Limit of 10%	\$140,980,285
Limit of 15%	\$211,470,428
Limit of 35%	\$493,430,998

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



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 2006 Revenues	63,945,200
Limit of 40%	<u>0.40</u>
Debt Capacity Before Outstanding Bonds	25,578,080
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2008)	<u>(646,040)</u>
Debt Capacity	\$24,932,040
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822672</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u><u>\$318,715,147</u></u>

<u>Bonds</u>	<u>Authorized and Issued</u>	<u>Outstanding 12/31/2006</u>
1998C Public Improvement Sales Tax	<u>\$4,600,000</u>	<u>\$1,215,000</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. Provided however, in the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage District, the Parish pledged the Sales Tax Revenues (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement. The Parish is no longer authorized to issue additional 1/2% Sewer Sales Tax parity bonds.

Budgeted 2007 Revenues	35,739,100
Less: 2007 Debt Service on Outstanding Bonds	<u>(6,803,994)</u>
Sales Tax Revenue Pledged for E.B.R. Sewerage Commission Revenue Bonds	<u><u>\$28,935,106</u></u>

<u>Bonds</u>	<u>Original Authorized and Issued</u>	<u>Principal Outstanding 12/31/2006</u>
1996 Public Improvement Sales Tax	65,000,000	0
1998B Public Improvement Sales Tax	16,825,000	0
1999 Public Improvement Sales Tax	43,000,000	3,515,000
2001B Public Improvement Sales Tax	20,000,000	0
2003 Public Improvement Sales Tax	112,720,000	0
2004 Public Improvement Sales Tax	24,865,000	0
2005A Public Improvement Sales Tax	33,255,000	33,140,000
2005B Public Improvement Sales Tax	25,855,000	25,490,000
	<u><u>\$341,520,000</u></u>	<u><u>\$62,145,000</u></u>



Parish

1/2% Road and Street Sales and Use Tax:

Louisiana Revised Statute 39:1430(A) requires that the annual debt service payments for revenue bonds secured by sales tax revenues may not be in excess of seventy-five percent (75%) of the sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued.

Budgeted 2007 Revenues	22,960,000
Limit of 75%	0.75
Debt Capacity Before Outstanding Bonds	17,220,000
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2030)	(8,440,239)
Debt Capacity	\$8,779,761
Interest factor for \$1 of debt, 6% 25 years	0.07822672
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u>\$112,234,812</u>

<u>Bonds</u>	<u>Original Authorized and Issued</u>	<u>Principal Outstanding 12/31/2006</u>
2006A Road and Street Improvement Sales Tax	32,760,000	32,760,000
2006B Road and Street Improvement Sales Tax (Variable Rate)	92,240,000	92,240,000
	<u>\$125,000,000</u>	<u>\$125,000,000</u>

Highest Annual Debt Service on Outstanding Bonds was calculated using the fixed SWAP rate for the 2006B Variable Rate Bonds.

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 - 2006 Tax Rolls	\$3,233,131,740
Limit of 10%	\$323,313,174
Limit of 15%	\$484,969,761

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

Sewer User Fees and 1/2% Sewer Sales and Use Tax:

Louisiana Revised Statute 39:1430(A) requires that the annual debt service of revenue bonds secured by sales tax revenues may not be in excess of seventy-five percent (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, plus additional funds made available from Sewer User Fees.

1/2% Sewer Sales Tax Revenue pledged for E.B.R Sewerage Commission Revenue Bonds	28,935,106
Limit of 75%	0.75
Debt Capacity Provided By 1/2% Sewer Sales Tax Revenue	21,701,330
Budgeted 2007 Sewer User Fees and Other Revenues	99,001,650
Debt Capacity Before Outstanding Bonds	120,702,980
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2008)	(12,604,350)
Debt Capacity	\$108,098,630
Interest factor for \$1 of debt, 6% 25 years	0.07822672
Additional Bonding Capacity (Debt Capacity/Interest Factor)	\$1,381,863,281

<u>Bonds</u>	Original Authorized and Issued	Principal Outstanding 12/31/2006
2006A East Baton Rouge Sewerage Commission Revenue Bonds	154,915,000	154,915,000
2006B East Baton Rouge Sewerage Commission Revenue Bonds	42,015,000	42,015,000
	\$196,930,000	\$196,930,000

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 - 2006 Tax Rolls	\$3,233,131,740
Limit of 15%	\$484,969,761

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