

## DEBT SERVICE FUNDS

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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. Current obligations are the 1982 Jail Improvement Notes, the 1999 Louisiana Community Development Authority Note, and the transfer obligation to the Municipal Police Employees' Retirement System (MPERS).

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.

<b>BUDGET SUMMARY</b>	<b>2002 ACTUAL</b>	<b>2003 BUDGET</b>	<b>REQUEST</b>	<b>2004 PROPOSED</b>	<b>FINAL</b>
<b>REVENUES:</b>					
Taxes	14,648,080	14,963,380	14,993,830	14,993,830	14,993,830
Miscellaneous	577,160	601,080	700,000	700,000	700,000
<b>TOTAL REVENUES</b>	<b>15,225,240</b>	<b>15,564,460</b>	<b>15,693,830</b>	<b>15,693,830</b>	<b>15,693,830</b>
<b>APPROPRIATIONS:</b>					
1993 City STRB Public Buildings	286,040	287,120	291,210	291,210	291,210
1997 City STRB Construction	2,445,540	2,499,560	2,533,430	2,533,430	2,533,430
1998A City STRB Rev. & Refunding	10,910,360	11,103,050	11,245,050	11,245,050	11,245,050
2001 City STRB Centroplex/Airport	1,483,060	1,599,830	1,599,630	1,599,630	1,599,630
<b>TOTAL APPROPRIATION</b>	<b>15,125,000</b>	<b>15,489,560</b>	<b>15,669,320</b>	<b>15,669,320</b>	<b>15,669,320</b>
<b>% CHANGE OVER PRIOR YEAR</b>	<b>-----</b>	<b>2.41%</b>	<b>1.16%</b>	<b>1.16%</b>	<b>1.16%</b>
FUND BALANCE, JANUARY 1	22,071,950	22,172,190	22,247,090	22,247,090	22,247,090
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	22,172,190	22,247,090	22,271,600	22,271,600	22,271,600
DEBT SERVICE RESERVE	15,721,110	15,721,110	15,721,110	15,721,110	15,721,110
SINKING FUND REQUIREMENT	6,451,080	6,525,980	6,550,490	6,550,490	6,550,490

**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 2004	303,930
Sinking Fund Reserve for 2004	122,380

**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 2004	2,297,000
Sinking Fund Reserve for 2004	1,067,910

**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 2004	11,520,550
Sinking Fund Reserve for 2004	4,693,690

**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 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 2004	1,599,630
Sinking Fund Reserve for 2004	666,510

**BUDGET HIGHLIGHTS**

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

In 2004, sales tax revenue in the amount of \$331,243 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.

<b>BUDGET SUMMARY</b>	<b>2002 ACTUAL</b>	<b>2003 BUDGET</b>	<b>REQUEST</b>	<b>2004 PROPOSED</b>	<b>FINAL</b>
<b>REVENUES:</b>					
Taxes	415,690	638,940	620,130	620,130	620,130
Miscellaneous	20,990	14,700	22,000	22,000	22,000
<b>TOTAL REVENUES</b>	<b>436,680</b>	<b>653,640</b>	<b>642,130</b>	<b>642,130</b>	<b>642,130</b>
<b>APPROPRIATIONS:</b>					
Debt Service	626,950	653,730	642,530	642,530	642,530
<b>TOTAL APPROPRIATION</b>	<b>626,950</b>	<b>653,730</b>	<b>642,530</b>	<b>642,530</b>	<b>642,530</b>
<b>% CHANGE OVER PRIOR YEAR</b>	-----	4.27%	-1.71%	-1.71%	-1.71%
FUND BALANCE, JANUARY 1	917,650	727,380	727,290	727,290	727,290
ADJUSTMENT	0	0	0	0	0
FUND BALANCE, DECEMBER 31	727,380	727,290	726,890	726,890	726,890
DEBT SERVICE RESERVE	460,000	460,000	460,000	460,000	460,000
SINKING FUND REQUIREMENT	267,380	267,290	266,890	266,890	266,890

**BUDGET HIGHLIGHTS**

The debt service reserve was recalculated in 2002 based on the parish sales tax bond resolution to reflect 10% of the gross proceeds of the bond issue.

**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.

<b>BUDGET SUMMARY</b>	<b>2002 ACTUAL</b>	<b>2003 BUDGET</b>	<b>REQUEST</b>	<b>2004 PROPOSED</b>	<b>FINAL</b>
<b>REVENUES:</b>					
Miscellaneous	190,940	175,380	144,980	144,980	144,980
Proceeds from Long-Term Debt	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>190,940</b>	<b>175,380</b>	<b>144,980</b>	<b>144,980</b>	<b>144,980</b>
<b>APPROPRIATIONS:</b>					
Operating Transfers Out	982,740	1,001,410	1,014,480	1,014,480	1,014,480
<b>TOTAL APPROPRIATION</b>	<b>982,740</b>	<b>1,001,410</b>	<b>1,014,480</b>	<b>1,014,480</b>	<b>1,014,480</b>
<b>% CHANGE OVER PRIOR YEAR</b>	-----	1.90%	1.31%	1.31%	1.31%
<b>FUND BALANCE, JANUARY 1</b>	<b>4,958,970</b>	<b>4,167,170</b>	<b>3,341,140</b>	<b>3,341,140</b>	<b>3,341,140</b>
<b>ADJUSTMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE, DECEMBER 31</b>	<b>4,167,170</b>	<b>3,341,140</b>	<b>2,471,640</b>	<b>2,471,640</b>	<b>2,471,640</b>

**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, 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.

BUDGET SUMMARY	2002 ACTUAL	2003 BUDGET	REQUEST	2004 PROPOSED	FINAL
<b>REVENUES:</b>					
Miscellaneous	3,950	12,000	0	0	0
Proceeds from Long-Term Debt	73,450,000	0	0	0	0
Transfer from City General Fund	3,019,030	5,265,350	5,243,280	5,243,280	5,243,280
<b>TOTAL REVENUES</b>	<b>76,472,980</b>	<b>5,277,350</b>	<b>5,243,280</b>	<b>5,243,280</b>	<b>5,243,280</b>
<b>APPROPRIATIONS:</b>					
MPERS Note	1,878,450	0	0	0	0
2002-A Taxable Variable Rate Bonds	26,116,250	1,741,320	0	0	0
2002-B Taxable Fixed Rate Bonds	47,524,170	3,194,200	3,380,320	3,380,320	3,380,320
2002-A Taxable Fixed Rate Bonds	0	0	1,862,960	1,862,960	1,862,960
<b>TOTAL APPROPRIATION</b>	<b>75,518,870</b>	<b>4,935,520</b>	<b>5,243,280</b>	<b>5,243,280</b>	<b>5,243,280</b>
% CHANGE OVER PRIOR YEAR	-----	-93.46%	6.24%	6.24%	6.24%
FUND BALANCE, JANUARY 1	0	954,110	0	0	0
ADJUSTMENT	0	(1,295,940)	0	0	0
FUND BALANCE, DECEMBER 31	954,110	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 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 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. For presentation purposes, the final year (2002) for the 1982 \$150,000 Jail Improvements Note, and the transfer obligation to the Municipal Police Employees' Retirement System (MPERS) is presented.

BUDGET SUMMARY	2002 ACTUAL	2003 BUDGET	REQUEST	2004 PROPOSED	FINAL
OPERATING TRANSFERS IN:					
City General Fund	2,809,020	0	0	0	0
Parish General Fund	430,370	521,490	407,150	407,150	407,150
EBRP Communications District	400,000	0	0	0	0
LCDA Capital Projects Fund	440,000	1,500,000	0	0	0
<b>TOTAL TRANSFERS IN</b>	<b>4,079,390</b>	<b>2,021,490</b>	<b>407,150</b>	<b>407,150</b>	<b>407,150</b>
APPROPRIATIONS:					
1982 Jail Improvement Note	16,880	0	0	0	0
LA Community Development Authority	1,253,490	2,021,490	407,150	407,150	407,150
MPERS Note	2,809,020	0	0	0	0
<b>TOTAL APPROPRIATION</b>	<b>4,079,390</b>	<b>2,021,490</b>	<b>407,150</b>	<b>407,150</b>	<b>407,150</b>
% CHANGE OVER PRIOR YEAR	-----	-50.45%	-79.86%	-79.86%	-79.86%
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 over the construction period, of which \$5,504,818 in principal has been repaid. The 2004 appropriation will provide for principal and interest obligations on the remaining balance at an assumed interest rate of 2.5%. The interest rate on this note fluctuates weekly with changes in the Bond Market Association (BMA) Municipal Swap Index. The weekly BMA Swap Index rate plus 100 basis constitutes the Participant Rate charged to the City-Parish.

The transfer obligation to MPERS was a \$72,283,023 note financed over 30 years at a rate of 7% for 60% of the liability for law enforcement personnel who transferred from the local retirement system to the State system on February 26, 2000. In 2002, this note was restructured and two new bonds were issued, the 2002-A Variable Rate Taxable Refunding Bonds and the 2002-B Fixed Rate Taxable Refunding Bonds. It is expected that these new issued will save the City a considerable amount of money in debt service payments. In 2003, the City exercised its option under the bond resolution to convert the remaining principal balance of \$25,035,000 to fixed rate bonds. See Fund 241 on the new bond issues.

The transfer of \$400,000 from the East Baton Rouge Parish Communications District in 2002 provided funding for the new 911 equipment located at the Advanced Traffic Management and Emergency Operations Center.

**COMBINED SCHEDULE OF BONDS PAYABLE  
DECEMBER 31, 2003**

	Interest Dates	Issue Date	Final Maturity/ Call Date	Original Authorized and Issued	Principal Outstanding
<b>Governmental Activities:</b>					
<u>Excess Revenue Contracts</u>					
City of Baton Rouge:					
2002A Fixed Rate Taxable Refunding	Quarterly	05/17/02	01/01/2030	25,900,000	25,035,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/02	01/15/2029	47,550,000	46,300,000
Parish of East Baton Rouge:					
Louisiana Community Development Authority	Monthly	08/11/99	09/30/2020	7,643,873	2,139,055
Total Excess Revenue Contracts				<u>\$81,093,873</u>	<u>\$73,474,055</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	3,060,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	9,410,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	80,375,000
2001A Public Improvement Sales Tax	02/01-08/01	08/15/01	08/01/2026	23,625,000	22,780,000
Less: Debt Recorded in Business-Type Activities				(103,245,452)	(46,997,200)
Parish of East Baton Rouge:					
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	4,600,000	2,860,000
Total Revenue Bonds				<u>\$42,754,548</u>	<u>\$71,487,800</u>
Total Governmental Activities				<u>\$123,848,421</u>	<u>\$144,961,855</u>
<b>Business-Type Activities:</b>					
<u>Excess Revenue Contracts, Loans, and Notes</u>					
City of Baton Rouge:					
Louisiana Community Development Authority (Airport)	Monthly	10/04/01	11/30/2029	4,936,905	4,895,100
<u>Revenue Bonds</u>					
City of Baton Rouge:					
Revenue Bonds Payable From City Issues				103,245,452	46,997,200
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	02/01/2020	36,000,000	1,475,000
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	57,805,000
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	15,565,000
1999 Public Improvement Sales Tax	02/01-08/01	08/01/99	02/01/2024	43,000,000	38,780,000
2001B Public Improvement Sales Tax	02/01-08/01	08/15/01	02/01/2026	20,000,000	19,900,000
2003 Public Improvement Sales Tax	02/01-08/01	08/01/03	02/01/2020	112,720,000	112,720,000
Greater Baton Rouge Parking Authority:					
1978 Parking Garage	01/01-07/01	01/01/78	07/01/2003	6,875,000	--
Total Revenue Bonds				<u>503,865,452</u>	<u>293,242,200</u>
Total Business-Type Activities				<u>\$508,802,357</u>	<u>\$298,137,300</u>
Total All Bonds and Contracts				<u>\$632,650,778</u>	<u>\$443,099,155</u>

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2003**

YEAR	EXCESS REVENUE CONTRACTS	REVENUE BONDS	TOTAL
2004	5,933,363	37,298,814	43,232,177
2005	5,937,472	37,498,365	43,435,837
2006	5,939,119	36,433,143	42,372,262
2007	5,946,023	36,443,958	42,389,981
2008	5,954,925	35,276,091	41,231,016
2009	5,866,175	33,125,744	38,991,919
2010	5,534,375	33,107,494	38,641,869
2011	5,535,296	33,139,211	38,674,507
2012	5,537,943	33,224,987	38,762,930
2013	5,537,794	26,158,940	31,696,734
2014	5,537,319	26,148,567	31,685,886
2015	5,544,837	26,104,332	31,649,169
2016	5,540,327	25,596,937	31,137,264
2017	5,545,376	23,463,710	29,009,086
2018	5,478,756	23,054,909	28,533,665
2019	5,481,262	16,012,766	21,494,028
2020	5,491,824	15,913,167	21,404,991
2021	5,501,180	13,242,154	18,743,334
2022	5,505,408	7,083,082	12,588,490
2023	5,514,385	7,124,203	12,638,588
2024	5,522,700	7,260,875	12,783,575
2025	5,529,688	3,041,000	8,570,688
2026	5,527,486	2,981,250	8,508,736
2027	5,535,761	--	5,535,761
2028	5,539,472	--	5,539,472
2029	4,134,987	--	4,134,987
2030	--	--	--
	<u>\$144,653,253</u>	<u>\$538,733,699</u>	<u>\$683,386,952</u>

**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 2003 Revenues	\$75,868,000
Limit of 40%	<u>.40</u>
Debt Capacity Before Outstanding Bonds	30,347,200
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2005)	<u>(15,721,106)</u>
Debt Capacity	\$14,626,094
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822671</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u><u>\$186,970,588</u></u>

<u>BONDS</u>	Original Authorized and Issued	Principal Outstanding 12-31-2003
1993 Public Improvement Sales Tax	4,000,000	3,060,000
1997 Public Improvement Sales Tax	19,325,000	9,410,000
1998A Public Improvement Sales Tax	94,450,000	80,375,000
2001 Public Improvement Sales Tax	<u>23,625,000</u>	<u>22,780,000</u>
	<u><u>\$141,400,000</u></u>	<u><u>\$115,625,000</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 - 2003 Tax Rolls	\$1,204,843,070
Limit of 10%	\$120,484,307
Limit of 15%	\$180,726,461
Limit of 35%	\$421,695,075

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 2003 Revenues	\$55,180,140
Limit of 40%	<u>0.40</u>
Debt Capacity Before Outstanding Bonds	22,072,056
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2006)	<u>(648,723)</u>
Debt Capacity	\$21,423,333
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822671</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u>\$273,862,125</u>

<u>BONDS</u>	<u>Original Authorized and Issued</u>	<u>Principal Outstanding 12-31-2003</u>
1998C Public Improvement Sales Tax	<u>\$4,600,000</u>	<u>\$2,860,000</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 2004 Revenues	\$30,928,560
Limit of 75%	<u>.75</u>
Debt Capacity Before Outstanding Bonds	23,196,420
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2007)	<u>(21,327,218)</u>
Debt Capacity	\$1,869,202
Interest factor for \$1 of debt, 6% 25 years	<u>0.07822671</u>
Additional Bonding Capacity (Debt Capacity/Interest Factor)	<u>\$23,894,677</u>

<u>BONDS</u>	<u>Original Authorized and Issued</u>	<u>Principal Outstanding 12-31-2003</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	1,475,000
1996 Public Improvement Sales Tax	65,000,000	57,805,000
1998B Public Improvement Sales Tax	16,825,000	15,565,000
1999 Public Improvement Sales Tax	43,000,000	38,780,000
2001B Public Improvement Sales Tax	20,000,000	19,900,000
2003 Public Improvement Sales Tax	<u>112,720,000</u>	<u>112,720,000</u>
	<u>\$393,745,000</u>	<u>\$246,245,000</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

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### PARISH

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#### 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 - 2003 Tax Rolls	\$2,669,274,000
Limit of 10%	\$266,927,400
Limit of 15%	\$400,391,100

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

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#### 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 - 2003 Tax Rolls	\$2,669,274,000
Limit of 15%	\$400,391,100

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