

LOUISIANA PUBLIC FACILITIES AUTHORITY
2006 ANNUAL REPORT



PROGRESS

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LPFA 2006 Annual Report
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Table of Contents

From the LPFA Management	4
Board of Trustees	6
What is the LPFA?	8
The LPFA's Role in a Financing	12
Who Benefits?	14
Fulfilling LPFA's Mission	16
Bond Issues	24
Economic Development	31
Student Loans	35
2006 Financial Statements CD	39



FROM THE LPFA MANAGEMENT

Dear Citizens of Louisiana:

As our road to recovery in the years following Hurricanes Katrina and Rita continues, the LPFA is proud to play a role in helping the revitalization of our state's economy. Requests for the LPFA's services were phenomenal in 2006, when the LPFA Board of Trustees granted preliminary approval to a wide range of projects totaling more than \$3.7 billion.


A large number of the proposed bond issues will be under the federal Gulf Opportunity Zone Act of 2005 (Go Zone Act), which provides federal tax incentives for construction projects that begin following Hurricanes Katrina and Rita. Based on the large amount of Go Zone projects that companies submitted to the LPFA in 2006, it is apparent that this program will help Louisiana bounce back from the devastation wrought by the storms. With many major construction projects planned in South Louisiana, job opportunities and growth should follow.

In 2006, many of our state's leading universities again relied on the LPFA to finance major expansions to their campuses. Southern University, Grambling State University, Louisiana State University at Alexandria, University of New Orleans, and Pennington Biomedical Research Center came to the LPFA to facilitate bond sales that collectively raised more than \$180 million for expansion projects.


While we have been working to help the state rebuild, we have continued to serve communities in need of financing for smaller projects. Our organization helped communities save almost \$90,000 on fire engines, parking facilities, industrial parks and utility system upgrades by providing interest-free loans through our Local Government Bond Bank Program.

Since opening for business in 1974, the LPFA has played an important role in Louisiana's economic development. As Louisiana continues working to rebuild after two devastating hurricanes, we will continue to facilitate job creation, economic development, improvements to education and health care, and access to higher education throughout Louisiana.

Sincerely,



Thomas A. Antoon
Chairman, Board of Trustees



James W. Parks II
President and CEO



James W. Parks II

Thomas A. Antoon

LPFA Board of Trustees

Left to Right:

Carl D. Clark
Secretary-Treasurer

Jerome Boykin, Sr.

Sara A. Roberts*

Thomas A. Antoon
Chairman

John D. Bernhardt
Vice Chairman

Camille A. Cutrone

Christopher C. Arsement

*Gov. Kathleen B. Blanco appointed Ms. Roberts
to the LPFA Board of Trustees in 2007







Stacye L. Bradford
Executive Assistant

Geralyn King
Administrative Assistant

What is The LPFA?

The Louisiana Public Facilities Authority (LPFA) is a financing authority created in 1974 as a public trust and public corporation by a Louisiana corporation pursuant to an indenture of trust. The State of Louisiana is the beneficiary of that trust. The LPFA is a self-supporting entity that operates solely on revenues generated by fees on bonds issued through the LPFA, and has never received any tax or other appropriation from the State of Louisiana for its operations.

The purpose of the LPFA is to promote, encourage and further all activities that are or may become beneficial to the State of Louisiana. This includes — but is not limited to — issuing taxable and tax-exempt bonds for:

- Industry and commerce to foster economic growth and stability
- Hospital, extended care, clinical, community health, geriatric, nursing home and medical care facilities
- Educational facilities
- Student loans
- Residential housing
- Projects protecting the people of Louisiana against air, water, noise, ground and other types of pollution

- Public utility facilities and services
- Projects that increase efficiency in the operation of state and local governments
- Cultural and recreational facilities
- Public transportation facilities
- Other activities or facilities that may be deemed a proper public function for the furtherance of the general welfare, health, safety, economic, environmental, governmental, educational, scientific, transportation, recreational and cultural development of the State of Louisiana and its residents

In achieving those ends, the LPFA acts on behalf of a borrowing entity as a conduit issuer of special obligation revenue bonds to provide financing for eligible public and private projects throughout the state. Entities borrow money through the LPFA, not from the LPFA, using the LPFA bonds to access the financial markets for the borrowing of capital.

The LPFA complies with state laws regarding public records, public contracts, open meetings, public bids, the Bond Validation Procedures Law and the state Code of Ethics. Annual independent

Workers put in many hours throughout 2006 to rebuild the 25-bed South Cameron Memorial Hospital, which was destroyed by Hurricane Rita, hoping to open the hospital in fall 2007.



From small seafood markets to giant petrochemical plants, businesses across the Louisiana Gulf Coast began rebuilding and reopening in 2006, helped in part by the state's Bridge Loan Program.

financial audits of the LPFA are submitted to the State Legislative Auditor, and are performed by an auditing firm selected by the State Legislative Auditor. All LPFA bond issues must undergo review and approval by the State Bond Commission. All bond-issuance fees paid in connection with LPFA bond issues are subject to the review and approval of the State Bond Commission or the Louisiana Attorney General. The annual operating budget of the LPFA is also subject to review and approval by the Joint Legislative Committee on the Budget.



PAUL'S SEAFOOD
FRESH

SHRIMP

From Our Boat Daily



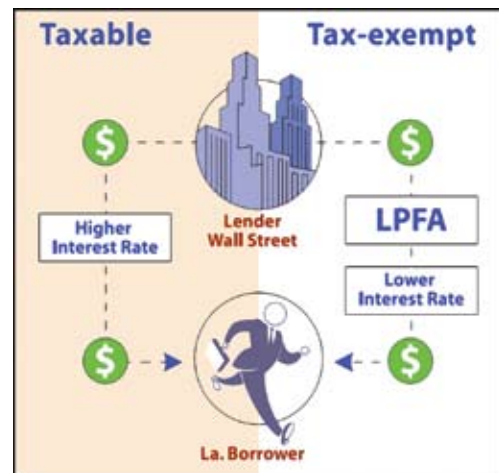
100% FRESH



Pam D. Hutchinson
VP of Public Affairs

LPFA's Role in a Financing

- The LPFA's purpose in a financing is to act as a conduit to pass through the payments from the borrower to the bondholder to reduce the financing costs for the borrower.
- The LPFA assists by issuing bonds on behalf of a borrower in order to allow the borrower to obtain the savings afforded by a tax-exempt borrowing.
- No LPFA funds are at risk in connection with a financing and no funds of the State of Louisiana or any political subdivision thereof are at risk. Each LPFA bond contains language to that effect.
- The bonds issued by the LPFA are payable solely by the underlying borrower from the funds and assets pledged for each individual bond issue and the LPFA does not enhance the credit of the underlying borrower.
- As a resource to help any qualifying person or entity in Louisiana obtain the benefits of tax-exempt financing, the LPFA and its bond counsel analyze whether the project can legally be financed with tax-exempt bonds as specified by Federal law.
- The LPFA does not assume the responsibility to determine the creditworthiness of a project or borrower, nor does it assume the resulting legal liability from making such a determination.
- The marketplace determines if the bonds are marketable, not the LPFA.



Serial No. **437** Series **187 5** B

United States of America.

BOND OF THE
NEW LOUISIANA



No.
65756

DOLLARS

dated January 1st 1886.
of the State at the
of the State, with Interest
paid.

Ke
Treasurer.

5

Louis A. Wetz

Governor.

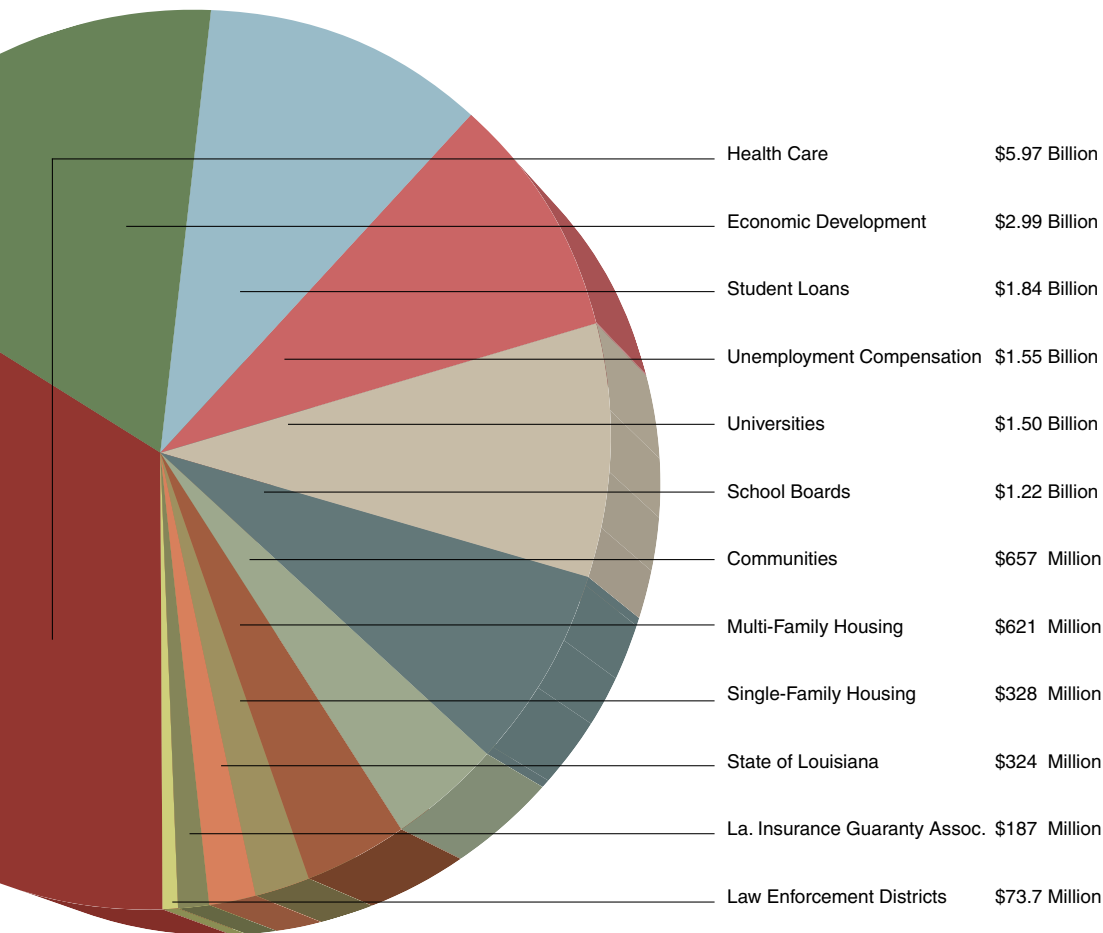
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AT WASHⁿ 1879

WESTERN BANK NOTE CO. CHICAGO, ILL. PRINTED IN ENGLAND N.Y.

STATE OF LOUISIANA. *En. Burke.*
72 CENTS PAYABLE FEB 1ST 1886.
BOND **165756**

From its inception in 1974, the LPFA has issued almost \$17.3 billion in bonds.



Who Benefits?

The people of Louisiana!

Every project and program of the LPFA is done with one thing in mind: helping the people of Louisiana. Our mission is to further education, health care, economic development and job creation in Louisiana in order to make Louisiana a better place to work, live and raise families. This chart represents a historical summary of our financing activities.

LPFA Private Activity Bond Volume, By Parish, 1974-2006

More than \$8.3 Billion for Business Development

A significant portion of our economic development work involves helping private entities finance their projects. In that regard, the LPFA has issued over \$8.3 billion in private activity bonds and industrial development bonds (IDBs) to finance more than 540 projects that have generated thousands of construction and permanent jobs in the state.

<i>Parish</i>	<i>Total Financed</i>	<i>Parish</i>	<i>Total Financed</i>
Acadia	\$ 9,500,000	Plaquemines	\$ 18,770,000
Allen	500,000	Pointe Coupee	1,700,000
Ascension	11,600,000	Rapides	33,775,000
Avoyelles	1,600,000	Richland	1,100,000
Beauregard	4,349,500	Sabine	10,800,000
Bienville	1,250,000	St. Bernard	9,478,594
Bossier	62,508,011	St. Charles	15,345,000
Caddo	543,098,374	St. Helena	1,000,000
Calcasieu	81,475,000	St. James	36,840,000
DeSoto	4,080,000	St. John the Baptist	14,505,000
East Baton Rouge	1,571,059,086	St. Landry	23,310,900
Evangeline	1,000,000	St. Martin	1,000,000
Franklin	1,500,000	St. Mary	2,425,000
Iberia	19,832,100	St. Tammany	73,910,000
Iberville	57,776,000	Tangipahoa	21,445,000
Jefferson	939,992,255	Tensas	595,000
Jefferson Davis	1,000,000	Terrebonne	27,820,000
Lafayette	268,500,000	Union	1,000,000
Lafourche	18,740,000	Vernon	6,400,000
Lincoln	105,428,500	Washington	3,000,000
Livingston	4,050,000	Webster	8,250,000
Natchitoches	6,100,000	West Baton Rouge	11,490,000
Orleans	2,161,034,325	Multiple Parishes	1,952,730,400
Ouachita	219,959,888	TOTAL	\$ 8,372,622,933

Fulfilling LPFA's Mission

Over the past 32 years, the LPFA has issued more than \$17 billion in bonds for projects and programs that serve as engines for economic development throughout Louisiana. This level of involvement has resulted in the creation of tens of thousands of jobs and provided Louisiana borrowers access to billions of dollars at lower than market rates.

Beyond the Authority's role as an "on behalf of" issuer of bonds, years of financing experience and the ability to respond to situations in a quick and efficient manner has brought coalition building and meaningful programming to the heart of the LPFA's economic development mission. The LPFA has been and will continue to be a support player to the Louisiana Department of Economic Development and regional and local economic development groups.

While responding to unprecedented disasters like Hurricanes Katrina and Rita was never contemplated by LPFA's founders, we quickly determined that helping bring back the economy and helping citizens put their lives back together fit perfectly into our mission. LPFA responded with a multitude of targeted programs and financings that reached thousands of citizens.

More than 247,000 jobs created since LPFA's inception

According to studies by Dr. James A. Richardson, LPFA loans have helped generate more than 247,000 new jobs and more than \$4.9 billion in additional personal earnings for the Louisiana economy since the organization's inception in 1974. Richardson's studies of



Whether it's a volunteer fire department or a parish library, public agencies across the state rely on the LPFA Zero Interest Local Government Bond Bank Program to help pay for community improvements.





LSU at Alexandria took a major step in improving its campus for current and future students by constructing its first-ever on-campus apartment complex. The Oaks of LSUA, which will house 256 students, will open fall semester 2007.

the LPFA determined that the organization facilitated economic development that led to creation of an average of 8,333 jobs per year from 1974 through 1998 and 7,745 jobs per year between 1999 and 2003. Dr. Richardson serves as Alumni Professor of Economics with LSU's E.J. Ourso College of Business and as Director of the College's Public Administration Institute.



Emily Singleton
Public Information/IT Manager

Total bonds issued in 2006: \$568.25 million

\$45,175,000

LPFA Refunding Revenue Bonds

(Pennington Medical Foundation Project)

Series 2006

Delivered: March 16, 2006

\$12,600,000

LPFA Variable Rate Demand Multifamily Housing Revenue Refunding Bonds

(Riverview Villas Project)

Series 2006

Delivered: April 3, 2006

\$22,500,000

LPFA Revenue Bonds

(Comm-Care Louisiana Project)

Series 2006

Delivered: April 25, 2006

\$1,000,000

LPFA Revenue Bonds

(La. Department of Health and Hospitals Drinking Water Revolving Loan Fund Match Project)

Series 2006

Delivered: May 18, 2006

\$13,260,000

LPFA Revenue Bonds

(GCGK Investments LLC Project)

Series 2006

Delivered: June 30, 2006

\$44,100,000

LPFA Revenue Bonds

(Loyola University Project)

Series 2006

Delivered: July 26, 2006

\$38,500,000

LPFA Revenue Bonds

(University of New Orleans Research and Technology – Student Housing Project)

Series 2006

Delivered: August 8, 2006

\$16,500,000

LPFA Revenue Bonds

(Pipeline Technology IV, L.L.C. Project)

Series 2006

Delivered: August 24, 2006

\$11,905,000

LPFA Revenue Bonds

(The Oaks of Alexandria, L.L.C – Louisiana State University at Alexandria Student Housing Project)

Series 2006

Delivered: October 10, 2006

\$59,300,000

LPFA Tax Exempt and Taxable Revenue Bonds

(Black and Gold Facilities Project – Grambling State University)

Series 2006-A

\$55,705,000

Series 2006-B

\$3,595,000

Delivered: October 24, 2006

\$1,500,000

LPFA Revenue Bonds

(La. Department of Health and Hospitals Drinking Water Revolving Loan Match Project)

Series 2005

Delivered: November 29, 2006





Communities across the state were busy in 2006 building new drinking water facilities through the Louisiana Department of Health and Hospitals' Drinking Water Revolving Loan Program. The LPFA helps fund the program through bond sales.



Pennington Biomedical Research Center in Baton Rouge, which focuses on nutrition-based research, finished construction of a new building financed through the LPFA.

\$169,450,000

LPFA Revenue Bonds

(Student Loan Revenue Bond Program)

Senior 2006 Series A-1

\$56,500,000

Senior Series A-2

\$56,500,000

Senior Series A-3

\$56,450,000

Delivered: December 6, 2006

\$17,700,000

LPFA Variable Rate Demand Revenue Bonds

(Diocese of Houma-Thibodaux Project)

Series 2006

Delivered: December 7, 2006

\$59,990,000

LPFA Revenue Bonds

(Millennium Housing, L.L.C. Student Housing and Auxiliary Facilities Project)

Series 2006

Delivered: December 13, 2006

\$19,570,173

LPFA Hospital Revenue Bonds

(Baton Rouge General Medical Center Project)

Series 2006A and 2006B

\$14,393,294

(General Health System Project)

\$5,176,879

Series 2006

Delivered: December 14, 2006

\$5,000,000

LPFA Water Revenue Bonds

(Ascension Water Company Project)

Series 2006

Delivered: December 19, 2006

\$3,500,000

LPFA Water Revenue Bonds

(LAWCO New Iberia Project)

Series 2006

Delivered: December 19, 2006

\$13,000,000

LPFA Revenue Bonds

(Air Products and Chemicals, Inc. Project)

Series 2006

Delivered: December 21, 2006

\$5,700,000

LPFA Taxable Revenue Bonds

(Black & Gold Facilities Project)

Series 2006C

Delivered: December 28, 2006

\$8,000,000

LPFA Multifamily Housing Refunding Revenue Bonds

(Linlake Ventures – Shadow Lakes Apartments Project)

Series 2006

Delivered: December 28, 2006

2006 Bond Issues

Pennington Medical Foundation Project

Proceeds from a \$45.17 million bond sale are helping the Pennington Medical Foundation to finance improvements to Pennington Biomedical Research Center in Baton Rouge.

River View Villas Project

A \$12.6 million bond sale is being used to repay previously issued bonds that helped build River View Villas Apartments, a multifamily residential rental facility in Orleans Parish.

Comm-Care Louisiana Project

Comm-Care Louisiana used proceeds from a \$22.5 million bond sale to acquire two nursing homes in Slidell and one in Litcher. The three nursing homes have the capacity to provide beds for a total of 418 current and future residents.

Drinking Water Revolving Loan Fund Match Project

Proceeds from a \$1 million bond sale were used by the Louisiana Department of Health and Hospitals as the state's matching funds to obtain additional grants from the U.S. Environmental Protection Agency to develop a new drinking water match fund. The department's purpose is to ensure the availability of clean drinking water in order to promote and protect health, safety and welfare.

GCGK Investments LLC Project

With the proceeds from a \$13.26 million bond sale, GCGK Investments is constructing a facility to store offshore drilling equipment. This bond sale falls under the federal Go Zone Act.

Loyola University Project

With the proceeds from a \$44.1 million bond sale, Loyola University will refinance capital improvements and equipment throughout its campus – including repairs to Carrollton Hall, a co-ed dormitory that provides 328 beds for students.





LPFA President Jim Parks and residents of St. Mary's Residential Training School in Alexandria, one of the nation's premier facilities for individuals with dual diagnoses of mental retardation and autism, enjoy a new home built with the financial assistance of the LPFA.



Roosevelt J. Leonard
Operations Assistant

University of New Orleans Research and Technology-Student Housing Project

Proceeds from this \$38.5 million bond sale are providing for planning, design and construction of residence facilities at the University of New Orleans. This includes all equipment, furnishings, fixtures and facilities.

Pipeline Technology IV, L.L.C. Project

This \$16.5 million bond sale is assisting Pipeline Technology IV, L.L.C. in constructing a new buried 115,000-foot pipeline. The carbon/steel pipeline will be dedicated to the transportation of benzene from the Dow Chemical Company in Plaquemine to Total Petrochemicals USA, Inc. in Carville.

The Oaks of Alexandria, L.L.C.—Louisiana State University at Alexandria Housing Project

Proceeds from this \$11.9 million bond sale will provide for a new set of residence facilities at Louisiana State University at Alexandria. The proceeds will cover construction as well as all equipment, furnishings and fixtures.

Black and Gold Facilities Project

A \$55.7 million bond sale will finance the construction of new residence hall facilities, the acquisition of an apartment complex,

parking facilities and sewer/water facilities at Grambling State University. The facilities will be made available to students, faculty and staff at Grambling. A separate \$3.6 million bond sale is funding a deposit to the maintenance reserve fund and is being used to pay costs of issuance and capitalized interest.

Drinking Water Revolving Loan Fund Match Project

Proceeds from a \$1.5 million bond sale were used by the Louisiana Department of Health and Hospitals as the state's matching funds to obtain additional grants from the U.S. Environmental Protection Agency to develop a new drinking water match fund.

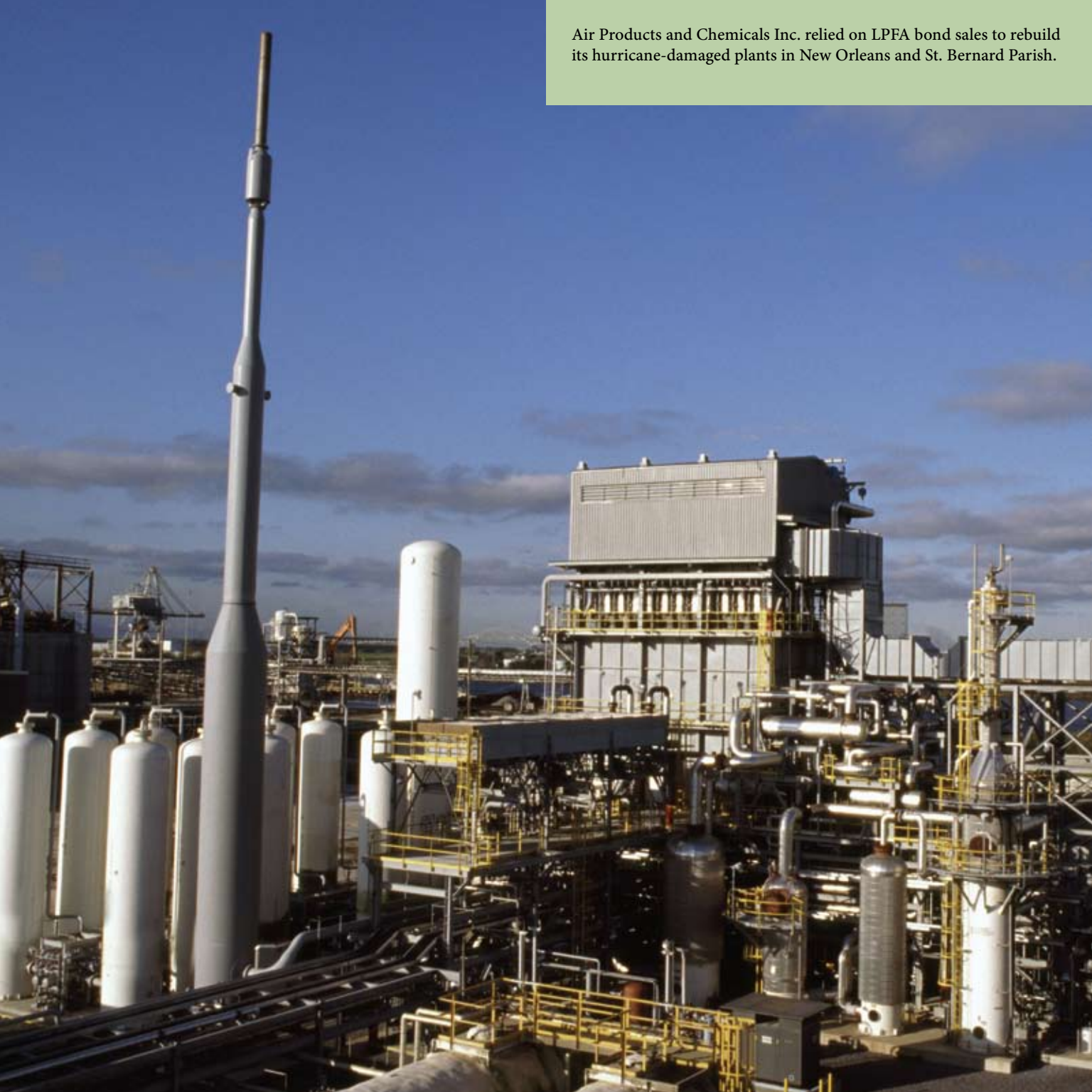
LPFA Student Loan Revenue Bonds

LPFA issued \$169.45 million in bonds to purchase or directly originate low-interest student loans for Louisiana students and parents.

Diocese of Houma-Thibodaux Project

A \$17.7 million bond sale is providing financing for the construction of diocesan administrative offices and meeting facilities, a gymnasium for E.D. White Catholic High School, cafetorium and offices at Maria Immacolata School, cafetorium and offices at St. Mary's Nativity School and the construction of a cafetorium at Holy Savior School.

Air Products and Chemicals Inc. relied on LPFA bond sales to rebuild its hurricane-damaged plants in New Orleans and St. Bernard Parish.





Martin Walke
VP of Economic
& Program Development

University of New Orleans' new residence hall will be home for more than 750 students in the fall 2007 semester.



Millennium Housing, L.L.C. Student Housing and Auxiliary Facilities Project

A \$59.99 million bond sale will finance the construction of a dormitory facility, parking lot, student intramural sports recreation complex, football and track support facility and a baseball field house at Southern University's main campus in Baton Rouge.

Baton Rouge General Medical Center Project

Bond sales of \$19.57 million will finance the acquisition of equipment for the center.

Ascension Water Company Project

A \$5 million bond sale will finance a portion of the costs of constructing improvements and extensions to the waterworks system in Ascension Parish.





Throughout 2006, the LPFA worked with its Lou Lease program clients to help them resettle in their hurricane-damaged homes throughout southern Louisiana.

LAWCO New Iberia Company Project

A \$3.5 million bond sale will finance a portion of the costs of constructing improvements, replacements and extensions to the waterworks system in Iberia Parish. The Louisiana Water Company is borrowing through the Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund Program.

Air Products and Chemicals Project

A \$13 million bond sale will finance the repair and reconstruction of existing facilities owned by Air Products and Chemicals in Orleans and St. Bernard parishes. The bonds are being sold through the terms of the Gulf Opportunity Zone Act of 2005.

Black and Gold Facilities Project

A \$5.7 million bond sale will finance the cost of building food services facilities at Grambling State University. The project is to include a dining hall, meeting rooms and other related facilities.

Linlake Ventures-Shadow Lakes Apartment Project

An \$8 million bond sale will be used to cover the costs of refinancing a 204-unit multi-family rental housing development known as Shadow Lake Apartments in Gretna.

Becky Harmon
Accountant

Emily Landry
Compliance Analyst



ECONOMIC DEVELOPMENT

Zero Interest Local Government Bond Bank Program

The LPFA's Zero Interest Local Government Bond Bank Program was created to assist local government entities in lowering the cost of financing capital expenditures. Local government officials work with local banks to obtain the most favorable loan rates, then come to the LPFA, which provides 15 percent of the total borrowing at no interest. The following entities participated in the LPFA Bond Bank Program in 2006:

Tangipahoa Parish Rural Fire Protection No. 2 borrowed \$90,000 for a new fire substation in the Independence area. The LPFA participated in \$13,000 of the borrowing, saving the parish \$1,424 in interest payments.

Webster Parish Fire Protection District No. 8 borrowed \$57,000 for improved fire-fighting facilities in Cotton Valley. The LPFA participated in \$8,000 of the borrowing, saving the district \$711 in interest payments.

St. Helena Parish Road District No. 5 borrowed \$200,000 for road and highway improvements. The LPFA participated in \$30,000 of the borrowing, saving the district \$3,585 in interest payments.

The City of Marksville borrowed \$150,000 for improvements to a recreational facility. The LPFA participated in \$22,000 of the borrowing, saving the city \$3,168 in interest payments.

St. Helena Parish Road District No. 4 borrowed \$484,000 for road and highway improvements. The LPFA participated in \$72,000 of the borrowing, saving the district \$5,526 in interest payments.

The City of Jennings borrowed \$500,000 to expand the 121-year-old Jennings Carnegie Public Library. The LPFA participated in \$75,000 of the borrowing, saving the city \$9,526 in interest payments.

Allen Parish Tourist Commission borrowed \$250,000 to renovate and restore the Leatherwood Museum in Oakdale. The LPFA participated in \$37,000 of the borrowing, saving the commission \$4,791 in interest payments.

Vermilion Parish borrowed \$72,000 to renovate and improve the Erath Branch Library. The LPFA participated in \$10,000 of the borrowing, saving the parish \$1,174 in interest payments.

City of Oakdale borrowed \$250,000 for operational costs. The LPFA participated in \$37,000 of the borrowing, saving the city \$6,932 in interest payments.



Communities frequently use LPFA programs to purchase public safety equipment and to build water treatment plants and other public facilities.

DeSoto Parish Fire Protection District No. 5 borrowed \$70,000 to acquire a new fire truck and fire protection equipment. The LPFA participated in \$10,500 of the borrowing, saving the parish \$293 in interest payments.

Tensas Parish borrowed \$75,000 to convert an industrial park into a meat processing plant. The LPFA participated in \$11,000 of the borrowing, saving the parish \$2,705 in interest payments.

Tangipahoa Parish Rural Fire Protection District No. 2 borrowed \$255,000 to purchase a fire truck and fire protection equipment. The LPFA participated in \$38,000 of the borrowing, saving the parish \$4,418.

Tangipahoa Parish Rural Fire Protection District No. 2 borrowed \$175,000 to purchase a fire truck and fire protection equipment. The LPFA participated in \$26,000 of the borrowing, saving the parish \$3,020.

St. Mary Parish borrowed \$500,000 to construct parking facilities for a new parish-owned golf course. The LPFA participated in \$75,000 of the borrowing, saving the parish \$10,142.

Concordia Parish Airport Authority borrowed \$31,675 to pay all amounts owed to the Internal Revenue Service. The LPFA participated in \$4,750 of the borrowing, saving the parish \$856.

Town of Lake Arthur borrowed \$250,000 to acquire a new garbage truck and dumpsters necessary to provide solid waste collection for residents of the town. The LPFA participated in \$37,000 of the borrowing, saving the issuer \$4,502.

City of DeRidder borrowed \$245,000 to purchase a new fire truck. The LPFA provided \$36,000 of the borrowing, saving the city \$4,107.

Avoyelles Parish borrowed \$300,000 to make improvements to Bunkie General Hospital. The LPFA provided \$45,000 of the borrowing, saving the city \$4,703.

Village of Cankton borrowed \$300,000 to finance the installation of a new municipal well. The LPFA provided \$45,000 of the borrowing, saving the parish \$5,877.

Town of Madisonville borrowed \$432,000 to finance extensions and improvements to its gas utility system. The LPFA provided \$64,000 of the borrowing, saving the town \$9,864.



Tangipahoa Rural Fire Protection District No. 2 borrowed \$180,000 to purchase a fire truck and other fire protection equipment. The LPFA provided \$27,000 of the borrowing, saving the issuer \$2,520.

These 21 entities will save a total of \$89,844 in interest payments through the LPFA's Bond Bank program. Since the program's inception in 1999, local government entities have saved more than \$1.1 million in interest costs.

Rural Development Zero Interest Loan Program

Community projects slated for Rural Development financing — sewer systems, water treatment plants and other construction projects — in most cases need interim financing before receiving permanent financing from the U.S. Department of Agriculture Rural Development. The LPFA Rural Development Zero Interest Loan Program provides up to 20 percent of those interim funds, at no interest, in partnership with local financial institutions. The following entities participated in the LPFA Rural Development Program in 2006.

Jefferson Davis Parish Water and Sewer Commission No. 1 needed financing to improve its drinking water system. Of the \$1.53 million borrowed, LPFA provided \$306,000 at zero percent interest, saving the commission \$13,311 in interest payments.

St. Landry Waterworks District No. 2 Rural needed financing for improvements and extensions to its waterworks system. Of the \$835,000 borrowed, LPFA provided \$167,000 at zero percent interest, saving the district \$4,898 in interest payments.

Southeast Waterworks District No. 2 of the Parish of Vermillion needed financing for improvements and extensions to its waterworks system. Of the \$2.7 million borrowed, LPFA provided \$543,000 at zero percent interest, saving the district \$24,775 in interest payments.

These three entities borrowed more than \$1 million through the LPFA Rural Development Zero Interest Loan Program and saved \$42,784 in interest costs. Since the program's inception in 2000, rural entities and communities, have saved over \$229,293 in interest.

While Hurricane Rita inflicted more than \$20 million damage to McNeese State University in Lake Charles, it couldn't hurt the pride and spirit of students and alumni, who paid to erect a statue of the school's mascot, the Cowboy. The university was able to reopen following the hurricanes and has repaired more than 90 percent of the damage wrought by Rita.





Christie K. Smith
Marketing Representative



Danielle Chauvin
Client Services Representative

Joni M. Leggio
Assistant Vice President



Brinda White
Assistant Vice President

Tricia A. Dubroc
VP of Student Loans &
Administration



Student Loans

Throughout 2006, Louisiana pushed forward to recover from the devastation it experienced during Hurricanes Katrina and Rita. Universities and colleges throughout the state have reopened their doors and have begun to rebuild their campuses. As students returned to the pursuit of their academic dreams, the Louisiana Education Loan Authority (Lela) has continued to fulfill its mission of making higher education more accessible and affordable to the people of Louisiana. By expanding its student loan program and assisting with the statewide recovery efforts, Lela has helped to bring the universities and students back.

Since 1984, the LPFA has issued over \$1.4 billion in bonds to help students finance their higher education. Through Lela, the LPFA's student loan division, more than 54,000 loans have been provided to students and parents since inception of the SuperTop Loan Program in 1995, offering these borrowers the opportunity to save more than \$144 million in interest, principal and fees.

Each year, thousands of students and parents choose to have their federal loans processed through Lela's SuperTop program because of the substantial interest rate discounts and other incentives. Based on 2006-07 interest rates, students could save more than 53 percent in

interest, rebates and fees on federal Stafford loans under the SuperTop program. Parents who take advantage of all the incentives could save over 41 percent interest and fees on PLUS loans.

In 2006, Lela provided over \$92 million in education loans to students and parents who have the potential to save over \$19 million by taking advantage of all Lela program incentives.

Hope Help and Healing for Hurricane-Impacted Areas

During the aftermath of Hurricanes Katrina and Rita, thousands of college students were displaced and campuses were heavily damaged. The Louisiana Board of Regents estimated that approximately 73,000 postsecondary students were displaced, with over 20,000 students enrolling in other institutions throughout the state.

To facilitate these students' transition back to college, Lela reached out to the hurricane-impacted borrowers through the media, Internet and air waves to keep borrowers informed and implemented measures to expand the student loan program to fit the growing need for financial assistance.



*“I graduated...
I graduated! It felt so, so
good, because I’m the first
one to graduate from college
from my family.”*

—Jessica Fajardo
University of New Orleans
Financial Aid Office



Lela coordinated a radio call-in show during February’s Financial Aid Awareness Month campaign that was aired on the four Guaranty Broadcasting Company stations in the Baton Rouge area. The program featured a panel of financial aid experts that included Gus Wales of the Louisiana Office of Student Financial Assistance, LSU Financial Aid Director Mary G. Parker and Lela Assistant Vice President Joni Leggio. During the program, the panel provided students with information about financial assistance opportunities for all students and reinstatement procedures for returning college and university students who had been displaced throughout Louisiana and other states.

Lela announced in July 2006, for the 2006-07 school year, that it would pay the new 1 percent “default” fee imposed by the government on federally-backed student loans. Absorbing the 1 percent default fee came on top of Lela’s existing policy of paying, on behalf of students, the 2 percent “origination” fee that the government assessed on student loan borrowers as well as offering other savings features during repayment for students and parents.

Lela informed borrowers that they were not required to make payments on their loans between the times the storms hit through February 28, 2006. The enormous impact of the hurricanes on Louisiana was evidenced by the fact that 14 percent of Lela’s outstanding student loan portfolio was eligible for the forbearance program implemented by the U. S. Department of Education.

In December 2006, LPFA issued \$169.45 million in bonds to expand the student-loan program in response to increasing demand and to help defray fee increases added by the federal student loan program. The bond sale was a positive sign that students were resuming their studies after being forced to flee Louisiana or temporarily drop out of college following the hurricanes. Students were returning to Louisiana colleges and universities!

By year end of 2006, Lela produced a documentary video that chronicled the impact the storms had on students, campuses and their financial aid advisors. The 20-minute documentary, titled “Hope Help and Healing,” tells the personal stories of three courageous students’ perseverance over the adversity of the storms’ destruction and the touching accounts of three devoted financial aid staff members’ painstaking effort to recover the operations of their respective universities. The video was distributed statewide to Louisiana citizens, colleges and other interested organizations.

Helping students achieve their dreams through Financial Aid Awareness Month (FAAM)

As part of Lela’s continuing effort to help students prepare for the financial issues associated with attending college, Lela reached out to high school seniors across Louisiana with a myriad of programs during its annual Financial Aid Awareness Month (FAAM) campaign in February 2006.



The Grad PLUS loan program allows graduate and professional students to borrow directly under terms of the existing federal PLUS program.



Ann Carmichael
Marketing Representative

The most popular of these programs was the “Cash for College” competition in which college-bound seniors wrote essays explaining how they plan to finance their higher education. Lela received a record number of essays in 2006 and winners were selected based on the research done and the quality and creativity of each essay.

Numerous scholarships totaling \$5,000 were awarded to winners of the “Cash for College” essay contest and through drawings of students who attended financial aid seminars or registered on Lela’s informational website during FAAM.

One of Lela’s FAAM outreach programs—a radio public service announcement—was honored in 2006 by the Southern Public Relations Federation (SPRF). Lela produced and distributed the 30-second PSA, which targeted high school seniors and their parents. The PSA explained how students and parents could obtain information about student loans and other college financial aid.

New Grad PLUS loans enhanced by Lela help meet changing needs

In July 2006, the federal government expanded its PLUS loan program so that graduate and professional-school students could borrow directly under terms of the existing federal PLUS program, which was previously available only to parents. This expanded loan was named “Grad PLUS.” Prior to the 2006 change, students pursuing post-graduate and professional degrees often turned to private loans if their federal aid was not adequate. These private loans are uninsured by the federal government and are more costly.

Following the federal government’s lead, Lela enhanced Grad PLUS loans by directly offering additional savings features if students obtained their Grad PLUS loans through Lela.

Based on interest rates effective July 1, 2006, Grad PLUS loans originated through Lela offer graduate and professional school students the opportunity to potentially save over 55 percent in interest, principal and fees on their Grad PLUS loans. For example, by taking advantage of the Lela interest rate incentives, a Grad PLUS borrower could reduce the 8.5% federally established interest rate to 5.25%. Those savings as well as other savings could be made by taking advantage of all of the incentives Lela offers under the program, which include:

- 0% Federal Default fee (Lela pays the 1% fee on behalf of the student borrower)
- Six-month interest rebate after borrower makes the first six consecutive, on-time payments (more than 4% savings)
- 3% interest rate reduction if initial 36 consecutive payments are made on time
- 0.25% interest rate reduction for signing up for auto-debit service

Through Lela’s saving-enhanced Grad Plus loan and other programs, Lela has continued to make a difference in student lives in Louisiana and fulfill its mission to make higher education, including graduate and professional school, more affordable and easier to access.





LPFA's complete financial statements for 2006 are presented on a CD-ROM for your convenience and can be viewed on a PC or MAC platform, in a PDF format. The format of these financial statements is an example of how the LPFA is using technology to cut costs, prevent waste and foster efficiency. For a printed version of these statements, please contact the LPFA's Public Affairs Division at (225) 923-0020 or (800) 228-4755 or visit the LPFA website at <http://www.lpfa.com>.



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