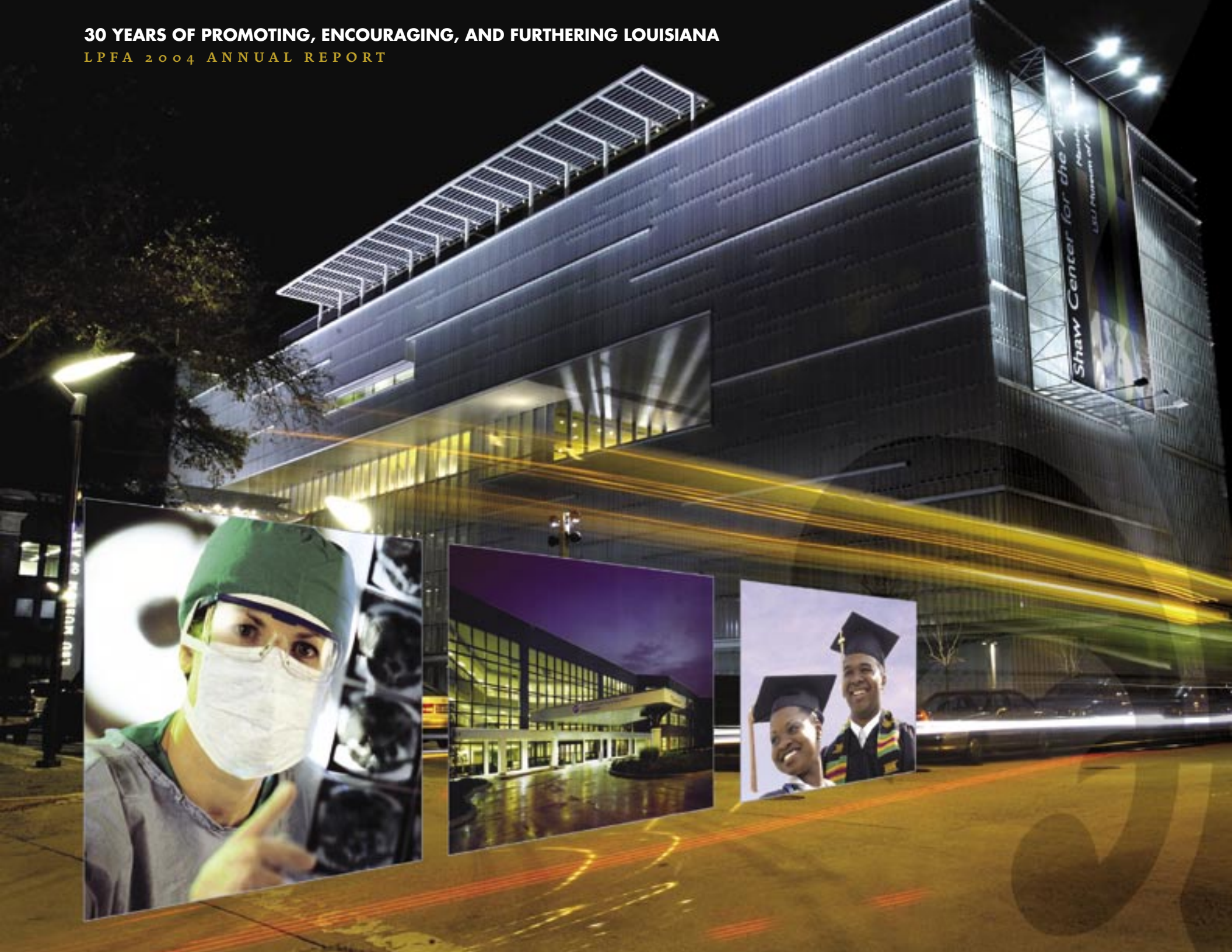


**30 YEARS OF PROMOTING, ENCOURAGING, AND FURTHERING LOUISIANA**  
LPFA 2004 ANNUAL REPORT



**Louisiana Public Facilities Authority**

2237 South Acadian Thruway, Suite 650

Baton Rouge, LA 70808

**p:** 225.923.0020

**p:** 800.228.4755

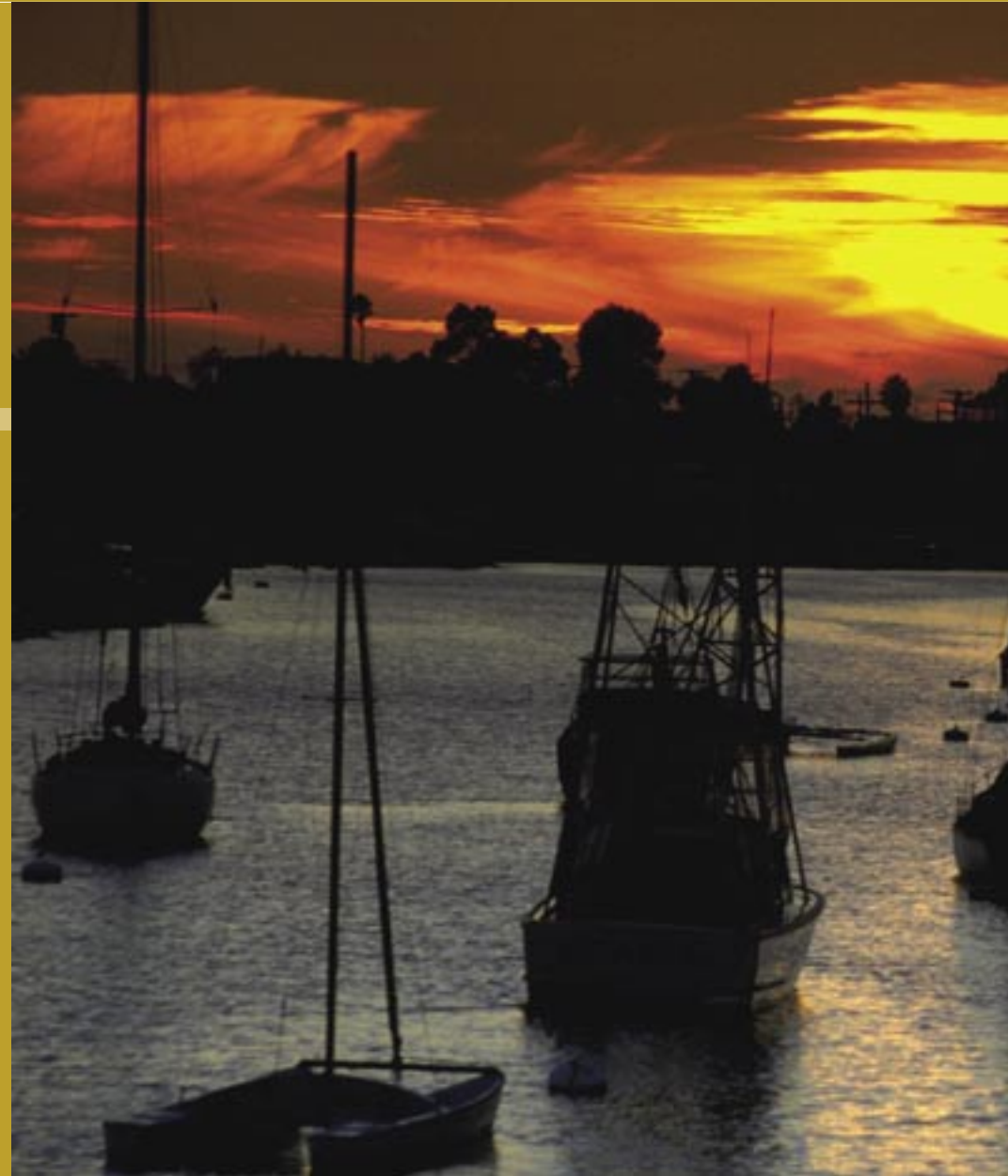
**f:** 225.923.0021

**e:** [info@lpfa.com](mailto:info@lpfa.com)

**[www.lpfa.com](http://www.lpfa.com)**

**[www.lela.org](http://www.lela.org)**

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# LPFA 2004 ANNUAL REPORT

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*Pictured from left to right: Thomas A. Antoon, Board of Trustees Chairman; James W. Parks II, President and CEO*

## **From The LPFA Management**

### **Dear Citizens of Louisiana:**

This 2004 Annual Report marks our 30<sup>th</sup> year of serving the people of Louisiana. From the \$1.3 billion rescue of the Louisiana Unemployment Compensation Fund to helping extend quality health care to citizens in rural communities, LPFA has been in the forefront of efforts to improve the quality of life for Louisiana people.

In this Annual Report, we have taken the opportunity to highlight some of the milestones in which the LPFA was involved over the past three decades. While many of the highlighted projects created hundreds of jobs and significant economic development, we are also proud of the many other projects that were of great importance to local communities.

As part of our 30<sup>th</sup> anniversary commemoration, Dr. James Richardson updated his 1999 economic impact study of LPFA's activities. This study identifies the enormous favorable impact that LPFA is having in creating jobs for Louisiana workers. Dr. Richardson reports that in the 1999-2003 period, LPFA financings facilitated economic activities that led to the creation of an average of 7745 jobs per year and additional personal earnings of \$202.3 million per year.

As we recognize some of our accomplishments since 1974, we should not ignore the many projects that our organization helped make possible in 2004, a year during which we facilitated the sale of \$596 million in bonds, boosting our 30-year issuance total to \$16.02 billion. With the support of Governor Kathleen Babineaux Blanco, we sold \$151.9 million in bonds and used those revenues to provide tens of thousands of Louisiana students with discounted student loans that enable them to pursue their dreams by earning college degrees. LPFA also paid over \$2.9 million in federally imposed origination fees on behalf of our student borrowers.

Our first 30 years have been extremely rewarding and beneficial to the people of Louisiana. We now look to the future with total dedication to our goal of helping make Louisiana a better place for its citizens.

Sincerely,

## LPFA Board of Trustees: January–December 2004

*Thomas A. Antoon  
Chairman*



*Owen E. Brennan, Jr.  
Vice Chairman*



*Lemon Coleman, Jr.  
Secretary-Treasurer*



*Above: Hermann Moyse, Jr.*

*Middle column (from top to  
bottom): Camille A. Cutrone;  
P.J. "Pete" deGravelles;  
J. Hubert Dumesnil.*

**In December 2004 and  
January 2005, Gov. Kathleen  
Babineaux Blanco appointed  
four new members to the  
LPFA Board of Trustees:**

John D. Bernhardt

Jerome Boykin

Carl Douglas Clark

J.J. "Jerry" McKernan

*Please visit our web site, [lpfa.com](http://lpfa.com), for  
information about these new Trustees.*

## LPFA Staff



Top row (from left to right): Brinda White, Assistant VP of Student Loans; Joni M. Leggio, Assistant VP of Student Loans; Stacy L. Bradford, Executive Assistant; Becky Harmon, Accountant; Christie K. Smith, Marketing Representative; B. Ann Carmichael, Compliance Analyst; Adrienne B. Bowser, Administrative Coordinator; Sandra Scott, Client Services Representative.

Middle picture (from left to right) LPFA management: Pam D. Hutchinson, VP of Public Affairs; James W. Parks II, President and CEO; Tricia A. Dubroc, VP of Student Loans & Administration.

Left column (from top to bottom): Brinda White, Assistant VP of Student Loans; Emily Landry, Administrative Assistant; GERALYN KING, Administrative Assistant; Roosevelt J. Leonard, Operations Assistant.





**LPFA 1974-2004: LPFA is proud to present a few of the milestones experienced during our three decades of serving the people of Louisiana.**

## 1974

LPFA is created by a private corporation as a public trust with the state of Louisiana as its beneficiary and issues \$7.7 million in bonds on behalf of the St. Charles General Hospital of New Orleans.

## 1974



LPFA is created specifically to issue bonds on behalf of the St. Charles General Hospital in New Orleans as there was no mechanism in place to sell bonds for such projects. The hospital has become a 156-bed general acute care facility serving thousands of patients.

### 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 has never received any tax or other appropriation from the State of Louisiana for its operations, as it is a self-supporting entity that operates solely on revenues generated by fees on bonds issued through the LPFA. 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 financial audits of the LPFA are submitted to 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 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.

### Laying the Foundation



Billy L. Gordon (front center) and Paul S. Gravel (front center right), part of the Executive Management team, pose for this 1980's photo with the Board of Trustees (left to right): Thomas A. Antoon, Florice Barron, Victor Bussie, Owen E. "Pip" Brennan, Jr. and C.C. "Chuck" Dabadie.

**1978**

Methodist Hospital in New Orleans finances major improvements and today is a 344-bed, full-service, acute-care facility, offering a full range of inpatient and outpatient diagnostic services.

**1980**

Doctors' Hospital in Opelousas uses proceeds from an \$8 million bond sale to build a new, modern hospital for area residents.

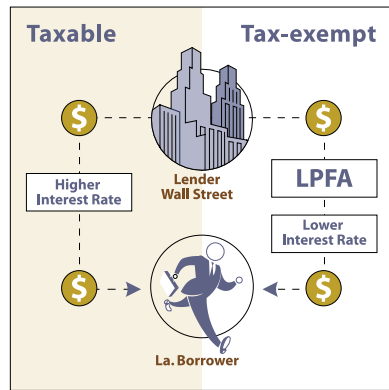
**1981**

A \$19.5 million LPFA bond sale finances a new residential health care living facility for elderly citizens in Baton Rouge. Today, St. James Place has become a 368-bed facility with expanded services and special needs care.

**1983**

An \$86.9 million bond sale helps the Sisters of Charity Health Care System finance major capital improvements and equipment for their hospitals in Alexandria, Lake Charles, Shreveport and Newellton.

**The purposes of the LPFA are to promote, encourage and further the accomplishment of all activities that are or may become beneficial to the State of Louisiana.**

**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.





**1984**

The Glen Retirement System in Shreveport expands housing facilities for seniors with a \$3 million LPFA bond sale. It now serves more than 400 residents.

**1984**

LPFA begins its education loan program for Louisiana students and parents by issuing bonds to fund secondary market student loan purchases.

**1987**

Record \$1.3 billion LPFA bond sale rescues Louisiana Unemployment Compensation Fund, enabling the state to continue paying benefits while saving taxpayers hundreds of millions of dollars.

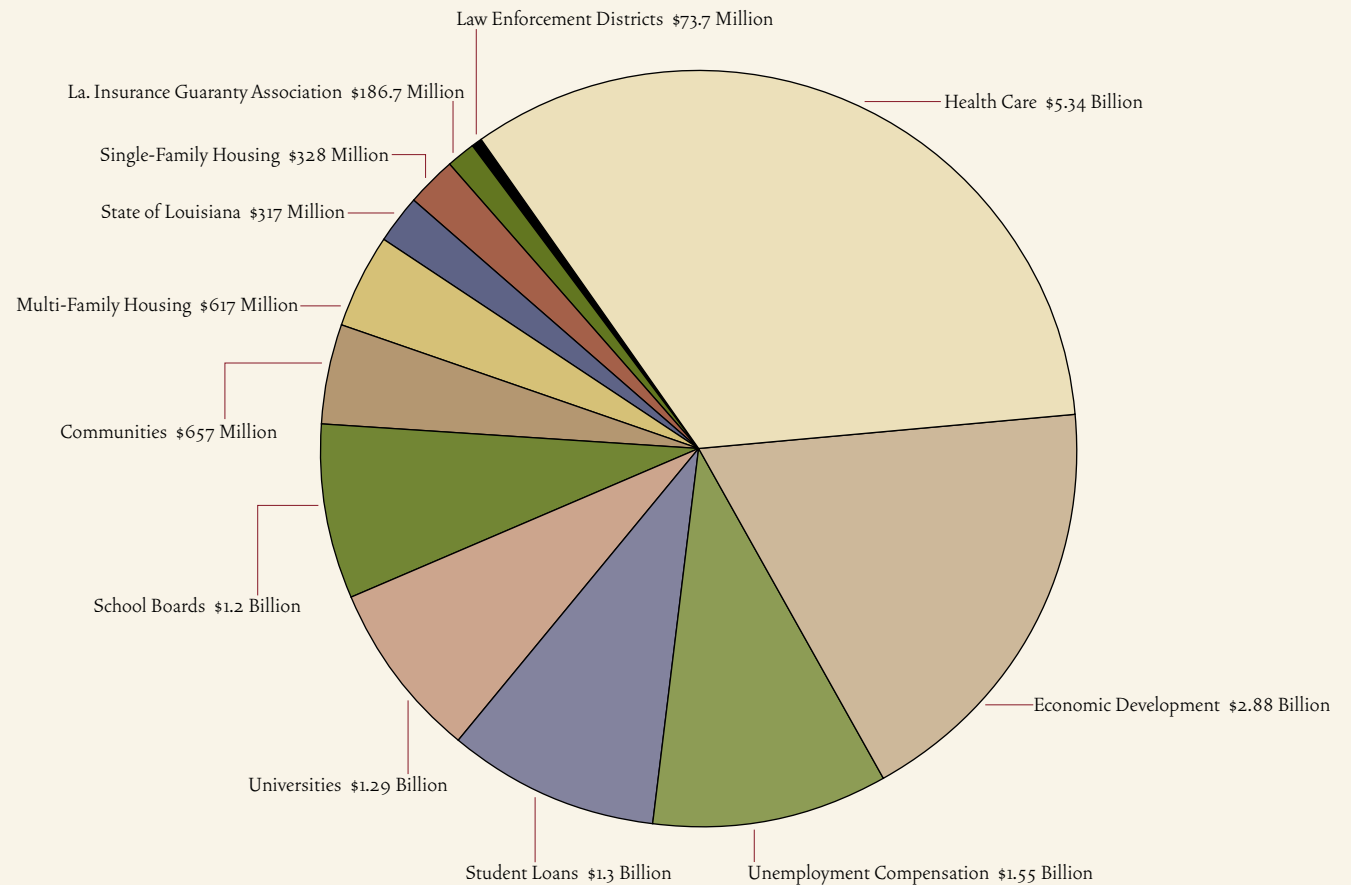
**1988**

LPFA helps pioneer business incubators in the state through a \$300,000 investment that helps the Louisiana Business and Technology Center open on the LSU Baton Rouge campus. The LBTC provides services to help new businesses succeed.

**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 our families. This chart represents a historical summary of our financing activities.

FROM ITS INCEPTION IN 1974, THE LPFA HAS ISSUED OVER \$16 BILLION IN BONDS.



**“Jobs and personal earnings are the bottom line in terms of defining economic progress. LPFA during its first 25 years (1974 through 1998) facilitated economic activities that led, on average, to an additional 8,333 jobs per year and additional personal earnings of \$158.6 million per year for the Louisiana economy. From 1999 through 2003 LPFA facilitated economic activities that led to an average of 7,745 jobs per year and additional personal earnings of \$202.3 million per year.”**

—James A. Richardson, PhD.

### Fulfilling LPFA’s Mission

In its 30 years of operation, the LPFA has issued over \$16 billion in bonds for projects and programs that serve as engines for economic development throughout Louisiana, resulting in the creation of tens of thousands of jobs and access to billions of dollars at lower than market interest 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 efforts. The LPFA has been and will continue to be a support player to the state Department of Economic Development and regional and local economic development groups.

### Studies point to LPFA’s massive impact on Louisiana’s economy

Studies by Dr. James A. Richardson, distinguished economist with

LSU’s E.J. Ourso College of Business Administration, show that since its inception LPFA helped create hundreds of thousands of jobs and pump billions of dollars into Louisiana’s economy. Dr. Richardson performed an economic impact study in 1999 as LPFA marked its 25<sup>th</sup> anniversary. Four years later, he performed a follow-up study in recognition of LPFA’s 30<sup>th</sup> anniversary. Based on Dr. Richardson’s data, LPFA activities over the past 30 years helped generate more than 247,000 new jobs and more than \$4.9 billion in additional personal earnings for the Louisiana economy.

### More than \$734 Billion for Business Development

The LPFA has issued over \$734 billion in private activity bonds and Industrial Development Bonds (IDBs) to finance more than 515 projects that have generated tens of thousands of construction and permanent jobs in the state.

LPFA’S AVERAGE ANNUAL ECONOMIC IMPACT ON THE STATE OF LOUISIANA (1999 – 2003)*			
SUPPORT BY INDUSTRIAL CLASSIFICATION	BUSINESS TRANSACTIONS (IN MILLIONS OF \$)	HOUSEHOLD EARNINGS (IN MILLIONS OF \$)	JOBS CREATED (NUMBER OF JOBS)
Agriculture and Mining	\$ 10.5	\$ 2.4	119
Construction	295.8	109.9	4,415
Manufacturing	76.2	14.8	394
Transportation and Public Utilities	37.4	8.9	226
Wholesale and Retail Trade	66.0	23.6	1,027
Finance, Insurance, and Real Estate	50.1	6.4	208
Business and Personal Services	115.5	36.3	1,356
<b>TOTAL</b>	<b>\$ 651.5</b>	<b>\$ 202.3</b>	<b>7,745</b>

\*From Dr. Richardson’s 2004 report discussed above. Copies of Dr. Richardson’s reports are available on LPFA’s web site, [www.lpfa.com](http://www.lpfa.com).

1989

\$333 million from Local Government Capital Funding Program (CAPS) is made available to Louisiana School Boards for interim funding during the state's two-month delay of public school Minimum Foundation Program payments. The restructuring of CAPS prevented a cash-flow crisis and enabled the State of Louisiana to generate several million dollars in investment earnings.

1990

The LPFA provides financial support to the Academic Distinction Fund in Baton Rouge. The ADF provides grants to teachers and schools and sponsors education programs for educators.

1990

The LPFA helps establish the Louisiana Tax free Shopping Program, which helps promote the state tourism industry and businesses by providing thousands of foreign visitors with tax rebates.

1990



The LPFA provides the New Orleans Symphony Orchestra with a \$75,000 grant that is enhanced with matching funds from other sources.

1990



LPFA provides \$350,000 in startup funds for project and planning studies that develop into the Aquarium of the Americas, Species Survival Center and other projects of the Audubon Institute in New Orleans.

LPFA Private Activity Bond Volume By Parish, 1974-2004			
Parish	Total financed	Parish	Total financed
1. Acadia	\$9,500,000	25. Plaquemines	\$18,770,000
2. Allen	500,000	26. Pointe Coupee	1,700,000
3. Ascension	6,600,000	27. Rapides	21,870,000
4. Avoyelles	1,600,000	28. Richland	1,100,000
5. Beauregard	4,349,500	29. Sabine	10,800,000
6. Bienville	1,250,000	30. St. Bernard	9,478,594
7. Bossier	58,408,011	31. St. Charles	15,345,000
8. Caddo	543,098,374	32. St. Helena	1,000,000
9. Calcasieu	81,475,000	33. St. James	1,840,000
10. DeSoto	4,080,000	34. St. John the Baptist	14,505,000
11. East Baton Rouge	1,453,768,913	35. St. Landry	23,310,900
12. Evangeline	1,000,000	36. St. Martin	1,000,000
13. Franklin	1,500,000	37. St. Mary	2,425,000
14. Iberia	16,332,100	38. St. Tammany	73,910,000
15. Iberville	57,665,000	39. Tangipahoa	21,445,000
16. Jefferson	939,992,255	40. Tensas	595,000
17. Jefferson Davis	1,000,000	41. Terrebonne	14,560,000
18. Lafayette	268,500,000	42. Union	1,000,000
19. Lafourche	18,740,000	43. Vernon	6,400,000
20. Lincoln	40,428,500	44. Washington	3,000,000
21. Livingston	4,050,000	45. Webster	8,250,000
22. Natchitoches	6,100,000	46. West Baton Rouge	11,490,000
23. Orleans	2,057,834,325	47. Multiple Parishes	1,324,410,400
24. Ouachita	219,959,888		





Total Bonds Issued In 2004: \$596 Million			
\$10,500,000	<b>LPFA Equipment and Capital Facilities Pooled Loan Program Revenue Bonds</b> <i>(Regina Coeli Child Development Center)</i> Taxable Series 2004B • \$3,500,000 Delivered: May 27, 2004  <i>(Waldo Burden Home)</i> Series 2004A • \$3,500,000 Delivered: September 21, 2004  <i>(Stuart Hall)</i> Series 2004A • \$3,500,000 Delivered: September 21, 2004	\$151,900,000	<b>LPFA Student Loan Revenue and Revenue Refunding Bonds</b> Senior 2004 Series A-1 • \$24,000,000 Series A-2 • \$47,900,000 Taxable Senior 2004 Series B-1 • \$80,000,000 Delivered: June 30, 2004
		\$6,000,000	<b>LPFA Refunding Revenue Bonds</b> <i>(Tulane University of Louisiana Project)</i> Series 2004B Delivered: July 7, 2004
\$500,000	<b>LPFA Revenue Bonds</b> <i>(Drinking Water Revolving Loan Fund Match Project)</i> Series 2003 Delivered: March 18, 2004	\$51,470,000	<b>LPFA Advance Funding Notes</b> <i>(School Board Advance Funding Program)</i> Series 2004A—East Baton Rouge Parish School Board - \$4,965,000 Series 2004B—Lafayette Parish School Board - \$4,965,000 Series 2004C—City of Monroe School Board - \$3,325,000 Series 2004D—Orleans Parish School Board - \$31,470,000 Series 2004E—Plaquemines Parish School Board - \$3,475,000 Series 2004F—St. James Parish School Board - \$2,980,000 Series 2004G—Tensas Parish School Board - \$290,000 Delivered: October 7, 2004
\$5,725,874	<b>LPFA Revenue Bonds</b> <i>(Biomedical Foundation of Northwest Louisiana)</i> Series 2004A • \$4,599,610 Series 2004B • \$1,126,264 Delivered: March 24, 2004		
\$90,000,000	<b>LPFA Revenue Bonds</b> <i>(Tiger Athletic Foundation Project)</i> Series 2004 Delivered: March 31, 2004	\$6,000,000	<b>LPFA Water Revenue Bonds</b> <i>(Louisiana Water Company Project)</i> Series 2004 Delivered: November 30, 2004
\$28,670,000	<b>LPFA Refunding Revenue Bonds</b> <i>(Tulane University of Louisiana Project)</i> Series 2004A Delivered: April 1, 2004	\$205,710,000	<b>LPFA FHA Insured Mortgage Revenue Bonds</b> <i>(Baton Rouge General Medical Center Project)</i> Series 2004 Delivered: December 8, 2004
\$6,315,049	<b>LPFA Revenue Bonds</b> <i>(General Health System Foundation Project)</i> Series 2004A • \$2,899,654 Series 2004B • \$3,415,395 Delivered: May 4, 2004	\$25,000,000	<b>LPFA Revenue Bonds</b> <i>(Air Products and Chemicals Project)</i> Series 2004 Delivered: December 23, 2004
\$1,000,000	<b>LPFA Revenue Bonds</b> <i>(Drinking Water Revolving Loan Fund Match Project)</i> Series 2003 Delivered: May 27, 2004	\$7,605,000	<b>LPFA Revenue Bonds</b> <i>(Tivoli Place Apartments Project)</i> Series 2004 Delivered: December 30, 2004







**1991**

LPFA helps New Orleans host the 1992 U.S. Olympic Track & Field Trials with a \$100,000 grant and \$250,000 bridge loan to refurbish Tad Gormley Stadium.

**1991**

Farmerville lands the 1,400-job Con Agra Corporation's poultry processing plant with help from the LPFA.

**1991**

LPFA donates \$250,000 for the renovation of Louisiana's historic Old State Capitol in Baton Rouge. This magnificent castle-like structure ranks among Louisiana's most visited tourist attractions.

**2004 Bond Issues****LPFA Equipment and Capital Facilities Loan Program**

Smaller borrowers join together in a single bond issue to take advantage of lower interest rates and to save money on issuance costs. LPFA made available a total of \$10.5 million through this program to three entities:

- \$3.5 million to **Regina Coeli Child Development Center** to construct a new Head Start facility in Slidell. Regina Coeli operates 15 Head Start and Early Head Start preschools in southeast Louisiana, serving approximately 1,700 children and employing more than 400 staff in a five-parish area.
- \$3.5 million to **The Waldo Burden Home**, in Jefferson Parish, for constructing, acquiring, and equipping a 7,200 square-foot dormitory and renovating existing facilities.
- \$3.5 million to **Stuart Hall**, an independent, non-profit school for destitute orphan boys in New Orleans. The school will construct, equip, and furnish a 19,900 square-foot two-story multi-purpose gym, renovate existing buildings, and build a wall to surround its property.

**Drinking Water Revolving Loan Fund Match Project**

The LPFA provided a total of \$1.5 million in 2004 for the Louisiana Department of Health and Hospitals' Drinking Water Revolving Loan Fund Match Project. A \$500,000 bond issue in March 2004 and a \$1 million bond issue in May 2004 were used as matching funds so the state could obtain grants from the U.S. Environmental Protection Agency to finance new and improved drinking water systems.

**Biomedical Research Foundation of Northwest Louisiana Project**

Through the LPFA Hospital and University Financing Program, the LPFA provided the Biomedical Research Foundation of Northwest Louisiana \$5.72 million to acquire and install medical and research equipment.

**Tiger Athletic Foundation Project**

The LPFA marketed \$90 million in bonds for the Tiger Athletic Foundation for major improvements to LSU's Tiger Stadium. These improvements include a football operations center, a new press box, and construction of a three-tiered club seating area.

**Tulane University Projects**

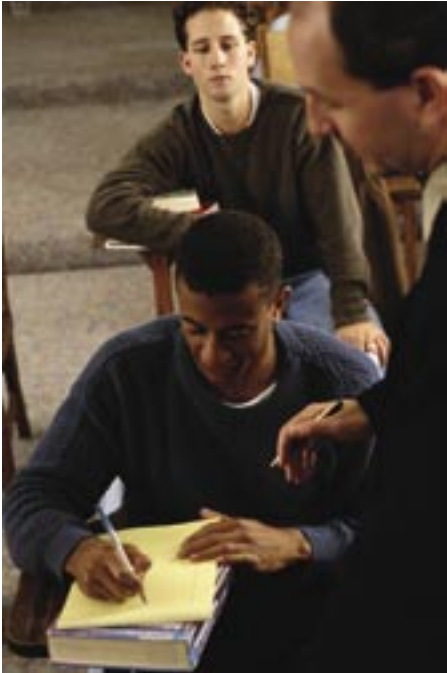
LPFA bond issues of \$28.7 million and \$6 million are helping Tulane University save money by taking advantage of lower interest rates.

**General Health System Foundation Project**

The LPFA made \$6.3 million available to the General Health System Foundation to finance the acquisition and installation of medical equipment for its Baton Rouge facilities.



1992	1992	1993	1999
Woman's Hospital in Baton Rouge uses a \$19.4 million LPFA bond sale to fund five phases of renovations, expansions and new construction.	The Enterprise Center of Louisiana, a small business incubator, opens in Carencro with the assistance of a \$200,000 contribution from LPFA.	The LPFA issues \$136.7 million in bonds to rescue the Louisiana Insurance Guaranty Association from financial difficulties. The bond sale enables LIGA to timely pay all claims to policyholders.	Dr. James A. Richardson, a distinguished economist with LSU's E.J. Ourso College of Business Administration, said in his report of LPFA's first 25 years of operation: "LPFA has facilitated economic activities that have led, on average, to an additional 8,333 jobs per year and additional personal earnings of \$158.6 million per year for the Louisiana economy."



**LPFA Student Loan Revenue and Revenue Refunding Bonds**

A total of \$151.9 million in bonds was issued to provide Louisiana students and parents with low-interest student loans through the Louisiana Education Loan Authority (Lela) SuperTop Student Loan Program.

**School Board Advance Funding Program**

A total of \$51.47 million was borrowed in 2004 by the school boards of East Baton Rouge, Lafayette, Orleans, Plaquemines, St. James and Tensas parishes, as well as the City of Monroe School Board. The LPFA provided funding to the school boards at greatly reduced rates to cover expenses occurring prior to receipt of property tax revenues.

**Louisiana Water Company Project**

Proceeds from a \$6 million bond issue were used to finance construction and acquire improvements to the waterworks system in and around New Iberia.

**Baton Rouge General Medical Center Project**

The Baton Rouge General Medical Center is using an LPFA bond issue of \$205.7 million to refund existing bonds and to finance a portion of the costs of an expansion and renovation at its acute-care hospital facilities in Baton Rouge.

**Air Products and Chemicals Project**

Air Products and Chemicals will use proceeds from this \$25 million bond sale to pay for a variety of infrastructure projects at the company's Louisiana facilities.

**Tivoli Place Apartments Project**

Proceeds from this \$7.6 million bond sale will be used for acquisition, construction, renovation, and equipping of a 166-unit apartment complex for low income, elderly, and disabled residents in New Orleans.

**1999**

The Louisiana Rural Loan Fund, a component of the Louisiana Rural Health Access Program, is created with a \$500,000 10-year no interest loan from LPFA and a \$99,000 grant from the USDA Rural Business Enterprise to help improve access to primary health care services for residents of rural parts of Louisiana.

**1999**

The Tiger Athletic Foundation adds 11,000 seats to LSU Tiger Stadium with revenue from a \$43.5 million LPFA bond sale. This makes Tiger Stadium one of the largest college football stadiums in the nation.

**1999**

LPFA's emergency short-term loan of \$800,000 averts South Cameron Memorial Hospital's shutdown, saving jobs and keeping in operation the only hospital in a 70-mile radius in Cameron Parish.

**2000**

LPFA provides a \$1.5 million interest-free loan for the Advanced Technology Center at the University of New Orleans lakefront campus which is the first multi-tenant office building to be erected in New Orleans in over a decade.

**2004 Economic Development****Zero Interest Local Government Bond Bank Program**

The LPFA's zero interest Local Government Bond Bank Program was created to assist local governmental 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 a portion of the total borrowing at no interest. The following entities participated in a Bond Bank financing in 2004:

**St. Mary Parish Waterworks District No. 5** borrowed \$500,000 to acquire improvements and extensions to its waterworks system. The LPFA participated in \$75,000 of the financing, saving the district \$9,935 in interest.

**Jefferson Davis Parish Police Jury** borrowed \$500,000 to acquire road maintenance equipment. The LPFA participated in \$75,000 of the financing, saving the parish \$9,196 in interest payments.

**City of DeRidder** borrowed \$500,000 to construct and acquire extensions and improvements to its waterworks system. The LPFA participated in \$75,000 of the financing, saving the city \$7,214 in interest payments.

**Town of Arnaudville** borrowed \$400,000 to construct improvements to its water treatment plant, sewage disposal plant, and Town Hall. The LPFA participated in \$60,000 of the financing, saving the town \$7,203 in interest.

**St. Charles Parish School Board** borrowed \$460,000 to purchase computers. The LPFA participated in \$69,000 of the financing, saving the school board \$5,557 in interest payments.

**Acadia Parish Mosquito Control Sales Tax District No. 3** borrowed \$300,000 to acquire a truck and other equipment and facilities for a mosquito control program. The LPFA participated in \$45,000 of the financing, saving the district \$5,093 in interest payments.

**Caddo Parish Fire Protection District No. 1** borrowed \$389,000 to purchase emergency medical vehicles. The LPFA participated in \$45,000 of the financing, saving the district \$4,647 in interest payments.

**City of Plaquemine** borrowed \$300,000 to purchase a fire truck. The LPFA participated in \$45,000 of the financing, saving the city \$4,308 in interest payments.

**City of Tallulah** borrowed \$350,000 to pay engineering costs for improvements to its sewer system. The LPFA participated in \$45,000 of the financing, saving the city \$4,041 in interest payments.

**LaSalle Parish School District No. 1-A** borrowed \$400,000 to construct an addition to Jena High School. The LPFA participated in \$60,000 of the financing, saving the district \$3,897 in interest payments.

**2000**

An \$11.7 million LPFA bond sale for the University of New Orleans Research and Technology Foundation completes the second phase of the Space & Naval Warfare Command Center on its lakefront campus. The center creates more than 1,500 high-tech jobs, representing an estimated annual economic impact of \$272 million.





**2001**

The LPFA donates \$600,000 to establish the LPFA Chair in Nutrition at the Pennington Biomedical Research Center in Baton Rouge. Along with \$400,000 provided by the state, it forms a \$1 million permanent endowment to support a nationally recognized researcher bringing jobs and educational opportunities to Louisiana.

**St. Tammany Parish Fire Protection District No. 9** borrowed \$260,000 to acquire and improve facilities and equipment providing fire protection. The LPFA participated in \$39,000 of the financing, saving the district \$3,728 in interest.

**Town of Rosepine** borrowed \$250,000 to construct improvements and extensions to its waterworks plant and distribution system. The LPFA participated in \$37,000 of the financing, saving the town \$3,523 in interest.

**Town of Abita Springs** borrowed \$250,000 to acquire and construct improvements and extensions to its sewer system. The LPFA participated in \$37,000 of the financing, saving the town \$3,514 in interest payments.

**LaSalle Parish Hospital Service District No. 1** borrowed \$171,000 to acquire hospital and medical equipment. The LPFA participated in \$25,000 of the financing, saving the district \$3,162 in interest payments.

**Jefferson Davis Parish Fire Protection District No. 4** borrowed \$210,000 to acquire and equip fire trucks and tankers. The LPFA participated in \$31,000 of the financing, saving the district \$2,644 in interest payments.

**2002**

Ochsner Clinic uses a \$340 million LPFA bond sale to expand in New Orleans, Baton Rouge, Gonzales and St. Tammany Parish. Ochsner now operates 24 clinics in the region.

**Allen Parish Recreation District No. 2** borrowed \$200,000 to construct, improve, and renovate its recreation facilities, and to acquire equipment and furnishings. With the LPFA's \$30,000 of the financing, the district saved \$2,100 in interest.

**Acadia Parish Fire Protection District No. 7** borrowed \$80,000 to acquire and equip a fire truck, and to build a substation to house the vehicle. The LPFA participated in \$12,000 of the financing, saving the district \$1,548 in interest payments.

**Lincoln Parish Waterworks District No. 2** borrowed \$80,000 to construct and acquire extensions and improvements to its waterworks system. The LPFA participated in \$12,000 of the financing, saving the district \$1,480 in interest.

**Acadia Parish Fire Protection District No. 1** borrowed \$60,000 to acquire and equip a fire truck. The LPFA participated in \$9,000 of the financing, saving the district \$817 in interest.

**Town of Grand Coteau** borrowed \$46,400 to acquire a tract of land for public purposes. The LPFA participated in \$6,900 of the financing, saving the town \$812 in interest payments.

**These 20 entities borrowed \$832,900 through the LPFA's Zero Interest Bond Bank Program, saving \$84,419 in interest costs.**

**2002**

LPFA provides a \$6.9 million bond issue to renovate and improve the renowned Canal Street of New Orleans. The funds are used to replace sidewalks, provide landscaping and add lighting along Canal Street from the Mississippi River to Claiborne Avenue.

**2003**

In an effort to help keep college graduates working in Louisiana, LPFA joins with Entergy and the Baton Rouge Business Report to sponsor the "Louisiana Graduates Ready to Work" publication and web site that connect graduates and employers in Louisiana.

**2003**

An LPFA bond issue of \$13.6 million helps school boards and other governmental entities across Louisiana save on their energy costs and protect the environment through a partnership with the Louisiana Department of Natural Resources.

**2003**

The LPFA provides \$1 million to the state through its Drinking Water Revolving Loan Fund Match Project to be used as matching funds so that the state can obtain grants from the Environmental Protection Agency (EPA). The grants from EPA will be used to help finance new and improved drinking water systems for residents in Louisiana.

**2003**

LPFA provides an additional \$300,000 interest free loan to the Rural Loan Fund administered by the Southeast Louisiana Area Health Education Center to help improve access to primary health care services for residents of rural parts of Louisiana. This is in addition to the \$500,000 interest free loan granted in 1999.



### **Rural Development Zero Interest Loan Program**

Community projects slated for Rural Development financing must have 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 Zero Interest Loan Program in 2004.

#### **Vermilion Parish Waterworks District No. 1 (Indian Bayou)**

needed interim financing to build an extension to its waterworks system. Of \$2.27 million borrowed, the LPFA financed \$339,000, saving the district \$3,170 in interest.

#### **St. Martin Parish Waterworks District No. 3**

needed interim financing for the construction and acquisition of a waterworks system. Of \$1.82 million borrowed, the LPFA financed \$273,000, saving the district \$5,855 in interest.

#### **Town of Duson**

needed interim financing for the construction and acquisition of improvements and extensions to its sewage system. Of \$1.27 million borrowed, the LPFA financed \$189,000, saving the town \$2,866 in interest.



**2004**

General Health Systems, Inc. uses a portion of a \$205.7 million LPFA Bond issue to expand its Baton Rouge General Medical Center at the Bluebonnet location. The expansion project will nearly double the number of patient beds at the hospital from the existing 105 beds to 193 beds.

**Vermilion Parish Waterworks District No. 1 (Intracoastal City, Esther and Forked Island Water System Project)** needed interim financing for the construction and acquisition of improvements to its waterworks system. Of \$2.1 million borrowed, the LPFA financed \$328,000, saving the district \$1,810 in interest.

**Family and Children's Center in Avoyelles Parish** needed financing for the construction of an early childhood development and family center. Of the \$725,000 borrowed, the LPFA provided \$108,750, saving the center \$3,271 in interest payments.

**Town of Springfield** needed interim financing for the construction and acquisition of a sewerage system. Of \$1.53 million borrowed, the LPFA financed \$229,000, saving the town \$4,723 in interest payments.

**Caddo Parish Waterworks District No. 7** needed financing for the construction and acquisition of improvements to its waterworks system. Of \$643,000 borrowed, the LPFA financed \$96,000, saving the district \$2,259 in interest.

**Town of Pollock** needed interim financing for the construction and acquisition of improvements and extensions to its waterworks system. Of \$930,000 borrowed, the LPFA financed \$139,000, saving the town \$2,003 in interest payments.

**2004**

The LPFA issues \$5.7 million in bonds on behalf of the Biomedical Research Foundation of Northwest Louisiana for medical equipment in its Shreveport and Baton Rouge medical and research facilities.

**Town of Cheneyville** needed interim financing for the construction and acquisition of improvements and extensions to its waterworks system. Of \$850,000 borrowed, the LPFA financed \$127,000, saving the town \$1,398 in interest.

**City of Kaplan** needed interim financing for the construction and acquisition of improvements and extensions to its sewerage facilities. Of \$2.5 million borrowed, the LPFA provided \$375,000.

**Avoyelles Parish Water Commission** needed interim financing for a portion of the costs of constructing and acquiring a water supply and distribution facility. Of \$10 million borrowed, the LPFA provided \$1 million.

**These 11 entities borrowed more than \$1 million through the LPFA Rural Development Zero Interest Loan Program, for a potential savings of \$27355 in interest costs.**

**2004**

To help commemorate LPFA's 30<sup>th</sup> anniversary, Dr. James A. Richardson updates his earlier study of the LPFA's economic impact on Louisiana. The updated study determined that LPFA activities from 1999 to 2003 led to an average of 7,745 jobs per year and additional personal earnings of \$202.3 million per year.





### 1984 LPFA enters the student loan arena

June 1, 1984

LPFA enters the student loan arena as Louisiana's only statewide secondary market with the issuance of \$40 million in tax-exempt bonds. From 1984 to 1993 the LPFA purchases over \$300 million in student loans from over 75 Louisiana lenders.

1991

LPFA issues tax-exempt bonds on behalf of the Louisiana Association of Independent Colleges and Universities (LAICU) Alternative Loan Program. Over 3,000 students benefit from the \$10.1 million issued to assist in meeting the cost of higher education. The six LAICU schools participating are: Centenary, Tulane, Loyola, Dillard, LA College, and Xavier.

1992

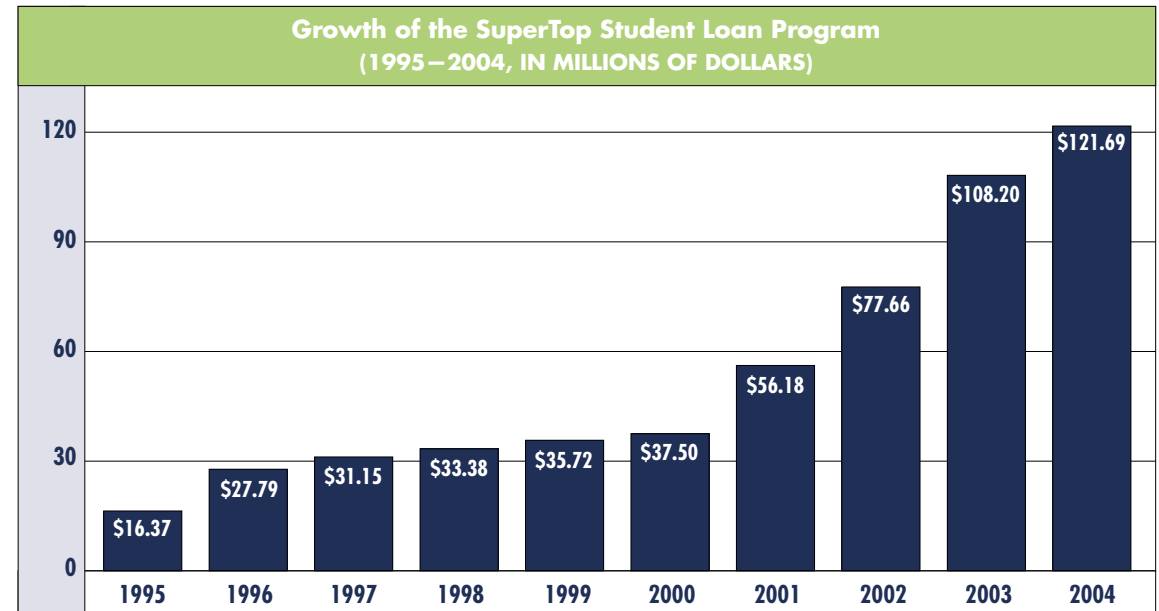
The Louisiana Opportunity Loan Program (LAOP) is created by the Louisiana Legislature to provide low-interest college loans to students from middle income families in Louisiana. The LPFA is able to leverage a legislative appropriation to issue bonds which fund \$12 million in loans benefiting more than 4,500 students.

### 2004 Student Loans

LPFA continues to provide discounted federally backed student loans through its student loan division—Louisiana Education Loan Authority (Lela). The loan incentives are offered through the SuperTop program which plays a major role in helping Louisiana students finance their college education. SuperTop loan volume has soared from \$16.37 million in 1995 to \$121.69 million in 2004.

The program was so popular in 2004 that Gov. Kathleen Babineaux Blanco authorized the LPFA to sell an additional \$50 million in tax-exempt bonds to meet the demands of Louisiana students and parents.

Based on the 2004 interest rate, borrowers had an opportunity to save as much as 89 percent in interest and fees over the life of their loan. LPFA's SuperTop program has given student and parent borrowers the opportunity to save over \$71.6 million in interest payments and fees.



## 1993

LPFA establishes the Trust Origination Program (TOP) to originate student loans directly on behalf of lenders throughout Louisiana. As of December 2004, the program has 48 lender participants who have branches in 29 parishes in Louisiana.

## 1995

The TOP program becomes SuperTop and expands to offer discounted student loans directly to students and parents as well as through referral banks. LPFA creates access to the first low-cost student loan program in Louisiana and becomes the second lender in the country to offer discounts on student loans.

## 1998

To more effectively market LPFA's discounted student loan program, LPFA begins marketing its SuperTop program under the name Louisiana Education Loan Authority (Lela).

## 1999

SuperTop savings incentives are enhanced to offer students and parents a 3 percent interest rate reduction after 42 timely payments are made.



### How SuperTop reduces the cost of borrowing

The LPFA issues tax-exempt bonds to fund the SuperTop Program and passes the savings from the tax-exempt financing to the student and parent borrowers through various savings incentives.

#### In 2004, SuperTop savings incentives included:

- The LPFA pays the federally required 3 percent origination fee assessed on all Title IV Stafford Loans, offering the student immediate savings upfront. Savings to students in 2004 totaled over \$2.9 million.
- A 3 percent interest rate reduction is offered during repayment to students and parents who make their initial 36 monthly payments on time.
- An auto-debit interest rate reduction of 0.25 percent for borrowers who automatically debit monthly repayments from their bank account is offered to students and parents.
- Rebates totaling up to 6 percent of the Stafford loan principal amount are offered to students who live and work in Louisiana after graduation through the Graduates Choose Louisiana Reward Program.
- Parent PLUS borrowers receive a rebate of the first six months of interest payments if certain timely payments are made.
- A 1 percent interest rate reduction on consolidation loans is offered to borrowers making their initial 48 monthly payments on time.



### Reaching students and parents

The increasing awareness of LPFA's SuperTop loan program has come about by offering:

- Some of the best savings incentives in the nation.
- Partnerships with non-profits whose mission is to offer exceptional customer service.
- Extensive outreach efforts by the marketing staff.

The staff takes a grassroots approach to marketing through efforts such as visiting schools and establishing a visible presence at fairs. LPFA also works to engage high school seniors in its popular essay contest: "Cash for College – Live Smart, Learn More." Contest winners are awarded scholarships.

LPFA worked with the Office of the Governor in 2004 to have the Governor proclaim February as Financial Aid Awareness Month in an effort to inform high school students and their parents that there are numerous funding opportunities for a college education. During that month, LPFA staff members launched a campaign across the state and participated in many public events designed to give students and parents information about the numerous financial aid programs that are available to fund a college education. LPFA's outreach efforts also included distributing public service announcements, press notices and appearances on television and radio news programs.



## 2000

SuperTop saving incentives for parent and student borrowers are increased by offering a 3 percent interest rate reduction after only 36 timely payments are made. Presently, the Lela savings incentives are some of the best in the nation.

## 2001

LPFA and the Governor launch the Higher Education Loan Program for Teachers (HELP Teachers) by reserving \$10 million in tax-exempt bond proceeds to make zero percent interest student loans to qualified full-time teachers within a Louisiana public school system (Pre-K through 12<sup>th</sup> grade).

## 2003

In an effort to stop the out-migration of Louisiana college graduates to other states, the LPFA and the Governor join to create the Graduates Choose Louisiana Reward Program, allowing Louisiana college graduates to receive rebates of up to 6 percent of their student loans by living and working in Louisiana after graduation.

## 2004

Since entering the student loan arena in 1984, LPFA has been able to provide education loans to more than 370,000 students and parents and give borrowers in the SuperTop program the opportunity to save over \$71.6 million in interest payments and fees. Up-front savings to student borrowers totalled over \$2.9 million in 2004.

### Top 10 Lela schools in 2004—Based on loan volume

	Loan Volume	Potential Savings*
LSU-Baton Rouge	\$23,166,821	\$4,330,009
Southeastern Louisiana University	8,888,262	1,661,266
Loyola University of Louisiana	8,510,066	1,590,579
LSUHSC-New Orleans	7,777,957	1,453,744
Delgado Community College	7,382,211	1,379,777
University of La at Lafayette	6,315,647	1,180,430
Southern University—New Orleans	6,234,520	1,165,267
Tulane University/Law School	5,980,911	1,117,866
University of New Orleans	4,600,923	859,938
Grambling State University	4,387,048	819,964
	\$83,244,366	\$15,558,839

\* Potential savings figures are based on borrowers taking advantage of all LPFA SuperTop program savings incentives.





In 2004, we celebrated 30 years of issuing over \$16 billion in bonds to further education, healthcare, economic development and job creation in Louisiana. Thank you for being an invaluable partner in helping us make Louisiana a better place to work and live. It's been our pleasure and privilege to serve you.

**thank you**

# LPFA 2004 ANNUAL REPORT

## 2004 Financial Statements



LPFA's complete financial statements for 2004 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 1-800-228-4755.

