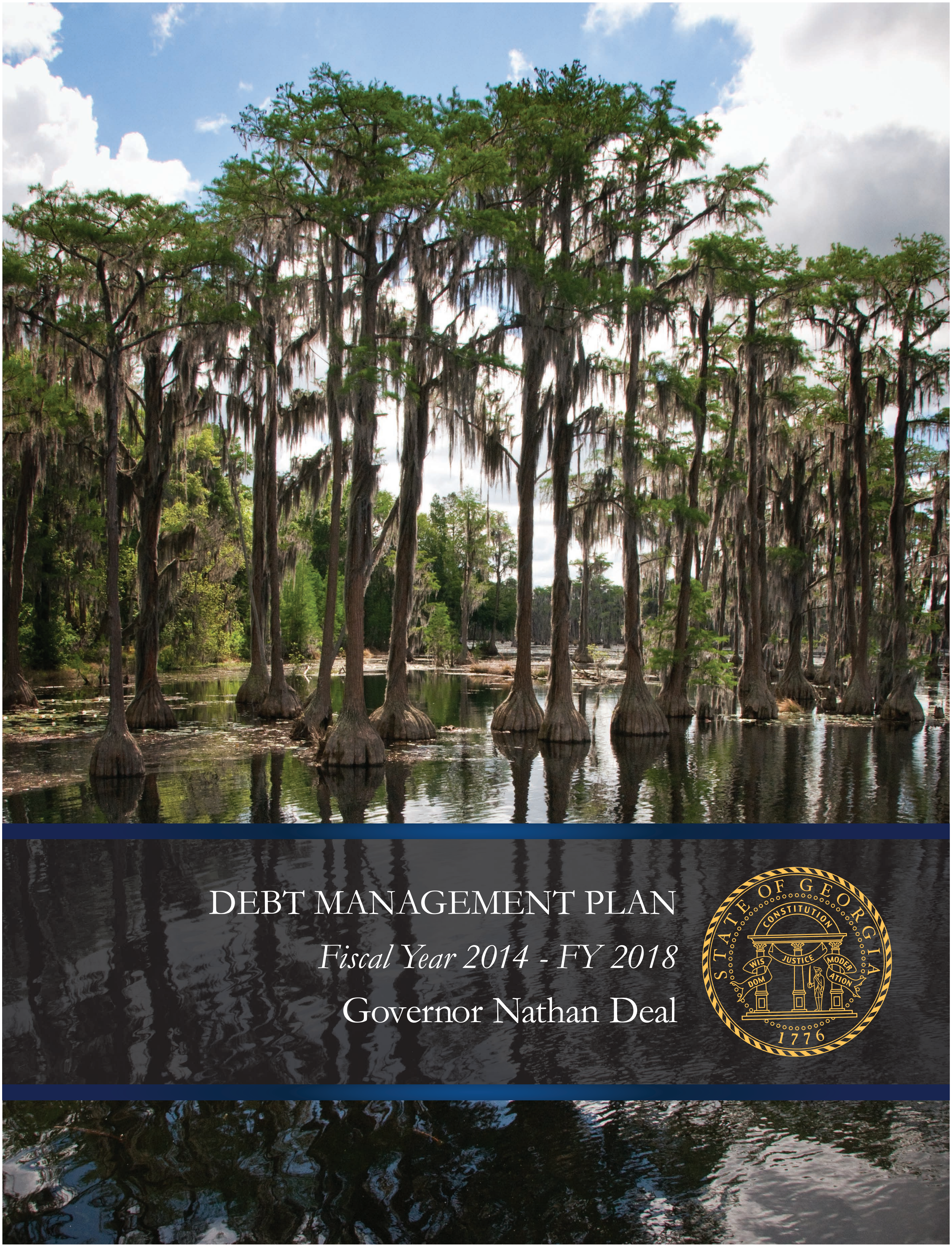

DEBT MANAGEMENT PLAN

Fiscal Year 2014 - FY 2018

Governor Nathan Deal

STATE OF GEORGIA
DEBT MANAGEMENT PLAN
FY 2014 – FY 2018

Georgia State Financing and Investment Commission

Governor Nathan Deal, Chairman

January 15, 2014

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GEORGIA STATE
FINANCING AND INVESTMENT COMMISSION

Members

GOVERNOR NATHAN DEAL - Chairman

LIEUTENANT GOVERNOR CASEY CAGLE - Vice Chairman

GREG S. GRIFFIN - State Auditor and Secretary, Treasurer of the Commission

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Financing and Investment Division

DIANA POPE – Director

PUBLIC RESOURCES ADVISORY GROUP – Independent Financial Advisor

Construction Division

STEVE STANCIL – Director & Executive Secretary to the Commission

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STATE OF GEORGIA
DEBT MANAGEMENT PLAN
FY 2014 – FY 2018

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STATE OF GEORGIA DEBT MANAGEMENT PLAN
FY 2014 – FY 2018

EXECUTIVE SUMMARY

Each year, the Georgia State Financing and Investment Commission (the "Commission") issues its debt management plan ("the Plan") which provides a five-year projection of the State of Georgia's (the "State") general obligation and guaranteed revenue bond issuances and the debt service requirements for all outstanding debt and projected new debt issuances. The Plan covers the current fiscal year and the four succeeding fiscal years. The resulting projected annual debt service requirements are compared to the actual treasury receipts of the State for the immediately preceding fiscal year and projected future treasury receipts of the State to determine the ratio of debt service requirements to the prior year's State treasury receipts. This ratio, which is established by the Constitution of the State (the "Constitution") at a maximum of 10%, but which for various reasons discussed within the Plan is limited to a maximum of 7% by Commission policy, along with several other ratios discussed in the Plan, serves as a guide for the Governor and the General Assembly in their consideration of the authorization of new State debt during the budget preparation, review, and adoption process. Projected issuances of new debt may be increased or decreased depending on the capital needs of the State and projections of estimated treasury receipts in future years.

The Plan establishes that based upon the current and projected interest rate environment and projected revenues of the State, additional State general obligation and/or guaranteed revenue debt of up to $850 million per fiscal year ("FY" – from July 1 of any calendar year through June 30 of the immediately following calendar year, using the June 30 date as the fiscal year designation) is possible throughout the period covered by the Plan without exceeding the debt service ratio, as shown in the table below.

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Historical and Projected Annual New Bond Authorizations (millions)									
$1,005	$1,182	$852	$632	$808	$850	$850	$850	$850	$850
Historical and Projected Highest Annual Debt Service Ratios (as a % of prior year Treasury Receipts)									
6.6%	7.2%	7.8%	7.0%	6.6%	6.4%	6.6%	6.4%	6.3%	6.3%

While not State general obligation and guaranteed revenue debt subject to the debt service ratio, various authorities of the State are authorized by State law to enter into multi-year obligations secured by authority revenue. When these obligations take the form of debt as defined by the Act which created the Commission, any such proposed debt is subject to review and approval by the Commission prior to it being incurred by the authority. These obligations, which are commitments of the issuing authority, are payable solely from the revenues of the project or issuing authority and are non-recourse to the State. The obligations of State authorities are discussed in more detail in a later section of the Plan.

There are other types of multi-year obligations which, although they do not meet the statutory definition of debt, sometimes are considered debt of the State, or debt of the University System of Georgia ("USG"), by the credit markets and rating agencies. The two primary types of such obligations are capital lease obligations of State agencies, and the debt of foundations and cooperative organizations associated with the USG and its institutions. In compliance with various Statements of the Governmental Accounting Standards Board ("GASB"), most of these obligations are reflected in the State's Comprehensive Annual Financial Report ("CAFR").

To ensure that the Commission is aware of these other obligations, State authorities and agencies should update the Commission each year of any new obligations which they intend to incur during the upcoming fiscal year, the balance owed on those obligations previously incurred by the authority or agency, and the annual payments on these obligations during the period covered by the Plan for each year.

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CONSTITUTIONAL AND STATUTORY FRAMEWORK FOR STATE DEBT

Prior to the adoption in 1972 of an amendment to the Constitution, the State's capital outlay needs were met through the issuance of revenue bonds by ten separate State authorities with these bonds being secured by lease rental agreements between the issuing authority and one or more State departments and/or agencies. In November 1972, the electorate of the State approved a comprehensive amendment (the "1972 Amendment") to the Constitution which permitted the State to finance its capital outlay needs directly through the issuance of general obligation debt and the previous practice was discontinued and any potential future such financings were prohibited by the 1972 Amendment. With the passage of the 1972 Amendment and the statutory implementation of the 1972 Amendment by the General Assembly through the enactment of the Georgia State Financing and Investment Commission Act in 1973 (the "Commission Act"), the State was granted the ability to issue general obligation and guaranteed revenue debt backed by the full faith and credit of the State. The ability to directly issue general obligation bonds and guaranteed revenue bonds enabled the State to achieve higher credit ratings on its own general obligation bond issues, and thus lower interest rates, than State Authority revenue bond debt secured by lease obligations which were subject to annual appropriations of the General Assembly.

With the subsequent ratification by the electorate of a new Constitution in 1983, the ratio of maximum fiscal year aggregate debt service to prior year State treasury receipts was lowered to 10% from its previous level of 15%. Since 1983, there have been additional amendments to the State debt provisions of the Constitution. These amendments include: allowing general obligation bonds or guaranteed revenue bonds to be issued for the purpose of making loans to local government entities for water or sewerage facilities or systems or for regional or multijurisdictional solid waste recycling or solid waste facilities or systems, allowing for multiyear contracts for energy efficiency or conservation improvement projects (effective January 1, 2011), and allowing for multiyear lease agreements for real property (effective January 1, 2013).

The 1972 Amendment, the Commission Act, and the Constitution (as amended) establish the parameters regarding the issuance of general obligation and guaranteed revenue debt. These parameters establish a firm foundation for the high credit ratings assigned by the rating agencies to the State's debt and contribute to the high regard in the credit market for the State's bonds. Some of the key provisions include:

- the 10% limit on the ratio of maximum aggregate debt service to prior year State treasury receipts;
- a description of capital projects which can be funded with general obligation and guaranteed revenue bonds;
- a requirement that maximum annual debt service for proposed new bonds be appropriated at the time the bonds are authorized;
- a requirement for full appropriation each fiscal year of an amount sufficient to pay the aggregate debt service coming due for that year;
- a provision that debt service appropriations for new bond authorizations that were not issued do not lapse at the end of the fiscal year in which they were authorized;
- a provision for repeal, prior to their issuance, of bond authorizations by the General Assembly;

- limitations on how general obligation and guaranteed revenue bonds may be refunded to ensure no increase in debt service in any future year and to prohibit the extension of maturities as a result of the refunding;
- limitations on cash flow borrowing;
- a prohibition against issuance of any new bonds backed by authority lease agreements as was utilized by the State prior to the 1972 Amendment;
- a provision which provided that should, for any reason, the amount appropriated for debt service payments be insufficient to make all payments due with respect to general obligation debt, that the first revenues thereafter received in the general fund of the State be set aside to the extent necessary to cure any such deficiency; and
- an explicit right established by the Constitution for any general obligation bond holder to bring suit, if necessary, to compel the appropriate state fiscal officer to meet the obligation to set aside the first revenues received after a determination that insufficient funds have been set aside for payment of all payments due with respect to general obligation debt of the State.

The issuance of all State debt, which includes debt issued by State authorities, is subject to approval by the Commission. The Commission is comprised of seven members with Commission officer designations established in the Constitution. The Governor of the State serves as Chairman of the Commission, the President of the Georgia State Senate serves as Vice-Chairman, and the State Auditor serves as Secretary and Treasurer. The other members of the Commission are the Attorney General, the Commissioner of Agriculture, the Speaker of the House of Representatives, and the State Treasurer.

Pursuant to the Constitution and the Commission Act, the Commission is charged with the following responsibilities:

- the issuance of all public debt of the State,
- the proper application of the proceeds of such debt to the purposes for which it is incurred,
- the investment of all proceeds to be administered by it,
- providing financial advisory services to State authorities and agencies,
- providing construction services for general obligation bond funded projects for State agencies, and
- additional responsibilities as provided by law.

The Constitution provides for the issuance by the State of both general obligation debt and guaranteed revenue debt. The Constitution establishes that the full faith, credit and taxing power of the State is pledged to the repayment of both of these types of public debt. During the legislative session each year, the General Assembly may authorize new general obligation debt to be issued by the State and/or guaranteed revenue debt to be issued by various authorities of the State. The Constitution also provides for the issuance of revenue debt which may be issued by certain State authorities as authorized by State statute. Non-guaranteed revenue debt does not carry the backing of the full faith, credit and taxing power of the State; rather, such debt is secured solely by revenues generated by the specific projects that are being funded.

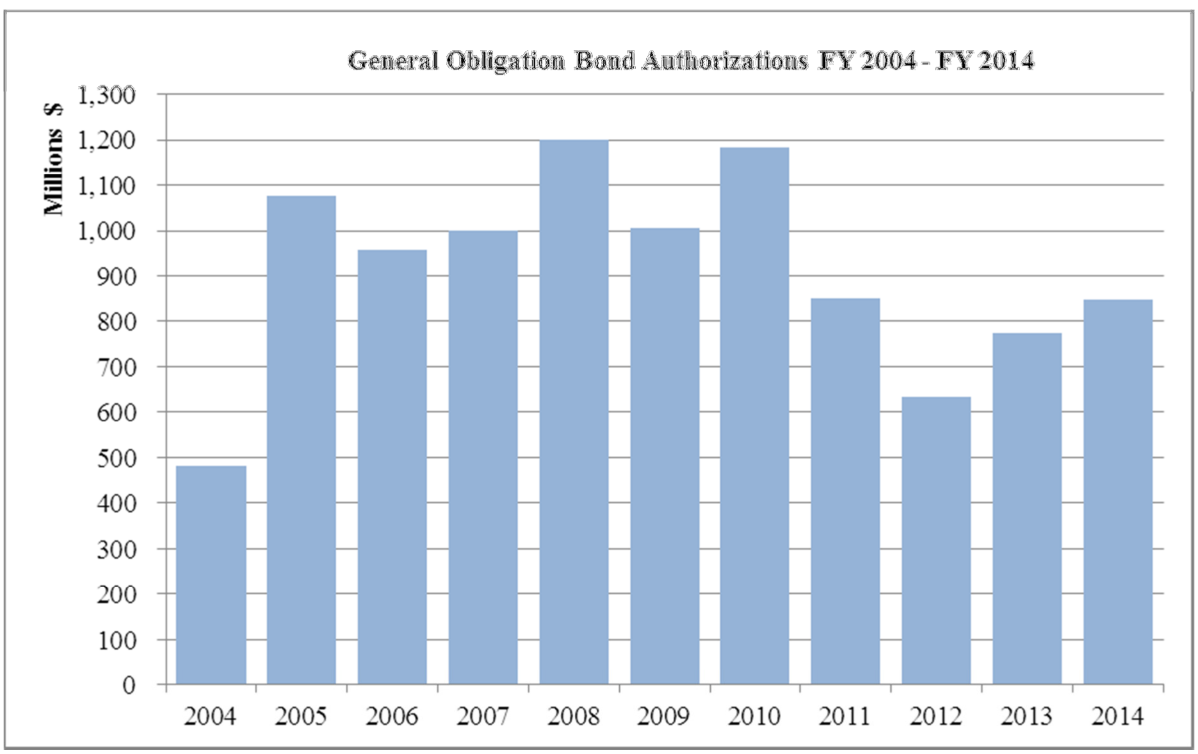
General Obligation Debt

The Constitution limits the use of general obligation debt to the following purposes:

- to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of certain State authorities;
- to provide educational facilities for county and independent school systems and for public library facilities for county and independent school systems, counties, municipalities, and boards of trustees of public libraries or boards of trustees of public library systems; and,
- to make loans to counties, municipal corporations, political subdivisions, local authorities, and other local government entities for water or sewerage facilities or systems, or for regional or multi-jurisdictional solid waste recycling or solid waste facilities or systems.

For the first two purposes described above, the State Constitution limits the term of general obligation debt to 25 years. In practice, however, the General Assembly typically approves the issuance of bonds with a 20-year final maturity for major construction and renovation projects, or for a shorter final maturity for minor repair projects and capital equipment needs in order to more closely match the useful life of specific projects and equipment with the bonds.

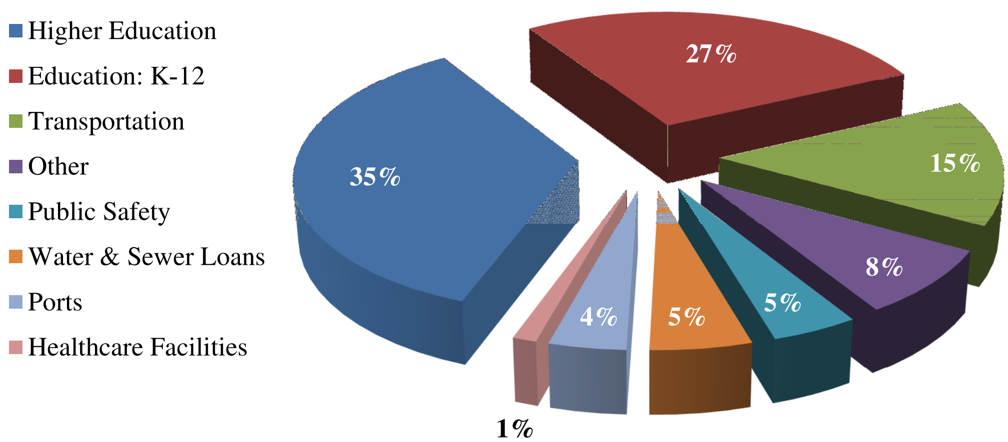
The following chart depicts the general obligation bonds authorized for the period FY 2004 through FY 2014.



General obligation debt cannot be incurred unless the General Assembly first enacts legislation that states the purpose(s), in either general or specific terms, for which the general obligation bonds are to be issued, specifies the maximum principal amount of the bonds, and appropriates funds in an amount sufficient to meet the highest annual debt service requirement to amortize such bonds within the specified not-to-exceed time frame. Unless bond authorizations are repealed by the General Assembly prior to the bonds being issued, authorizations for bonds, and the appropriations made for debt service, do not lapse for any reason and continue in effect until the debt for which the appropriation was authorized has been incurred.

The following chart shows how the FY 2004 – FY 2014 debt authorizations were distributed among major functions and programs of the State.

FY 2004-2014 General Obligation Debt Authorizations by Type

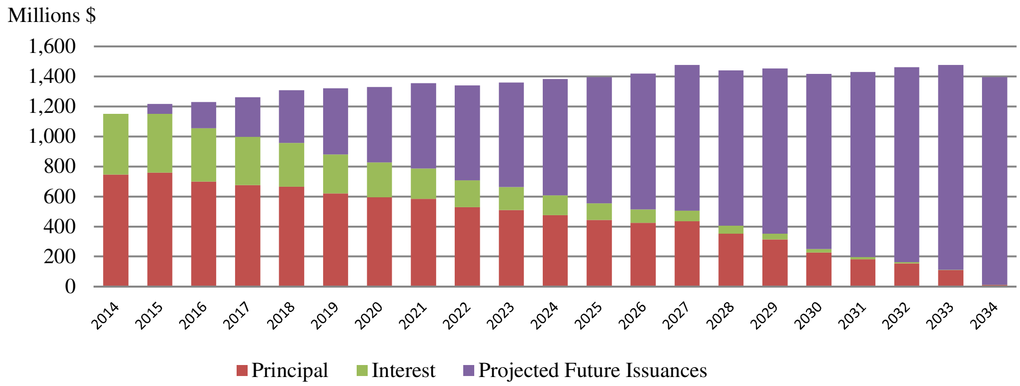


The Constitution requires that appropriations for debt service payments on all general obligation bonds be made to a special trust fund which is designated as the State of Georgia General Obligation Debt Sinking Fund (the "sinking fund"). The amount to be appropriated to the sinking fund must be sufficient to pay annual debt service requirements on all general obligation debt. The Constitution mandates that appropriations to the sinking fund shall be used solely for the retirement of general obligation debt.

As a safeguard against shortages in the sinking fund, the Constitution provides that should the General Assembly fail to make sufficient appropriation to the sinking fund, or if, for any reason, the amount in the sinking fund is insufficient to make all required payments, the first revenues thereafter received in the general fund of the State, to the extent necessary to cure the deficiency, are to be set aside and deposited into the sinking fund by the appropriate fiscal officer.

As of June 30, 2013, there was a total principal value of $8.653 billion of general obligation bonds outstanding. The State expects to issue a total of $857.7 million during FY 2014. Incorporating the new bonds issued between July 1, 2013 and December 31, 2013 and the principal payments made during that time on outstanding bonds, the total principal outstanding as of December 31, 2013 was $8.9325 billion. The following chart reflects the annual debt service on all outstanding general obligation bonds and projected future new authorizations of $850 million each year thereafter.

Outstanding General Obligation Bonds Debt Service FY 2014 - FY 2034



Guaranteed Revenue Debt

Guaranteed revenue debt is revenue debt which has been issued by an instrumentality of the State for which the State has guaranteed the repayment of the bonds. The Constitution limits the use of guaranteed revenue debt to the following purposes:

- toll bridges or toll roads,
- land-based public transportation facilities or systems,
- water facilities or systems,
- sewage facilities or systems,
- loans to, and loan programs for, citizens of the State for educational purposes, and
- regional or multi-jurisdictional solid waste recycling or solid waste facilities or systems.

The amount of guaranteed revenue debt that may be issued to fund water or sewage treatment facilities or systems, and to make loans for educational purposes, is further limited by the Constitution as follows:

> "No guaranteed revenue debt may be incurred to finance water or sewage treatment facilities or systems when the highest annual debt service requirements for the then current year or any subsequent fiscal year of the State for outstanding or proposed guaranteed revenue debt for water facilities or systems or sewage facilities or systems exceed 1 percent of the total revenue receipts less refunds of the State treasury in the fiscal year immediately preceding the year in which any such debt is to be incurred."
>
> And,
>
> "The aggregate amount of guaranteed revenue debt incurred to make loans for educational purposes that may be outstanding at any time shall not exceed $18 million, and the aggregate amount of guaranteed revenue debt incurred to purchase, or lend or deposit against the security of, loans for educational purposes that may be outstanding at any time shall not exceed $72 million."

Prior to incurring guaranteed revenue debt, legislation must be enacted by the General Assembly and signed into law by the Governor authorizing the guarantee of the specific issue of revenue obligations being proposed. The General Assembly must determine conclusively that such obligations will be self-liquidating over the life of the issue, specify the maximum principal amount of such issue, and appropriate an amount at least equal to the highest annual debt service requirements for the bond issue. In addition, a special trust fund designated as the State of Georgia Guaranteed Revenue Debt Common Reserve Fund (the “common reserve fund”) must be established into which the appropriations for highest annual debt service are paid at the time guaranteed revenue bonds are issued. This trust fund provides a common reserve for any payments required by virtue of the State guarantee made in connection with all issues of guaranteed revenue obligations. Appropriations made for the benefit of guaranteed revenue debt do not lapse for any reason and the appropriations continue in effect until the debt for which such appropriation was authorized has been incurred. However, any such appropriation may be repealed prior to the bonds being issued and payment made into the common reserve fund.

If revenues pledged to the payment of the guaranteed revenue bonds are not sufficient to meet debt service requirements, and debt service payments then are required to be made from the common reserve fund, the common reserve fund must be reimbursed from the State's general fund within ten (10) days after the start of the next fiscal year. The requirement to reimburse the common reserve fund for any payment is subordinate to the obligation to make sinking fund deposits for the benefit of general obligation debt.

While the Constitution requires that the amount to the credit of the common reserve fund at all times be at least equal to the aggregate highest annual debt service requirements on all guaranteed revenue obligations, the Constitution also provides that any excess funding in the common reserve fund at fiscal year-end is to be transferred to the State's general fund.

There are four series of guaranteed revenue bonds currently outstanding; there are no authorized but unissued guaranteed revenue bonds:

- 2001 for the State Road and Tollway Authority (“SRTA”) to issue guaranteed revenue bonds for road projects (refunded in part in 2011);
- 2002 for SRTA to issue guaranteed revenue bonds for road projects (refunded in part in 2011);
- 2011 for SRTA to issue guaranteed revenue refunding bonds to refund, in part, its series 2001 guaranteed revenue bonds; and,
- 2011 for SRTA to issue guaranteed revenue refunding bonds to refund, in part, its series 2002 guaranteed revenue bonds.

As of June 30, 2013 there was a total principal value of $374.415 million of guaranteed revenue bonds outstanding. With the principal payments made July 1, 2013 through December 31, 2013, the amount of principal currently outstanding on the guaranteed revenue bonds is $359.995 million. The following chart shows the annual debt service for all guaranteed revenue bonds for the period FY 2014 through FY 2024, which is the final year of debt service for the currently outstanding guaranteed revenue bonds.

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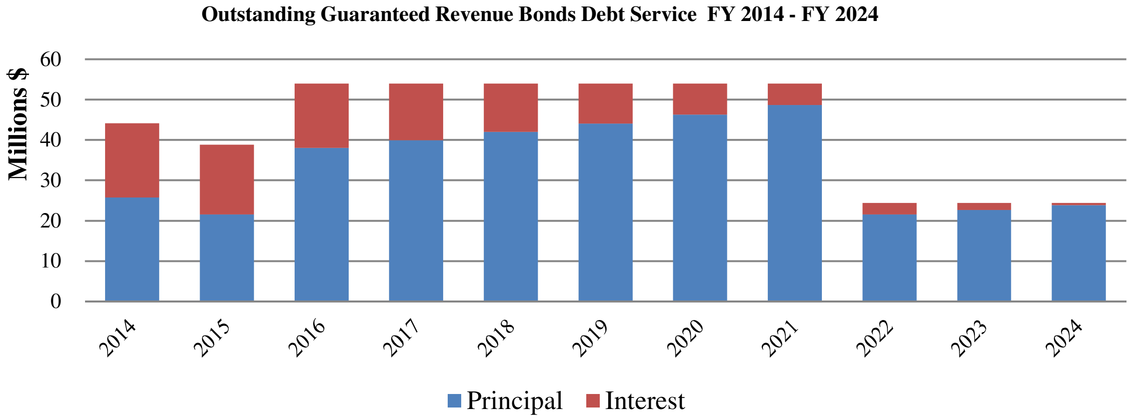

Refunding Opportunities

To ensure that the debt service paid on the State's outstanding debt is minimized, the Commission maintains a continuous monitoring program to evaluate if any outstanding debt could be refunded and thereby the debt service could be reduced with respect to that debt. Refunding issues must comply with the requirements of both the Constitution and the Commission's official policy entitled "Refunding of General Obligation Bonds and Guaranteed Revenue Bonds CO-01-01-004" adopted on January 13, 2006; there are additional restrictions imposed by federal regulations if the refunding bonds are tax-exempt bonds.

Authority Revenue Debt

Certain State authorities, as well as other local entities, are authorized by their respective enabling legislation and by the State's "Revenue Bond Law" to issue revenue bonds for various revenue-producing undertakings. Since revenue bonds issued by State authorities are not tax-supported and there is no State guarantee (except for the previously described guaranteed revenue bonds), the issuance of such bonds by State authorities does not directly impact the State's debt burden or debt capacity. All State authorities are required to request and receive permission from the Commission before issuing revenue bonds or otherwise engaging in any debt financing, including lines of credit for operating cash flow purposes. Following is a brief summary of those authorities which have revenue bonds or other debt financing instruments currently outstanding - no State authorities have entered into interest rate management agreements relative to their financings. Unless noted otherwise, all figures are as of June 30, 2013. (See tables contained in Appendix A for authority debt service schedules.)

- The **Georgia Development Authority** ("GDA") is authorized to issue revenue bonds or borrow money (there is no statutory limitation) for the purpose of assisting agricultural and industrial interests by providing credit and servicing functions and to encourage financial institutions in the lending of money for those purposes. During FY 2013, GDA retired all of its previously outstanding debt and as of June 30, 2013 had no outstanding balance on its authorized line of credit with a commercial bank (which is used as working capital to generate new loans). As of June 30, 2013, GDA's total loan portfolio was approximately $75.7 million and approximately $27.0 million of these loans had been sold to local financial institutions subject to repurchase agreements whereby the financial institution can "put" the loan back to GDA. GDA has not issued or been authorized by the Commission during the July 1, 2013 through December 31, 2013 timeframe to issue any new debt.

- The **Georgia Environmental Facilities Loan Acquisition Corporation** ("GELAC") is a non-profit entity and subsidiary of the Georgia Environmental Finance Authority ("GEFA") which was created in July 2010. As of June 30, 2013, GELAC had approximately $146.66 million of revenue bonds outstanding which had been issued for the purpose of providing funds to enable GELAC to purchase water and sewer loans from GEFA. This debt is not an obligation of the State or GEFA, although in certain instances GEFA may repurchase loans from GELAC.
- The **Georgia Higher Education Facilities Authority** ("GHEFA") is authorized to issue bonds to finance self-liquidating capital projects for the BOR of the USG and the Technical College System of Georgia. GHEFA is authorized to have outstanding at any point in time a maximum of $500 million of bonds - as of June 30, 2013 (and December 31, 2013) there were $285.375 million of bonds outstanding from three separate issues which were issued in 2008, 2009, and 2010. The outstanding bonds have financed eighteen projects at thirteen separate USG institutions.
- The **Georgia Housing and Finance Authority** ("GHFA") is authorized to issue bonds and notes for the purpose of facilitating economic development including the underwriting or purchase of single family residential mortgages; the improvement of public health, safety, and welfare; and for other public purposes, including healthcare services. GHFA may not have, at any point in time, more than $1.47 billion bonds and notes outstanding ($1.3 billion of which is applicable to GHFA's single family residential housing program), excluding refunding bonds and notes. GHFA's outstanding total of $943.205 million bonds is entirely for its single family residential housing program. GHFA has received approval from the Commission to issue up to $175 million of new bonds in calendar 2014 for the purpose of making additional single family residential mortgage loans.
- The **Georgia Ports Authority** ("GPA") is authorized to issue bonds and notes (there is no statutory limitation) for the purpose of constructing or improving self-liquidating port projects for its Savannah, Brunswick, or Bainbridge port facilities. During FY 2013, GPA paid off its remaining revenue bonds and as of June 30, 2013 had $36.457 million outstanding on a revolving line of credit for the Hutchinson Island project; as of December 31, 2013, the amount outstanding had been reduced to $34.057 million. The line of credit is scheduled to expire on September 5, 2017.
- The **Georgia World Congress Center Authority** ("GWCCA") is authorized to issue revenue bonds for multi-purpose stadiums and coliseums and other ancillary facilities. GWCCA is authorized to have no more than $200 million bonds outstanding at any one time, excluding refunding bonds. In November 2011, to achieve interest rate savings and reduce debt service, the GWCCA refunded its then outstanding revenue bonds for the Georgia Dome facility in Atlanta and as of June 30, 2013 had $99.975 million of the refunding revenue bonds outstanding.
- The **Lake Lanier Islands Development Authority** ("LLIDA") is authorized to issue revenue bonds and borrow money (there is no statutory limitation) for the purpose of improving, developing, and promoting the islands in Lake Lanier. In 2008 LLIDA issued $10 million revenue bonds for roadway and other capital improvements; it also borrowed approximately $15.141 million from GEFA for making sewerage system improvements. As of June 30, 2013, LLIDA had a total of $22.111 million principal outstanding of revenue bonds and the GEFA loan.

- The **State Road and Tollway Authority** ("SRTA") is authorized to issue revenue bonds (there is no statutory limitation) for self-liquidating land public transportation systems (roads, bridges, etc.) and projects. As of June 30, 2013, SRTA had outstanding $1,447.62 million of bonds comprised of eight separate issues of bonds; four of the outstanding issues ($374.415 million) were the guaranteed revenue bonds cited in the previous section, there were three issues ($1,047.86 million) of GARVEE bonds outstanding, and there was one series of toll revenue bonds outstanding for improvements to the State Route 400 highway outstanding. (The State Route 400 toll revenue bonds were retired in full on December 2, 2013.) GARVEE bonds (described in more detail, below) are secured solely by future Federal highway grant revenues and reimbursements received by the State and do not have any explicit or implied guarantee by the State for the payment of debt service.
- Additional SRTA Debt. In order to provide funding for the Northwest Corridor managed lanes project adjoining I-75 and I-575 in Cobb and Cherokee counties, SRTA was authorized by the Commission to enter into an agreement with the United States Department of Transportation ("USDOT") for a loan by the USDOT to SRTA in an amount up to $275 million secured by the (future) revenues of this managed lane project, and a future issue of toll revenue bonds in the amount of $10 million which will be issued prior to the opening of this project in 2018. The managed lanes will be tolled, with the tolls being the sole revenue source for the repayment of the USDOT loan and the future issue of toll revenue bonds. The agreement with the USDOT was finalized in November 2013; the projected loan repayment schedule is included in Appendix A. The final loan repayment schedule will be determined at the completion of the managed lanes project.
- The **Jekyll Island - State Park Authority** ("JISPA") is authorized to borrow money for any of its corporate purposes and to issue negotiable revenue anticipation certificates from earnings of such projects. There is no statutory limitation on the amount of debt which may be incurred by the JISPA. OneGeorgia Authority has committed to loan JISPA $5.5 million to be repaid over 20 years at an interest rate of 3.0% for the purpose of developing commercial property on Jekyll Island.

As outlined in the Commission's debt policy entitled "State Authorities' Debt Issuance Approval Policy and Underwriter Selection Procedures," prior to the issuance of authority revenue bonds, the authority's governing body must adopt a resolution requesting that the Commission authorize the debt. Upon receiving the Commission's approval, the authority may proceed with its planned bond issue or debt financing, as outlined in the policy.

Grant Anticipation Revenue Vehicle Bonds ("GARVEE") Debt

The State's GARVEE program began with the issuance of $500 million of stand-alone GARVEEs issued by SRTA in August 2006 as part of the Governor's Fast Forward Congestion Relief Program - $450 million was issued as fixed rate bonds and $50 million was issued in a commercial paper mode. The State structured the initial GARVEE bonds with a final maturity not to exceed 12 years, and the master trust indenture for the GARVEE bonds established an additional bonds test whereby the amount of Federal Obligation Authority available must be equal to at least 3.0 times the maximum annual debt service on all outstanding and proposed GARVEE debt for additional debt to be issued on parity with the previously issued debt. In FY 2008 and FY 2009 additional stand-alone GARVEE bonds totaling $600 million in each year were issued; the commercial paper was retired as part of the bonds issued in 2008. Both the 2008 and 2009 bonds were issued pursuant to the master trust indenture and were structured with a final maturity of 12 years. GARVEE bonds are secured by federal highway grant revenues and reimbursements and do not carry either a direct or implied guarantee of the State.

The following table summarizes the highest annual debt service requirements on the outstanding GARVEE bonds, the most recent projected Federal Obligation Authority funding amounts, and the resulting debt service coverage ratios. At this time, the State does not anticipate issuing any additional GARVEE bond issues during the period covered by the Plan.

(Thousands)	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**
Debt Service Requirements	$185,244	$185,245	$185,247	$185,244	$185,246
Projected Federal Obligation Authority	$1,304,000	$1,316,000	$1,328,000	$1,341,000	$1,354,000
Debt Service Coverage	7.04x	7.10x	7.17x	7.24x	7.31x

All of the State's GARVEE bond issues initially received ratings of Aa2/AA$^-$/AA$^-$ from Moody's Investors Service, Standard & Poor's Ratings Service, and FitchRatings, respectively. During Fiscal Year 2013, both Moody's Investors Service and FitchRatings downgraded Georgia's GARVEE bond ratings to Aa3 (negative outlook) and A+ (stable outlook), respectively, as part of comprehensive reviews of the federal highway program (most other states' GARVEE bonds were downgraded, as well). Standard & Poor's continues to rate Georgia's GARVEE bonds as AA$^-$ with a stable outlook. With respect to their own calculations of net tax-supported debt, the three rating agencies currently differ in their treatment of GARVEE debt - both Fitch and Moody's Investors Service include GARVEE debt in their calculations while Standard & Poor's does not include GARVEE debt in its calculations. Given the size of the program, and that both Moody's Investors Service and Fitch include GARVEE debt in their calculations of tax-supported debt, the State believes it is important to consider the effect that GARVEE debt has on the debt ratio projections.

As shown in the table on page 34, including the GARVEE bonds in the debt ratio calculations increases the state's overall debt burden. The ratio of debt service requirements to the prior year's State treasury receipts is projected at 6.9% in FY 2014, 7.0% in FY 2015, and declines thereafter during the time period of the Plan. These are below the planning level limits inclusive of the GARVEE debt as established in the Plan. At this time, there are no plans for the State to issue additional GARVEE bonds.

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Department of Transportation Obligations

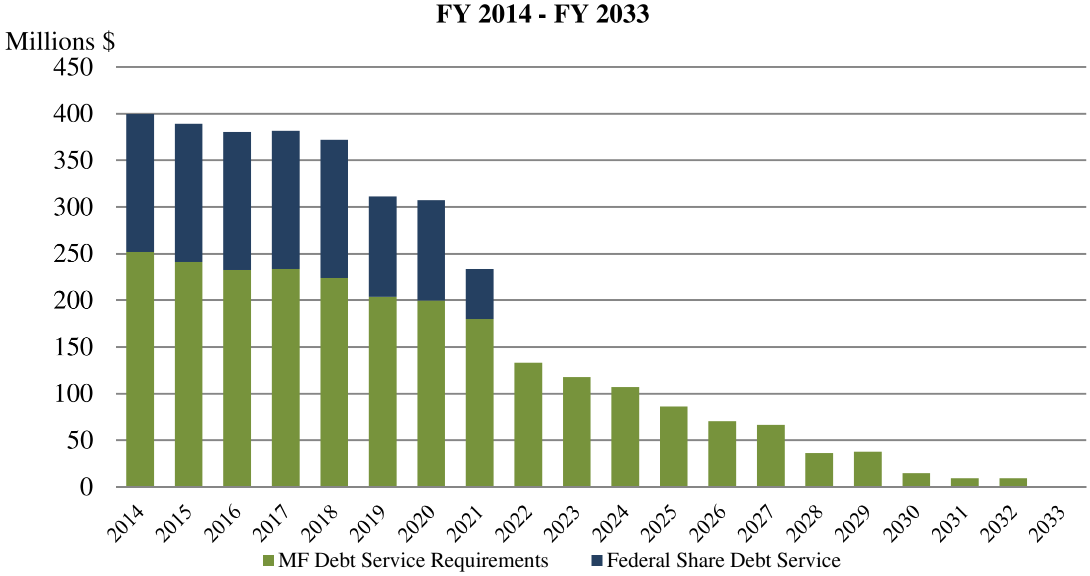
A significant portion of the State's general obligation bonds, all of the currently outstanding guaranteed revenue bonds, and all of the GARVEE bonds have been issued through the SRTA for Georgia Department of Transportation ("GDOT") state road system improvement projects. To better match revenues and expenditures on a programmatic basis, the debt service payments for those bonds are being paid from motor fuel funds or federal highway grant revenues and reimbursements rather than State general funds. It should be noted, however, that the bonds which are State general obligation bonds are secured by the full faith and credit of the State, not just motor fuel funds, which were not pledged solely or directly as security for the general obligation bonds, except to the extent that motor fuel funds are a component of State treasury revenues. For FY 2014, motor fuel funds will be used to make the following debt service payments for general obligation bonds and guaranteed revenue bonds:

- $172.7 million to the General Obligation Debt Sinking Fund for general obligation bonds debt service payments, and
- $44.2 million to the State Road and Tollway Authority for guaranteed revenue bonds debt service payments.

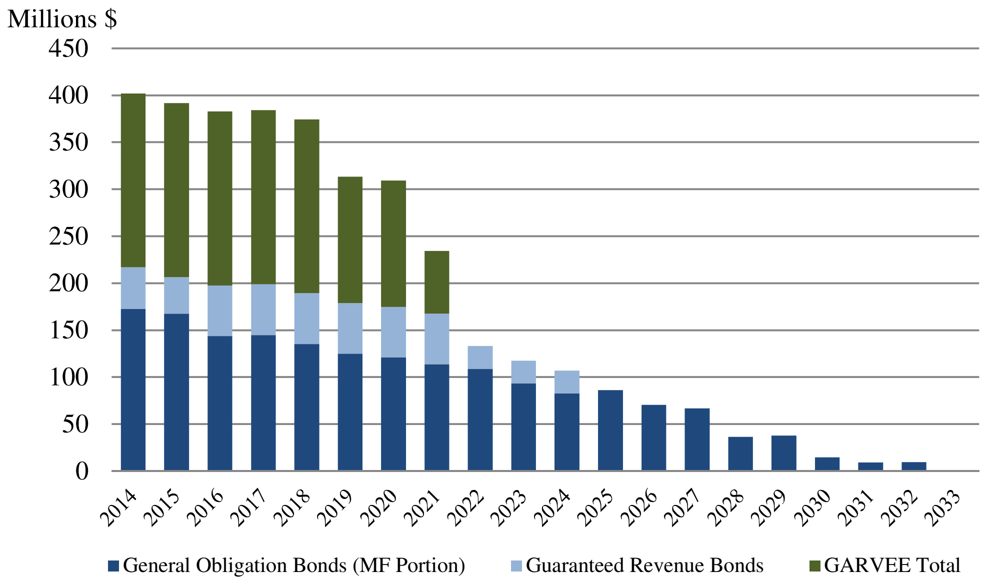
Additionally, motor fuel funds are used to make approximately 20% of the GARVEE bonds debt service payments – about $35 million each year from FY 2014 through FY 2018. The total of all debt service payments to be made by motor fuel payments is approximately 25% of the motor fuel tax collections for FY 2014, with only marginal decreases in this percentage through FY 2018, provided motor fuel tax collections increase as projected over that time frame and/or no substantial amount of additional bonds for road system improvements are issued during the time frame of the Plan.

The following two charts illustrate, respectively, "Outstanding Transportation Debt Service Payments by Fund Source, FY 2014 – FY 2033" and "Outstanding Transportation Debt Service Payments by Series Type, FY 2014 – FY 2033."

Outstanding Transportation Debt Service Payments by Fund Source
FY 2014 - FY 2033



Outstanding Transportation Debt Service Payments by Series Type
FY 2014 - FY 2033



Multiyear Contracts for Energy Efficiency Projects

In November 2010, the electorate of the State approved an amendment to the Constitution to provide for multiyear contracts for energy efficiency or conservation improvement projects (the "2010 Amendment"). The 2010 Amendment allowed the General Assembly, through adoption of general law (Senate Bill 194, effective January 1, 2011), to authorize state governmental entities to incur debt for the purpose of entering into multiyear contracts for governmental energy efficiency or conservation improvement projects in which payments are guaranteed over the term of the contract by vendors based on the realization of specified savings or revenue gains attributable solely to the improvements. Senate Bill 194 also required that the Commission establish fiscal policies and establish a total multiyear contract value for such contracts and that any contract entered into by a state agency that is not in compliance with the policies and multiyear contract value authority set by the Commission would be void and of no effect. Pursuant to a request by GEFA, which administers and coordinates the program, the Commission approved multiyear contract authority of $4.5 million for FY 2013/FY 2014 to conduct a pilot energy efficiency project for the Department of Corrections; no additional contract value authority has been approved by the Commission, although GEFA has indicated to Commission staff that it intends to request authority up to $79.5 million for FY 2015. The annual debt service amount for the multiyear contract value authority will not be required to be included in the calculation of the debt service ratio previously discussed in the Plan, nor can it be construed as general obligation debt or guaranteed revenue debt of the State, although the Commission will make such calculations to ensure that debt affordability standards are maintained.

Multiyear Contracts for Real Property Leases

In November 2012, the electorate of the State approved an amendment to the Constitution to provide for multiyear rental agreements for real property (the "2012 Amendment"). The 2012 Amendment allowed the General Assembly, through adoption of general law (Senate Bill 37, effective January 1, 2013), to authorize certain State agencies (the State Properties Commission (the "SPC") and the BOR) to enter into multiyear rental agreements, without obligating present funds for the full amount of the obligation the State may bear under the full term of such agreements, provided the Commission has adopted fiscal policies and established total multiyear contract value authority for the current and future fiscal years. The Commission adopted the requisite fiscal policies at its December 12, 2012 meeting. Subsequently, the SPC requested, and the Commission approved total contract value authority of $55 million for FY 2013 and $125 million for FY 2014; however, no multiyear contracts were enacted during FY 2013 and the $55 million authorization for FY 2013 expired unused. In addition, the Commission approved $20 million of total contract value authority for the BOR for FY 2014, but to date no contracts have been finalized and executed. The annual debt service amount for the multiyear contract value authority will not be required to be included in the calculation of the debt service ratio previously discussed in the Plan, nor can it be construed as general obligation debt or guaranteed revenue debt of the State, although the Commission will make such calculations to ensure that debt affordability standards are maintained.

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OTHER NON-DEBT LONG-TERM OBLIGATIONS

Capital Leases

The State occasionally acquires certain property and equipment through leases with varying terms and options. The majority of these agreements contain fiscal funding clauses in accordance with O.C.G.A. § 50-5-64, which prohibits the creation of a debt to the State for the payment of any sums under such agreements beyond the fiscal year of execution, or on a current year basis in the years subsequent to the initial fiscal year of execution, if appropriated funds are not available. Various GASB Statements, however, require that if renewal of such agreements is reasonably assured, capital leases requiring appropriations by the General Assembly are considered non-cancellable for financial reporting purposes and must be included in the financial statements of the State. As of the State's audited Comprehensive Annual Financial Report for the fiscal year ending June 30, 2013, future commitments for leases currently considered to be capital leases for governmental activities equaled approximately $431.337 million. Due to the statutory restrictions applicable to these capital leases, however, they are not included as debt obligations in the Plan.

For a small portion of the leased properties, the lessor obtained acquisition and/or renovation financing for the property via a funding process which involved the issuance of lease revenue bonds by a local city or county government or local development authority (proceeds are loaned to the lessor for the acquisition and/or renovations). When this is the case, as with the specialized archives storage facility formerly leased by the Secretary of State and effective July 1, 2013 was transferred to the BOR of the USG, the rating agencies have indicated that despite the legal ability of the State to not renew a lease in a subsequent fiscal year, a non-appropriation of the lease payment in any year during the term of the bond issue would be viewed as an adverse credit event for the State. Such a non-appropriation event likely would jeopardize the State's triple-A credit ratings as being indicative of unwillingness or inability of the State to continue the lease and thus fulfill its credit obligations. As a result, the annual payments essentially become a fixed payment obligation that, while legally not equivalent to the debt service payment obligations for general obligation debt or guaranteed revenue debt, effectively binds the State to making the lease payments for the entire term of the lease and thus reduces the future financial flexibility of the State.

Public University Foundation Debt

Based on data from the BOR of USG, as of June 30, 2013 there had been 169 projects funded by bond issues by local authorities for various USG institution foundations or other cooperative organizations associated with the State's colleges and universities with approximately $3.362 billion of revenue bonds outstanding (excluding GHEFA bonds). Proceeds of these bond issues have been used to construct or acquire various types of projects at the colleges and universities, such as student housing, dining, research facilities, faculty and administrative office buildings, parking, and student activity facilities, which then are leased by the foundation or cooperative organization to the BOR on an annually renewable basis. Most of the projects generate revenues (such as housing or parking fees), or the BOR has instituted dedicated student fees (such as student activity or parking fees), that provide revenues which are designed to provide for the annual lease payment. Each fiscal year, upon renewal of the lease, the lease payment becomes a legal and binding obligation of the BOR for that year and thus is secured by the entirety of the financial resources of the Board of Regents.

Other Significant Liabilities of the State

Retirement Systems and Other Post Employment Benefits: The State has other liabilities that do not directly impact the calculation of the debt service ratio as defined by the Constitution. The most significant of these are the unfunded actuarial accrued liabilities ("UAAL") of the Employees Retirement System ("ERS"); the UAAL of the Teachers Retirement System ("TRS"); and other post employment benefit ("OPEB") plans for retired state employees, school personnel, and Board of Regents employees. The most recent actuarial valuations reflected liabilities as follows:

ERS	TRS	OPEB-State	OPEB-School	OPEB-Regents
$4.52 billion	$12.09 billion	$3.87 billion	$10.87 billion	$3.76 billion

These liabilities are not considered "hard" liabilities because they are based upon estimates of costs the State will incur in the future and because the payment schedule of the liability is not certain. Also, TRS is a multi-employer plan - significant proportions of the required employer contributions are provided by local school systems, in addition to State general fund appropriations, as well as federal and other funds. Likewise, the OPEB plan for school personnel receives significant proportions of the employer contributions from local school district direct contributions. Historically, the State and the other employers have paid 100% of the annual required contributions for ERS and TRS, while the various OPEB plans are funded on a "pay-as-you-go" basis via employer contributions each year.

Borrowing for Funding of State Unemployment Benefits: Another significant liability that does not impact directly the calculation of the debt service ratio as defined by the Constitution is the liability associated with funds borrowed from the Federal Unemployment Account ("FUA") to meet unemployment insurance benefit payments, principally during and immediately after the 2007 – 2009 recession. In 2012, the General Assembly passed legislation (House Bill 347) which made changes to the employment security system to enable the outstanding balance of FUA borrowings to be repaid more quickly and then to begin to rebuild reserves in the State's fund. Georgia is one of over 30 states that utilized this borrowing mechanism. As of December 31, 2013, the outstanding balance of FUA borrowing has been reduced from a high of just under $750 million to slightly less than $145.3 million.

Although these liabilities do not impact directly the calculation of the debt service ratio as defined by the State Constitution, they are credit factors considered by the rating agencies and thus are described here for informational purposes only.

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MANAGEMENT OF BOND FUNDED PROJECTS

Bond Proceeds and Project Management

The Commission continues to emphasize State agency responsibility for completion of projects on a timely schedule following receipt of bond proceeds, as well as ongoing compliance with federal tax code requirements regarding tax-exempt bonds and arbitrage regulations. Prior to the Commission including agency requested projects in an upcoming bond issue, the Board of each agency or authority which requests that specified projects be funded from the bond issue is required to adopt a resolution which addresses the major tax-exempt financing requirements including specific agreement with the five percent expenditure requirement within six months, the eighty-five percent expenditure requirement within three years, and completion of projects within five years of the issuance of the tax-exempt bonds. The resolution also must state that the project(s) does (do) not have any private use as defined by the federal regulations for tax-exempt bonds, except as expressly acknowledged and allowed by the Commission. In specific instances, taxable bonds are issued by the Commission to fund projects which are expected to have significant private use.

6 Months: 5% Expenditure Requirement	→	3 Years: 85% Expenditure Requirement	→	5 Years: Completion of Project

Commission staff continuously monitors the spend-down of projects and annually submits a report of spend-down compliance to the Commission (project status as of June 30 of each year). Agencies that have not met spend-down guidelines are required to report on the status of the projects and also to detail the corrective action that they will implement, or have implemented, to become compliant. Also, agencies which consistently have not met expenditure requirements with respect to previously issued bonds may be required to justify requests for project funding for upcoming bond issues and describe how they intend to comply with the spend-down requirements on those projects.

Bond proceeds distributed to GEFA for purposes of its local government water and sewer loan program also must comply with certain requirements of the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), which was signed into law on May 17, 2006, with respect to "pooled financing bonds." The applicable provisions of TIPRA require that by the end of the first year after the issuance of the pooled financing bonds, not less than thirty percent (30%) will have been used to make or finance loans to ultimate borrowers and also that by the end of the third year after the issuance of the pooled financing bones, not less than ninety-five percent (95%) will have been used to make or finance loans to ultimate borrowers. To the extent that these requirements are not met, bond proceeds in an amount equal to the unmet expenditure amount must be used to redeem outstanding bonds of the pooled financing bond issue within ninety (90) days of the end of the one-year or three-year period, as applicable. GEFA submits reports to the Commission not later than the end of both the one-year and three-year periods demonstrating compliance with the TIPRA requirements. To date, GEFA has met each instance of the TIPRA requirements and no bond redemptions have been necessary to comply with TIPRA requirements.

Project Selection

Prior to formally issuing a proposed calendar for a forthcoming bond issue, Commission staff solicits input from agencies which have new authorized projects for the upcoming fiscal year to be funded by the issuance of general obligation bond proceeds, or which have unsold bond authorizations from the current or prior fiscal years, regarding projects the agency would request for funding in the contemplated bond issue. To facilitate compliance with tax-exempt bond spend-down requirements, agencies are asked to split their funding requests for major projects into separate phases for planning/programming/design, construction, and equipment procurement, with the planning phase being funded first and the construction and equipment procurement phases funded in a subsequent issue (or issues) of bonds. To the maximum extent possible, future projects being considered for inclusion in an upcoming bond issue will be evaluated using such "readiness" criteria (in addition to general market and financial considerations) to help ensure that projects are completed on a timely basis, that they meet program needs of the agency, and to avoid potential difficulties with meeting the expenditure requirements for tax-exempt bonds.

Unexpended Bond Proceeds

It is the Commission's intention to prevent unexpended funds from remaining in completed project accounts and to be in compliance with all federal tax code requirements regarding tax-exempt bonds. To this end, whenever surplus funds are identified for any project, those funds may be considered for redirection based on a number of factors including original intent of the bond authorization, age of the funds, ease of transfer to other qualified projects, etc. An agency desiring to redirect funds from one approved bond project to another project of that agency may request redirection approval. Pursuant to Commission policy, redirection requests less than $250,000 can be approved administratively by the Directors of the Financing and Investment Division and the Construction Division. Redirection requests of $250,000 and greater must be approved by the entire Commission.

Post Issuance Compliance

While ongoing compliance with the federal regulations regarding tax exempt bonds has been emphasized by the Commission for many years, several additional steps have been implemented to ensure that the agencies and authorities for which bonds are issued provide the Commission with ongoing and updated information as to the use of the facilities and equipment financed by bond proceeds. The Financing and Investment Division of the Commission has developed written internal compliance procedures regarding post issuance compliance and has devoted staff resources to review information provided by agencies and authorities on an annual basis. The Internal Revenue Service, which enforces many of the federal regulations with respect to tax-exempt bonds, also is placing an increased emphasis on ensuring that the issuers of tax exempt bonds have procedures in place to ensure ongoing compliance with tax exempt bond regulations.

DEBT STRUCTURE

Debt may be issued with fixed interest rates or as variable rate debt. As of December 31, 2013, 98.6% of the State's outstanding general obligation debt and 100% of the guaranteed revenue outstanding debt had fixed interest rates rather than variable interest rates. The State's objective for each general obligation and guaranteed revenue bond issue is to structure the issue with approximately level annual debt service over the life of the bonds; for variable interest rate bonds the maximum allowed interest rate is utilized to develop the principal amortization schedule for that bond series.

The use of variable rate debt instruments introduces an element of interest rate risk into the State's debt portfolio. The potential debt service savings by utilizing variable rate debt, however, should justify that exposure provided the risk is minimized by limiting the amount of the total variable rate debt to a maximum of approximately 15% to 20% of total debt, or by utilizing other means to mitigate the risk by using hedging tools such as interest rate caps or qualified interest rate management agreements, if and where appropriate. The primary benefit to the State of issuing bonds as variable rate debt is that the total cost of funds for the bond issue should be substantially lower than if issued as fixed rate bonds, because variable rates generally reset at the lowest point on the yield curve.

Originally issued in December 2006, the State currently has $127.305 million of variable rate bonds outstanding. The interest rate on these bonds currently resets each week at a spread of 40 basis points to a market index which is comprised of highly rated tax-exempt variable rate bonds, on which the interest rates also reset on a weekly basis. As of December 31, 2013, the average interest rate on the variable rate bonds since they were originally issued was less than 1.50% with the more recent rates being less than 0.50%. The State has the ability to convert the variable rate bonds to fixed rate bonds, should it determine that fixed rate bonds would be more financially prudent or advantageous than continuing in the floating rate debt mode. The Commission maintains an ongoing monitoring and evaluation process for these bonds and will act as necessary according to market conditions to either convert the variable rate bonds to fixed rate bonds or another type of floating rate debt instrument. The variable rate bonds comprise less than 1.5% of the State's outstanding debt portfolio.

The Commission currently does not have any plans for additional issues of variable rate debt during the period covered by the Plan.

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DEBT AFFORDABILITY

The Plan is intended to ensure the availability of funding for necessary capital projects required to meet the State's future needs while maintaining an appropriate balance between the State's demand for capital and the ability and willingness of the State to repay additional debt. Reasonable targets for debt issuance based on the State's growth experience and future expectations balanced with the financial resources available to meet its debt obligations provide assurance that additional debt is authorized at prudent levels.

There is no specific formula for determining the maximum amount of debt that should be issued by the State in any particular year. Many factors must be considered including balancing the State's current and projected programmatic and capital funding needs, revenue projections, available fund balances, and an overall plan for managing the budget. The Plan also should take into account the concept of debt affordability in determining the maximum amount of tax-supported debt that the State can afford to issue without jeopardizing its ratings. It is recognized that any model for determining debt affordability will be dependent upon the reasonableness and accuracy of economic forecasts and the projected impact on the State's financial resources. Since 2005, for planning purposes the Commission has utilized a 7% cap for the debt service ratio, which is in line with the State’s peer group of states which are rated triple A by all three of the major credit rating agencies.

Rating Agency Considerations

Due to the economic and financial diversity among the 50 states, the tax-exempt bond market historically has relied heavily on the three major rating agencies to analyze the factors affecting each borrower's ability to meet its debt obligations. Each rating agency assigns credit ratings to debt issues as a means of distinguishing credit quality. Due to the high degree of importance attributed to ratings by investors, each issuer's ratings have a major impact on the marketability of its bonds and the interest rates necessary to generate investor demand in the issuer’s debt issues. Credits rated triple-A are “rewarded” in the market-place by being able to sell their debt at the lowest possible interest rates at any given point in time. Another benefit of the triple-A ratings was demonstrated during the credit market disruptions of late 2008 and early 2009, when the higher rated credits were able to re-access the market sooner and in larger amounts than was the case for lower rated credits. (For some of the referenced time period, market access was almost totally nonexistent and was restored only in a gradual manner over several months, with the highest rated credits being the first to regain access to the market.)

Rating agencies consider and incorporate in their rating decisions trends relating to an issuer's overall debt and liability burden, revenue base, fund balances and general economic base, as well as a comparison of actual fiscal experience versus budgets over a three- to five-year period.

While specific rating criteria does vary somewhat between the three rating agencies, the overall rating analysis generally takes into account four primary factors:

- debt burden as measured by ratios,
- quality and strength of the state's economic base,
- fiscal management, and
- actual financial performance.

Existing tax supported debt burden is an important factor in the determination of a state's credit rating. Credit analysts usually calculate several ratios to use as measurements of debt burden. These ratios are discussed in detail in a later section of the report. Credit analysts also look for diversity and growth potential of the economic base to generate sufficient revenues to consistently meet program needs and to repay all debt obligations.

When analyzing an issuer's fiscal management, analysts compare fiscal results with budgets and plans. Over time, such comparisons serve as an indicator of the effectiveness of fiscal management. Another criterion of sound fiscal management is the existence of laws, policies, and procedures which allow a state to exercise control over its expenditures and debt issuance.

Financial performance is a result of both the quality of a state's fiscal management and general economic performance. One indicator of financial performance is a state's ability to adjust to revenue shortfalls due to unexpected economic downturns, such as occurred during the 2007 to 2009 recession. Another gauge of a state's fiscal management and financial performance is its ability to establish and maintain reasonable reserves to cushion the effects of unexpected events, and to rebuild those reserves in a timely manner subsequent to their use.

The following are excerpts from credit reports released in November 2013 for the State's Series 2013H General Obligation Bonds:

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	Fitch	Moody's	Standard & Poor's
Strengths	The state's long-term liability burden is low and overall debt management is conservative.	Conservative fiscal management including prompt responses to revenue declines.	Strong financial monitoring and oversight with a history of making budget adjustments, …to restore fiscal balance.
	Long history of conservative revenue estimation and balanced operations.	History of rapid reserve building.	Georgia's revenues are diverse, with sales tax and personal income each contributing more than 15% of revenues.
	Georgia's major pension systems covering both state employees and teachers have benefitted from consistent full funding of actuarially calculated annual required contributions.	Georgia has a below average employee pension burden, based on unfunded liabilities for its share of two multi-employer cost sharing plans….	Georgia's pension funds are well funded despite recent market losses, but funding levels reflect significant changes to assumptions and have continued to decline.
	The state has capitalized on recent revenue growth to make substantial progress in rebuilding reserves.	The state expects audited figures will show moderate growth in positive fund balances through fiscal 2013 and the current fiscal 2014.	Revenue shortfall reserve, which is being gradually replenished and, while still significantly depleted relative to historical trends, provides the state with some financial cushion.
	The state's diverse economy is showing signs of an accelerating recovery.	Because recurring revenues covered recurring expenditures, the state did not need one-time revenue sources.	Georgia's employment base is well diversified, although geographically concentrated around the Atlanta metropolitan statistical area.

	Fitch	Moody's	Standard & Poor's
Weaknesses	Georgia remains vulnerable to significant macroeconomic risks including federal deficit reduction efforts.	Slow economic growth.	Georgia's economy is currently recovering but remains exposed to macroeconomic risks.
	Unemployment remains elevated…, and the state's overall wealth levels still lag the U.S.	Large unfunded retiree health benefits liability.	The multiemployer State Employees Postemployment Benefit Fund had an unfunded OPEB of $3.87 billion as of a June 30, 2012 valuation date for a 0% funded rate.

Measuring Debt Burden

When calculating indebtedness, municipal credit analysts use measures which take into account all debt supported or serviced by an issuer's tax revenues. Such debt is classified as net tax-supported debt. For the State, net tax-supported debt includes all general obligation debt and guaranteed revenue debt, but does not include any revenue bonds not supported by the guarantee of the State. Guaranteed revenue debt is included in the calculation of net tax-supported debt because the guarantee is against all of the revenues of the State. Revenue bonds which are issued by an instrumentality of the State, but which do not carry the State's guarantee, are not included in the calculation of the State's net tax-supported debt. As mentioned earlier in the Plan, however, the issuance of these bonds requires prior approval by the Commission; such approval is granted only after careful evaluation of the dedicated revenue stream that supports these issues. Also, as Authority revenues, these revenues would not be included in the State's general treasury revenues.

The following table summarizes the State's issued principal amounts (including the net effect of refunding bonds) as of December 31, 2013; there remain $450.505 million of general obligation bonds authorized which have not been issued.

	Total Principal Issued	Outstanding Principal
General Obligation Debt	$22,388,645,000	$8,932,500,000
Guaranteed Revenue Debt	832,405,000	359,995,000
Total State Obligations	$23,221,050,000	$9,292,495,000

Five debt ratios frequently are used to measure debt burden. These debt ratios provide a means to monitor the relative debt burden level for the State over a period of years and also provide a method of comparison of debt burdens among the various states.

Debt per Capita = $\dfrac{\text{Net Tax-Supported Debt}}{\text{State's Population}}$

Debt as Percent of Personal Income = $\dfrac{\text{Net Tax-Supported Debt}}{\text{Total Personal Income of the State's Population}}$

Debt Service as Percent of State Net Revenues = $\dfrac{\text{Annual Debt Service Requirement}}{\text{Net Revenues of the State}}$

Debt as Percent of Full Valuation of Assessed Property = $\dfrac{\text{Net Tax-Supported Debt}}{\text{Full Valuation of All Taxable Property}}$

Debt as a Percent of State Gross Domestic Product = $\dfrac{\text{Net Tax-Supported Debt}}{\text{State Gross Domestic Product}}$

Credit analysts also examine the rapidity of debt repayment ratio. This measure shows how much of an issuer's total long term debt is retired after 5 and 10 years. Analysts use a standard for this ratio of 25 percent retired in 5 years and 50 percent retired in 10 years as being more favorable than slower amortizations. The rating agencies favorably recognize the State's rapidity of debt repayment ratios.

These ratios serve as important tools to track and monitor the State's debt position. The Plan establishes reasonable levels for three of the five debt ratios to help maintain credit ratings as well as ensuring that the State remains below the maximum allowable debt limit as established by the Constitution.

Further, as the State has issued $1.65 billion in GARVEE bonds since fiscal year 2007 to address transportation infrastructure needs and the rating agencies differ in their treatment of this debt for their analytical purposes, it also is prudent to analyze the impact that GARVEE debt has on the State's debt burden. GARVEE bonds, however, legally are "stand-alone" credits which means they are secured solely from federal highway grant revenues and reimbursements and do not have a back-up pledge of the full faith and credit of the State - they are neither general obligation debt or guaranteed revenue debt of the State and thus are not included in the debt service coverage ratio as defined by the Constitution. As of December 31, 2013 there was $1,047.86 million of GARVEE bonds outstanding.

The 2007 to 2009 recession resulted in dramatically reduced state treasury receipts and as a result, results for FY 2010, FY 2011, and FY 2012 reflect that that the "Debt Service to Prior Year Revenues" ratio exceeded or equaled the established planning levels. The actual results for FY 2013 were below the planning limit at 6.6%. The Plan anticipates that setting new authorizations for general obligation debt in the range of $850 million per year during the FY 2014 – FY 2018 timeframe, along with the recent recovery and projected growth of State treasury receipts, will result in this ratio remaining below the planning limit for the period covered by the Plan.

The maximum debt ratio planning levels utilized in the Plan are shown below.

Debt Ratio Planning Level	Without GARVEEs	With GARVEEs
Debt Service to Prior Year Revenues	7.0%	8.0%
Debt to Personal Income	3.5%	4.0%
Debt per Capita	$1,200	$1,500

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Trend in State Debt Ratios

Below is a historical comparison of the State's net tax-supported indebtedness and debt ratios without GARVEES.

Historical Debt Ratios							
Fiscal Year Ended June 30	**Debt Outstanding ($ millions)**	**Debt as % of Personal Income**	**$ Debt per Capita**	**Debt as % of Estimated Full Value**	**Highest Annual Debt Service as % of Prior Year Receipts**	**% of Debt Retired in 5 Years**	**% of Debt Retired in 10 Years**
2009	$9,115.5	2.7%	$929	0.9%	6.6%	37%	66%
2010	9,150.9	2.7	924	1.0	7.2	38	67
2011	8,983.8	2.6	916	1.0	7.8	38	69
2012	8,988.4	2.5	912	1.0	7.0	38	69
2013	9,027.6	2.4	887	1.0	6.6	38	70

During the period of FY 2009 through FY 2013, the net amount of debt outstanding decreased by $87.9 million and the "Debt as % of Personal Income" ratio decreased slightly. The ratio "Debt Service as % of Prior Year Receipts" started and ended at 6.6%, although for FY 2010 through FY 2012 it exceeded or equaled the 7.0% planning level, primarily as a result of the decline in State revenues resulting from the effects of the 2007-2009 recession. While the ratio for rapidity of debt payment showed very little change over this period, it remains considerably faster than the standard used by rating analysts.

Comparison of Debt Burden to Other Triple-A States

Georgia is one of ten states currently rated triple-A by each of the three major rating agencies. To validate the reasonableness of its own target debt ratios for the Plan, Georgia has compared its ratios to those of its ratings peer group - the triple-A rated states. The following table presents the debt ratios for the triple-A states, the group median and average, and also the 50-state median and average. As shown in the table below, Georgia is close to the triple-A average in all of the categories.

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Comparison of Debt Ratios for Triple-Triple A States						
State	**Net Tax-Supported Debt Per Capita**	**Ranking Among 50 States**	**Net Tax-Supported Debt as a % of 2010 Personal Income**	**Ranking Among 50 States**	**Net Tax-Supported Debt as a % of Gross State Domestic Product**	**Ranking Among 50 States**
Georgia	**$1,061**	**26**	**3.0%**	**20**	**2.51%**	**22**
Alaska	1,251	21	2.8	25	1.78	35
Delaware	2,536	8	6.2	7	3.54	14
Iowa	287	48	0.7	47	0.59	47
Maryland	1,792	14	3.6	18	3.52	15
Missouri	699	37	1.8	37	1.69	36
North Carolina	853	31	2.4	30	1.89	33
Texas	580	39	1.5	40	1.16	40
Utah	1,275	20	3.8	15	2.92	18
Virginia	1,315	19	2.9	22	2.51	24
Triple-A Median	1,156	--	2.9	--	2.20	--
Triple-A Average	1,166	--	2.9	--	2.21	--
50-State Median	1,074	--	2.8	--	2.47	--
50-State Average	1,416	--	3.4	--	2.92	--

Compiled from Moody's Investors Service, 2013 State Debt Medians

For comparison purposes, Moody's measures debt service ratios to current year receipts for all fifty states; this varies from the State's constitutional limitation on debt service to ten percent of prior year treasury receipts. When evaluating Georgia's budgetary requirements for debt service to projected *current* year receipts, the State's ratio is third to Delaware and Utah for all of the Triple-Triple A states at 7.0%, as shown in the chart below. This is indicative of the relatively slow recovery of State revenues following the 2007-2009 recession.

State	FY 2012 Debt Service to FY 2012 Projected Revenues (%)	Ranking among 50 States
Georgia	**7.0**	**16**
Alaska	1.3	45
Delaware	7.8	10
Iowa	0.9	47
Maryland	5.7	21
Missouri	3.9	30
North Carolina	3.8	31
Texas	3.1	34
Utah	7.3	13
Virginia	5.2	22

Compiled from Moody's Investors Service, 2013 State Debt Medians

Debt Issuance Projections

For FY 2014, approved new bond authorizations totaled $850 million. There was $461.06 million of unissued prior year general obligation bond authorizations carried over into FY 2014. The State expects to issue $857.67 million of general obligation bonds during FY 2014 leaving $450.505 million of authorized but unissued general obligation bonds which will carry over into FY 2015. New bond authorizations for FY 2015 through FY 2018 are projected at $850 million per year.

The following table summarizes the projected debt issuance through FY 2018. All currently authorized but unissued debt as of the date of the plan is shown as being issued in FY 2015 and all new authorizations for FY 2015 through FY 2018 are shown as being issued in the year of authorization. All future debt issuances are assumed to be issued during the first half of the fiscal year, meaning that during that fiscal year the actual debt service on the newly issued debt will be only one-half of the annual debt service. Also, the debt will be structured to achieve approximately level debt service each fiscal year.

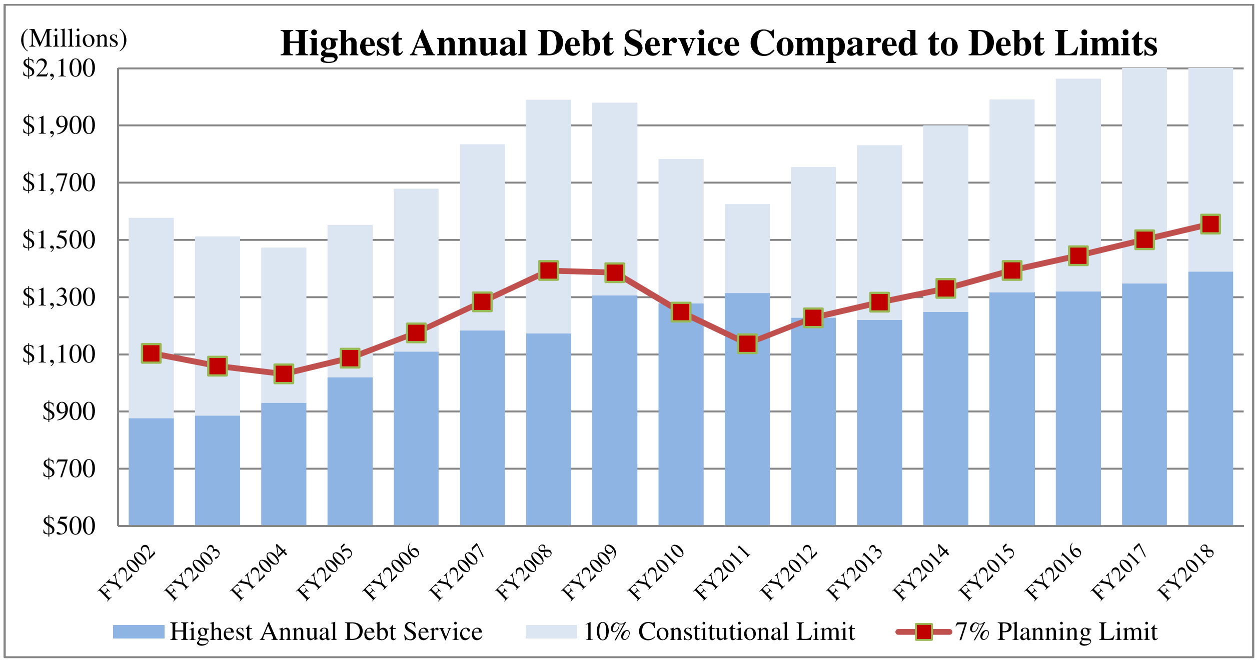
Debt Issuance Projections
(thousands)

General Obligation Bonds Issued	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Prior Year Authorizations	$202,695	$450,505	$ -	$ -	$ -
Current Year 5 Year Bond Authorizations	89,450	100,000	100,000	100,000	100,000
Current Year 10 Year Bond Authorizations	27,225	-	-	-	-
Current Year 15 Year Bond Authorizations	4,500	-	-	-	-
Current Year 20 Year Bond Authorizations	533,800	750,000	750,000	750,000	750,000
Total Projected Issuances	$857,670	$1,300,505	$850,000	$850,000	$850,000

Based on the currently outstanding debt, scheduled debt retirements, and projected debt issuance, the following table summarizes the projected debt outstanding at the end of the fiscal year for each year through FY 2018 and the projected highest annual debt service in each year.

(Thousands)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Debt at Beginning of Year	$9,027,575	$9,113,360	$9,621,170	$9,678,695	$9,716,915
G.O. & G.R.B. Issuances	857,670	1,300,505	850,000	850,000	850,000
Scheduled Payments/Early Retirements/Refunded bonds	(771,885)	(792,695)	(792,475)	(811,780)	(847,805)
Debt Outstanding at End of Fiscal Year	9,113,360	9,621,170	9,678,695	9,716,915	9,719,110
Projected Annual Debt Service (Issued and Authorized but Unissued)	1,236,794	1,255,029	1,284,082	1,316,262	1,362,660

To provide a longer term historical perspective for the debt service ratio, the chart below covers the period of FY 2002 though FY 2018, the end of the Plan.



Economic and Demographic Projections

The State economist provides projections of Treasury Receipts, personal income, and assessed and actual valuation of taxable property; the Governor's Office of Planning and Budget provides estimates the future population of the State. These projections are summarized in the table below.

Economic and Demographic Projections								
Fiscal Year	**Treasury Receipts ($ millions)**	**% Growth**	**Personal Income ($ billions)**	**% Growth**	**Population (millions)**	**% Growth**	**Estimated Full Value ($ billions)**	**% Growth**
2014	20,033	2.5	391	3.9	10.345	1.6	938	4.6
2015	20,802	3.8	410	4.7	10.509	1.6	985	5.0
2016	21,629	4.0	430	5.0	10.673	1.6	1,025	4.2
2017	22,441	3.8	452	5.2	10.836	1.5	1,063	3.5
2018	23,263	3.7	475	5.0	11.000	1.5	1,089	2.5

Impact of Debt Issuance Projections on State Debt Ratios

As can be seen in the following chart, based on the assumptions utilized in the Plan, an annual new bonds authorization of $850 million per year will result in projected ratios that do not exceed the Commission's planning levels. This will provide some "head room" should any of the growth rate assumptions, or projections regarding the interest rate environment, prove to be too optimistic.

Projected Debt Ratios (General Obligation and Guaranteed Revenue Debt)							
Fiscal Year Ended June 30	**Debt Outstanding ($ millions)**	**Debt as % of Personal Income**	**$ Debt per Capita**	**Debt as % of Estimated Full Value**	**Highest Annual Debt Service as % of Prior Year Receipts**	**% of Debt Retired in 5 Years**	**% of Debt Retired in 10 Years**
2014	$9,113.4	2.3%	$881	1.0%	6.4%	40%	71%
2015	9,621.2	2.3	915	1.0	6.6	39	69
2016	9,678.7	2.3	907	0.9	6.4	40	70
2017	9,716.9	2.1	897	0.9	6.3	40	70
2018	9,719.1	2.0	884	0.9	6.3	40	70

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RISKS

Risks

The Plan necessarily includes various assumptions regarding the State's financial condition and credit ratings as well as assumptions regarding external risk factors. A few of the risks external to the State are outlined below.

Event Risk: Event risk is the risk that the State's ability to make its debt service payments would be negatively impacted because of an unexpected event, such as a catastrophic hurricane, which causes substantial damage to the State and its economy resulting in substantially delayed and/or reduced revenues.

Market Risk: Market risk could affect planned future issues of bonds by causing a delay in the timing of bond issues, or a reduction in the planned size of future bond issues, due to reduced capacity of the capital market to timely and orderly clear new bond issues.

Interest Rate Risk: Issuing new debt during periods of rising, or excessively high, interest rates would result in higher debt service payments, which would cause budgetary pressures and could lead to higher than desired debt ratios and/or down-sizing of bond issues and/or reductions in planned capital improvement programs.

Federal Government Risk: Significant changes in tax and securities law or regulation could result in increased interest rates and higher debt service payments. A significant withdrawal of federal financial participation in various capital improvement programs, particularly transportation, likely would have a considerable impact on the State's prioritization and funding of capital projects.

Projected Interest Rates Assumptions

In analyzing debt issuance levels for the Plan period, the State has made the following assumptions regarding budgeted and projected interest rates for new issues of general obligation debt:

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
5 Year G.O. Bonds	5.00%	5.00%	5.25%	5.25%	5.25%
10 Year G.O. Bonds	5.25%	5.25%	5.25%	5.25%	5.25%
20 Year G.O. Bonds	5.75%	5.75%	6.00%	6.00%	6.00%

For the currently outstanding variable rate bonds, the interest rate is calculated at 9%, which is the maximum rate allowable under the bond trust indenture. Also, no future bond issues during the period of the Plan are projected to be issued as variable rate bonds.

CONCLUSION

The Plan will serve as a guide to the State in ensuring the availability of funding for necessary capital projects required to meet the State's future needs and in maintaining the balance between the State's demand for capital and the ability and willingness of the State to repay additional debt. In addition, the Plan will assist the State in its efforts to preserve the triple-A bond ratings from all three rating agencies by assuring the rating agencies that the State can fund the capital projects necessary to sustain its economic growth and meet citizen demand for services. The State has established its maximum limits for the debt ratios and will carefully monitor its debt level and ratios and adjust debt issuances if the ratios consistently exceed the target levels. The Plan will be updated annually and all assumptions will be revisited and reaffirmed or revised as needed to most accurately and conservatively project the State’s debt capacity. The Plan indicates that a new bond authorization amount of $850 million per year will not cause the State to equal or exceed any of its planning levels for the various ratios measured by the Plan.

Following are tables which summarize the assumptions and resulting debt ratios, both with and without the inclusion of the GARVEE bonds, based on the currently projected debt issuance schedule. For management purposes, the Plan provides two types of debt service calculations for each fiscal year. The first calculation is the best estimate of debt service payments to be due in a particular fiscal year. The second set is the highest annual debt service, for the current year or any subsequent year, based on the 10% Constitution dictated debt limit as previously described. Additional tables present the outstanding general obligation debt and outstanding revenue debt of State authorities.

Summary of Projected Debt Ratios
General Obligation and Guaranteed Revenue Debt
(000's omitted)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Principal Outstanding at Beginning of Year	**$ 8,988,395**	**$ 9,027,575**	**$ 9,113,305**	**$ 9,621,115**	**$ 9,678,640**	**$ 9,716,860**
General Obligation Bond Issuances	834,870	857,670	1,300,505	850,000	850,000	850,000
Refunding G.O. Debt	486,825					
Principal Payments	(764,620)	(771,940)	(792,695)	(792,475)	(811,780)	(847,805)
Refunded G.O. Debt	(517,895)					
Principal Outstanding at End of Year	**$ 9,027,575**	**$ 9,113,305**	**$ 9,621,115**	**$ 9,678,640**	**$ 9,716,860**	**$ 9,719,055**
Projected Annual Debt Service (1)	$ 1,170,509	$ 1,194,819	$ 1,255,029	$ 1,284,082	$ 1,316,262	$ 1,362,660
Total Treasury Receipts (millions)	19,540	20,033	20,802	21,629	22,441	23,263
Population (millions)	10.180	10.345	10.509	10.673	10.836	11.000
Personal Income (billions)	376	391	410	430	452	475
Property Valuation (billions)	897	938	985	1,027	1,063	1,089
Ratios for Projected Annual Debt Service						
Debt service to Prior Year Receipts	**6.39%**	**6.11%**	**6.26%**	**6.17%**	**6.09%**	**6.07%**
Debt service to Current Year Receipts	5.99%	5.96%	6.03%	5.94%	5.87%	5.86%
Ratios for Outstanding Principal at the End of the Fiscal Year						
Debt to Personal Income	2.4%	2.3%	2.3%	2.3%	2.1%	2.0%
Debt per Capita	$887	$881	$915	$907	$897	$884
Debt to Estimated Actual Property Value	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%
Ratios for 10% Constitutional Limit (based on highest annual debt service for both actual issued and unissued debt) (2)						
Highest Annual Debt Service - Issued	$ 1,170,509	$ 1,213,729	$ 1,189,536	$ 1,108,774	$ 1,052,303	$ 1,010,060
Highest Annual Debt Service - Unissued (3)	44,511	41,974	130,324	218,674	307,024	395,374
Total Highest Annual Debt Service	$ 1,215,020	$ 1,255,703	$ 1,319,861	$ 1,327,448	$ 1,359,327	$ 1,405,435
Debt service to Prior Year Receipts	6.63%	6.43%	6.59%	6.38%	6.28%	6.26%

(1) Projected Annual Debt Service is the best estimate (as of December 31, 2013) of debt service payments for each fiscal year. FY2013 and FY2014 do not include debt service for unissued debt.
(2) Highest Annual Debt Service for the 10% Constitutional limit calculation is not limited to the current fiscal year.
(3) This reflects the highest annual debt service based on the authorization debt factors for all items projected above to be issued in the Plan, but have not actually been issued as of 12/31/2013.

Summary of Projected Debt Ratios

General Obligation, Guaranteed Revenue, and GARVEE Debt

(000's omitted)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Principal Outstanding at Beginning of Year	$ 10,165,185	$ 10,075,435	$ 10,026,635	$ 10,393,295	$ 10,303,180	$ 10,186,840
General Obligation Bond Issuances	834,870	857,670	1,300,505	850,000	850,000	850,000
Refunding Debt	486,825					
Principal Payments	(893,550)	(906,470)	(933,845)	(940,115)	(966,340)	(1,002,365)
Refunded Debt	(517,895)					
Principal Outstanding at End of Year	$ 10,075,435	$ 10,026,635	$ 10,393,295	$ 10,303,180	$ 10,186,840	$ 10,034,475
Projected Annual Debt Service (1)	$ 1,356,220	$ 1,380,064	$ 1,440,274	$ 1,469,330	$ 1,501,507	$ 1,547,906
Total Treasury Receipts (millions)	$ 19,540	$ 20,033	$ 20,802	$ 21,629	$ 22,441	$ 23,263
Estimated Federal Reimbursements (millions)	1,397	1,421	1,445	1,469	1,494	1,520
Total Revenues (millions)	$ 20,937	$ 21,454	$ 22,247	$ 23,098	$ 23,935	$ 24,783
Population (millions)	10.180	10.345	10.509	10.673	10.836	11.000
Personal Income (billions)	376	391	410	430	452	475
Property Valuation (billions)	897	938	985	1,027	1,063	1,089
Ratios for Projected Annual Debt Service						
Debt service to Prior Year Total Revenues	**6.97%**	**6.59%**	**6.71%**	**6.60%**	**6.50%**	**6.47%**
Debt service to Current Year Total Revenues	6.48%	6.43%	6.47%	6.36%	6.27%	6.25%
Ratios for Outstanding Principal at the End of the Fiscal Year						
Debt to Personal Income	2.7%	2.6%	2.5%	2.4%	2.3%	2.1%
Debt per Capita	$990	$969	$989	$965	$940	$912
Debt to Estimated Actual Value	1.1%	1.1%	1.1%	1.0%	1.0%	0.9%
Ratios for 10% Constitutional Limit (based on highest annual debt service for both issued and unissued debt) (2)						
Total HADS (without GARVEEs)	$ 1,215,020	$ 1,255,703	$ 1,319,861	$ 1,327,448	$ 1,359,327	$ 1,405,435
HADS - GARVEEs Issued	185,711	185,247	185,247	185,247	185,247	185,247
Total Highest Annual Debt Service	$ 1,400,731	$ 1,440,951	$ 1,505,108	$ 1,512,696	$ 1,544,575	$ 1,590,682
Debt service to Prior Year Receipts	7.2%	6.9%	7.0%	6.8%	6.7%	6.6%

(1) Projected Annual Debt Service is the best estimate (as of December 31, 2013) of debt service payments for each fiscal year. FY2013 and FY2014 do not include debt service for unissued debt.

(2) Highest Annual Debt Service for the 10% Constitutional limit calculation is not limited to the current fiscal year.

APPENDIX A

DEBT SERVICE SCHEDULES
For
STATE AUTHORITIES

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Georgia Environmental Loan Acquisition Corporation

Local Government Loan Securitization Bonds
Series 2011 (Loan Pool and Cobb County-Marietta Water Authority Loans)
Debt Outstanding as of June 30, 2013

Fiscal Year	Principal	Interest	Annual Debt Service
2014	$ 755,000	$ 6,987,604	$ 7,742,604
2015	770,000	6,976,279	7,746,279
2016	790,000	6,960,109	7,750,109
2017	810,000	6,941,149	7,751,149
2018	835,000	6,919,279	7,754,279
2019	860,000	6,893,811	7,753,811
2020	895,000	6,864,786	7,759,786
2021	33,335,000	6,832,119	40,167,119
2022	970,000	5,498,719	6,468,719
2023	1,015,000	5,457,979	6,472,979
2024	1,060,000	5,413,573	6,473,573
2025	1,115,000	5,362,693	6,477,693
2026	1,170,000	5,309,173	6,479,173
2027	1,230,000	5,253,013	6,483,013
2028	1,295,000	5,189,975	6,484,975
2029	1,365,000	5,123,606	6,488,606
2030	1,440,000	5,053,650	6,493,650
2031	88,020,000	4,979,850	92,999,850
2032	1,600,000	468,825	2,068,825
2033	1,690,000	384,825	2,074,825
2034	1,780,000	296,100	2,076,100
2035	1,880,000	202,650	2,082,650
2036	1,980,000	103,950	2,083,950
Total	$146,660,000	$119,473,714	$256,133,714

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Georgia Higher Education Facilities Authority

Revenue Bonds
Series 2008, 2009, and 2010
Debt Outstanding as of June 30, 2013

Fiscal Year	Principal	Interest	Annual Debt Service
2014	$ 4,215,000	$ 14,876,344	$ 19,091,344
2015	4,535,000	14,707,744	19,242,744
2016	4,875,000	14,508,594	19,383,594
2017	5,245,000	14,294,944	19,539,944
2018	5,595,000	14,098,069	19,693,069
2019	5,980,000	13,881,669	19,861,669
2020	6,455,000	13,578,331	20,033,331
2021	6,910,000	13,293,644	20,203,644
2022	7,440,000	12,948,144	20,388,144
2023	7,960,000	12,576,144	20,536,144
2024	8,420,000	12,178,144	20,598,144
2025	8,885,000	11,775,925	20,660,925
2026	9,340,000	11,343,325	20,683,325
2027	9,830,000	10,869,087	20,699,087
2028	10,375,000	10,352,275	20,727,275
2029	10,950,000	9,802,487	20,752,487
2030	11,560,000	9,214,319	20,774,319
2031	12,205,000	8,591,544	20,796,544
2032	12,910,000	7,916,094	20,826,094
2033	13,645,000	7,201,419	20,846,419
2034	14,430,000	6,445,844	20,875,844
2035	15,255,000	5,646,644	20,901,644
2036	16,095,000	4,822,044	20,917,044
2037	17,005,000	3,951,912	20,956,912
2038	17,930,000	3,032,444	20,962,444
2039	18,945,000	2,062,862	21,007,862
2040	12,680,000	995,612	13,675,612
2041	5,705,000	270,987	5,975,987
Total	$285,375,000	$265,236,594	$550,611,594

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Georgia Housing and Finance Authority

Debt Outstanding as of July 1, 2013

(Under the 1976 Resolution)

Year Ending	Principal	Interest	Annual Debt Service
7/1/2014	$45,490,000	$38,095,966	$83,585,966
7/1/2015	23,955,000	37,387,168	61,342,168
7/1/2016	27,465,000	36,816,404	64,281,404
7/1/2017	34,840,000	36,008,921	70,848,921
7/1/2018	28,395,000	34,907,363	63,302,363
7/1/2019	29,810,000	33,951,136	63,761,136
7/1/2020	30,995,000	32,894,515	63,889,515
7/1/2021	33,480,000	31,695,990	65,175,990
7/1/2022	35,865,000	30,357,166	66,222,166
7/1/2023	35,630,000	28,892,494	64,522,494
7/1/2024	38,505,000	27,413,823	65,918,823
7/1/2025	38,805,000	25,824,432	64,629,432
7/1/2026	36,090,000	24,138,093	60,228,093
7/1/2027	35,130,000	22,617,858	57,747,858
7/1/2028	36,310,000	21,066,136	57,376,136
7/1/2029	37,880,000	19,456,440	57,336,440
7/1/2030	38,840,000	17,807,716	56,647,716
7/1/2031	40,085,000	16,219,324	56,304,324
7/1/2032	40,265,000	14,598,755	54,863,755
7/1/2033	41,285,000	12,972,004	54,257,004
7/1/2034	41,710,000	11,315,697	53,025,697
7/1/2035	42,100,000	9,631,899	51,731,899
7/1/2036	42,690,000	7,944,653	50,634,653
7/1/2037	39,845,000	6,225,359	46,070,359
7/1/2038	32,145,000	4,799,514	36,944,514
7/1/2039	28,670,000	3,735,974	32,405,974
7/1/2040	29,875,000	2,746,190	32,621,190
7/1/2041	25,035,000	1,794,190	26,829,190
7/1/2042	20,750,000	960,818	21,710,818
7/1/2043	9,215,000	469,418	9,684,418
7/1/2044	6,830,000	133,185	6,963,185
Total	$1,027,985,000	$592,878,601	$1,620,863,601

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Georgia World Congress Center Authority

Revenue Refunding Bonds
Series 2011 (Georgia Dome)
Debt Outstanding as of June 30, 2013

Fiscal Year	Principal	Interest	Annual Debt Service
2014	$11,175,000	$2,992,084	$14,167,084
2015	11,530,000	2,632,210	14,162,210
2016	11,895,000	2,260,923	14,155,923
2017	12,270,000	1,877,908	14,147,908
2018	12,660,000	1,482,768	14,142,768
2019	13,065,000	1,075,026	14,140,026
2020	13,475,000	654,367	14,129,367
2021	13,905,000	220,394	14,125,394
Total	$99,975,000	$13,195,680	$113,170,680

Note: Interest payments are due each January 1 and July 1; Principal payments are due each July 1.

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Lake Lanier Islands Development Authority

Revenue Bonds and GEFA Loan

Debt Outstanding as of June 30, 2013

Fiscal Year	Principal	Interest	Annual Debt Service
2014	$ 1,199,134	$ 936,293	$ 2,135,427
2015	1,250,822	884,605	2,135,427
2016	1,303,999	831,428	2,135,427
2017	1,361,173	774,254	2,135,427
2018	1,420,051	715,376	2,135,427
2019	1,481,552	653,875	2,135,427
2020	1,545,792	589,635	2,135,427
2021	1,612,898	522,529	2,135,427
2022	1,683,004	452,423	2,135,427
2023	1,756,247	379,180	2,135,427
2024	1,832,771	302,656	2,135,427
2025	1,912,724	222,703	2,135,427
2026	1,996,269	139,158	2,135,427
2027	966,899	67,472	1,034,371
2028	787,983	26,174	814,157
Total	$22,111,318	$7,497,761	$29,609,079

Debt schedule includes outstanding Revenue Bonds (Roadway refurbishment) and GEFA Loan (Wastewater Reclamation Facility)

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State Road and Tollway Authority
GARVEE Bonds Series 2006, 2008, and 2009
Guaranteed Revenue and Refunding Bonds, Series 2001, 2003, 2011A and 2011B
Toll Revenue Bonds, Series 1998 and 2010 (GA400)
Debt Outstanding as of June 30, 2013

Fiscal Year	Principal	Interest	Annual Debt Service
2014	$ 166,420,000	$ 69,737,164	$ 236,157,164
2015	168,930,000	61,869,119	230,799,119
2016	192,095,000	53,894,571	245,989,571
2017	201,095,000	44,885,731	245,980,731
2018	204,065,000	35,175,535	239,240,535
2019	163,240,000	25,089,460	188,329,460
2020	171,380,000	16,949,970	188,329,970
2021	112,390,000	8,392,450	120,782,450
2022	21,545,000	2,861,625	24,406,625
2023	22,650,000	1,756,750	24,406,750
2024	23,810,000	595,250	24,405,250
TOTAL	$1,447,620,000	$321,207,625	$1,768,827,625

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Georgia State Road and Tollway Authority

Northwest Corridor Project Toll Revenue Bonds, TIFIA Second Lien Bonds
Debt Outstanding as of June 30, 2013 [1]

Fiscal Year [2]	Principal [3]	Interest [3]	Annual Debt Service
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	12,877,706	12,877,706
2024	0	12,895,443	12,895,443
2025	1,222,125	12,849,751	14,071,876
2026	2,433,251	12,809,753	15,243,004
2027	3,720,664	12,705,686	16,426,350
2028	5,198,298	12,567,894	17,766,192
2029	6,705,776	12,322,562	19,028,338
2030	8,468,685	12,069,286	20,537,971
2031	8,891,138	11,744,511	20,635,649
2032	9,205,207	11,419,751	20,624,958
2033	9,619,912	11,035,890	20,655,802
2034	10,003,702	10,683,137	20,686,839
2035	10,405,652	10,300,548	20,706,200
2036	10,812,753	9,915,870	20,728,623
2037	11,285,948	9,474,879	20,760,827
2038	11,703,568	9,056,364	20,759,932
2039	12,190,853	8,608,086	20,798,939
2040	12,667,441	8,152,845	20,820,286
2041	13,121,573	7,646,455	20,768,028
2042	13,612,678	7,155,350	20,768,028
2043	14,133,486	6,634,542	20,768,028
2044	14,666,017	6,102,011	20,768,028
2045	15,243,290	5,524,738	20,768,028
2046	15,818,523	4,949,505	20,768,028
2047	16,423,725	4,344,303	20,768,028
2048	17,047,185	3,720,843	20,768,028
2049	17,708,821	3,059,207	20,768,028
2050	18,381,814	2,386,214	20,768,028
2051	19,085,085	1,682,943	20,768,028
2052	19,814,208	953,820	20,768,028
2053	10,189,781	194,152	10,383,933
Total	**$339,781,159**	**$255,844,045**	**$595,625,204**

1 The TIFIA Second Lien Bonds closed on November 14, 2013 and no principal was outstanding as of June 30, 2013. The first draw on the TIFIA Loan is expected to occur in December 2015.

2 Principal and interest amounts reflect required deposits of toll revenues to the TIFIA debt service fund during each fiscal year. Principal is paid each July 1st and interest is paid each January and July 1st.

3 The initial TIFIA loan amount is $275,000,000. Pursuant to the TIFIA loan agreement, interest through July 1, 2022 will be deferred and added to the outstanding principal balance. The total principal paid includes the loan amount of $275,000,000 plus deferred interest of $64,781,159. The principal amount of the loan, the deferred interest and the payments of principal and interest will change based on the actual amount of loan proceeds disbursed by TIFIA and the timing of those disbursements. In any event, the TIFIA loan amount cannot exceed $275,000,000. TIFIA principal may be prepaid from excess toll revenues after meeting other required payments and deposits and the distribution test in accordance with the indenture.

STATE OF GEORGIA

Georgia State Financing & Investment Commission

Financing and Investment & Division

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