DEBT MANAGEMENT PLAN

2022 - 2025

GOVERNOR BRIAN P. KEMP

STATE OF GEORGIA

DEBT MANAGEMENT PLAN

FISCAL YEAR 2022 – FISCAL YEAR 2026

Georgia State Financing and Investment Commission

Financing and Investment Division

GEORGIA STATE
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EXECUTIVE SUMMARY

Each year, the Financing and Investment Division of the Georgia State Financing and Investment Commission (the "Commission") prepares the debt management plan (the "Plan") which provides projections of the State of Georgia's (the "State") general obligation ("GO") and guaranteed revenue ("GR") debt (principal amount) and the annual debt service requirements (principal and interest due to be paid during a fiscal year) for all outstanding debt and projected new debt. The Plan covers the current fiscal year and the four succeeding fiscal years. (The State's fiscal year ("FY") extends from each July 1 through the next June 30; e.g., FY 2022 covers the period of July 1, 2021 through June 30, 2022.) The resulting projected annual debt service requirements are compared to the actual treasury receipts of the State for the immediately preceding fiscal year, as well as projected future treasury receipts of the State, to determine the ratio of highest annual debt service ("HADS") 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 for reasons discussed within the Plan is limited by Commission policy to a maximum of 7%, along with several other ratios discussed in the Plan, informs the Governor and the General Assembly in their consideration of the authorization of new State debt during the annual budget process. Projected authorizations 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 following table shows actual (FY 2017 – FY 2021) and projected (FY 2022 – FY 2026) authorizations for GO debt and GR debt for capital projects and bond issuances for each fiscal year and the resulting ratio of combined annual GO and GR debt service to prior year State treasury receipts. To the extent there are any unused authorizations carried over from prior fiscal years, the amount of bonds issued in a fiscal year may exceed the amount of new authorizations for that fiscal year by up to the carryover amount. The approximately $983.1 million of general obligation debt currently authorized for FY 2022 addressed needs for new facilities for: K-12 education, higher education facilities for The University System of Georgia ("USG") and the Technical College System of Georgia ("TCSG"), improvements to state roads and bridges, public safety, economic development, improvements to the State's rail system, and other facilities of the State. There also was an authorization of $567 million for new GR debt for the State Road and Tollway Authority, making the grand total of new GO and GR debt authorizations for FY 2022 approximately $1.550 billion. The planning level for new GO debt authorizations is $950 million for FY 2023 and $950 million per year thereafter; no additional new authorizations for GR debt are projected in the planning period. The HADS ratios shown in the following table are based on the actual (FY 2017 through FY 2021) or scheduled (FY 2022 through FY 2026) debt service payments for all outstanding GO bonds and GR bonds plus the projected debt service appropriations for new debt authorizations as per the Plan.

(Table shown on following page.)

$ - Millions	Actual Amounts					Projected Amounts				
Fiscal Year	2017	2018	2019	2020	2021	2022*	2023	2024	2025	2026
New GO Authorizations	$952	$1,166	$1,184	$1,096	$1,129	$983	$950	$950	$950	$950
GO Bond Issuances	$920	$1,041	$1,229	$915	$1,133	$1,097	$1,122	$950	$950	$950
New GR Authorizations						$567				
GR Issuances						$367				$200
HADS Ratio	5.5%	5.5%	5.1%	4.9%	4.7%	4.1%	4.7%	4.8%	4.7%	4.6%

*As of January 13, 2022

Various State authorities are authorized by State law to transact multi-year debt obligations which are secured by revenues of the authority; however, these obligations are not State GR debt and thus are not included in the debt service ratio as defined in the Constitution. The act creating the Commission established the Commission as having final authority to authorize the issuance of any new debt by State authorities and in setting the parameters for the incurring of that debt. These debt obligations, which are backed only by the designated revenues, are commitments of the issuing State Authority only; there is no legal recourse to the State for repayment of the obligations. The obligations of State authorities are discussed in more detail in a later section of this Plan.

There are other types of multi-year debt obligations, which even though they do not meet Georgia's constitutional definition of debt, generally are considered by the credit markets and rating agencies as de facto debt of the State (or the USG) and thus that debt does have credit rating implications for the State. The two primary types of such obligations are (1) lease obligations of State agencies and (2) the debt of foundations and cooperative organizations associated with the USG and its various institutions. In compliance with various Statements of the Governmental Accounting Standards Board ("GASB"), these obligations are reflected in the State's Annual Comprehensive Financial Report and are discussed later in the Plan.

CONSTITUTIONAL AND STATUTORY FRAMEWORK FOR STATE DEBT

Prior to 1973, the State was not permitted to issue either GO or GR debt – instead, the State's capital project needs were met through the issuance of revenue bonds by several State authorities with the security for those bonds being annually renewable lease/rental agreements between the issuing authority and one or more State departments and/or agencies. (The structure described in the preceding sentence is commonly referred to as "appropriation debt.") In November 1972 the electorate of the State approved a comprehensive amendment to the Constitution (the "1972 Amendment") which took effect January 1, 1973, which permitted the State to finance its capital project needs directly through the incurring of GO debt and GR debt, both of which are secured by the full faith and credit of the State. The 1972 Amendment also included a prohibition against the State entering into any new lease/rental agreements if those agreements would serve as security for financings by State authorities or other public institutions. With the passage of the 1972 Amendment and the subsequent statutory implementation of the 1972 Amendment by the General Assembly in 1973 through the enactment of the Georgia State Financing and Investment Commission Act (the "Commission Act"), the State was granted the ability to incur legally binding

GO and GR debt. The ability to incur these types of debt enabled the State to achieve higher credit ratings for its debt – and thus lower interest rates – than the appropriation debt method described above. The State's first issue of GO bonds subsequent to the 1972 Amendment was in September 1974 after an adjudication which established the constitutionality of the new debt structure and process was affirmed by the Supreme Court of the State of Georgia - $20,000,000 series 1974A bonds (of a total $170,053,000 authorized by the General Assembly with annual maturities from 1975 through 1999). At that time, there also was an aggregate amount of approximately $1.052 billion of State authority debt secured by leases with State agencies and departments, but since then that debt has been paid in full.

With the ratification of a new Constitution in 1983, the ratio of maximum fiscal year GO and GR debt service to prior year State treasury receipts was lowered to 10% from its initial level of 15%. Since 1983, amendments to the State debt provisions of the Constitution have been approved in 1984, 1986, 1992, 2010, and most recently, 2012. These amendments included: authorizing GO bonds to be issued for public library facilities owned by a city, county, or certain other local governmental entities rather than the State; authorizing GO bonds and GR bonds to be issued for the purpose of making 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 multijurisdictional solid waste recycling or solid waste facilities or systems; authorizing the General Assembly to provide by legislation for multiyear contracts for "guaranteed" energy efficiency improvement projects (it should be noted, however, these contracts are not GR debt); and authorizing the General Assembly to provide by legislation for multiyear rental agreements on the part of the State Properties Commission, the Board of Regents, and the Department of Labor for real property. While the General Assembly has adopted the necessary legislation with respect to the most recent two amendments, the legislation for multiyear rental agreements made the State Properties Commission the only state agency statutorily allowed to enter into a multiyear rental agreement.

The Constitution and the Commission Act establishing the parameters regarding the issuance of GO and GR debt form a solid foundation supporting the highest possible ratings which have been assigned by the bond rating agencies to the State's debt, and the credit markets' high regard of the State's debt. Some of the key provisions of the Constitution and the Commission Act include:

- a prohibition against incurring additional debt (either via issuance of GO bonds or GR bonds) which would cause the highest aggregate annual debt service in the then current year or any subsequent year to exceed 10% of the total State treasury receipts for the fiscal year preceding the issuance of the additional debt;
- explicit descriptions of the types of capital projects which can be funded with GO and GR debt;
- a requirement that the maximum annual debt service for proposed new debt be appropriated at the time the debt is authorized;
- a requirement for full appropriation each fiscal year of the amount necessary to pay the aggregate debt service coming due for that year;
- a provision that debt service appropriations for new debt authorizations which were not issued do not lapse at the end of the fiscal year in which they were authorized;
- a provision for repeal, prior to the incurring of the debt, of GO and GR debt authorizations by the General Assembly;

- guidelines as to how GO and GR debt may be refunded to ensure that there is no incremental increase in debt service in any future year and to prohibit the extension (final maturity) of the debt as a result of the refunding;
- limitations on cash flow borrowing for operating budget purposes;
- a prohibition against the issuance of any new Authority debt which would be secured by lease agreements with State agencies or departments, as had been utilized extensively by the State prior to the 1972 Amendment;
- a provision that should the amount appropriated for debt service payments be insufficient for any reason to make all payments due with respect to GO debt the first revenues thereafter received in the general fund of the State must be set aside to the extent necessary to cure any such payment deficiency;
- an explicit right established by the Constitution for any GO debt 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 GO debt of the State;
- guidelines as to the issuance of GR debt including a requirement that there be a debt service reserve funded at the time the debt is incurred in an amount equal to the highest annual debt service amount for that debt, and provisions for the replenishment of that reserve from state treasury receipts should there ever be a need to utilize any of the funds within the reserve for payment of debt service, and
- an explicit right established by the Constitution for any GR debt holder to bring suit, if necessary, to compel the appropriate state fiscal officer to meet the obligation to apply funds to the common reserve fund per the requirements of the Constitution.

The issuance of all State debt, and debt issued by State authorities, is subject to Commission approval. The Commission is comprised of seven members, all of whom serve in an ex-officio capacity with the three officer designations as established in the Constitution: the Governor of the State serves as Chairman, the President of the Georgia State Senate (the Lieutenant Governor) serves as Vice-Chairman, and the State Auditor serves as Secretary and Treasurer. 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 the Commission,
- providing debt related financial advisory services to State authorities and agencies,
- providing construction services for State agencies for GO debt funded projects, and
- additional responsibilities as provided by law.

In summary, the Constitution provides for the issuance, and limitations and conditions thereon, by the State of both GO debt and GR debt, and 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 as part of the budget appropriations process, the General Assembly may authorize new GO debt to be issued by the State and/or GR debt to be issued by various State authorities; the Governor may approve or veto individual debt authorizations included in the appropriations bill. The Constitution also provides for the issuance of revenue debt which may be issued by certain State authorities as authorized by State statute; such non-guaranteed revenue debt cannot be secured by the full faith, credit, and taxing power of the State, but instead must be secured only by specified revenues of the Authority pursuant to the Act creating and governing the Authority.

TYPES OF DEBT OBLIGATIONS

General Obligation Debt

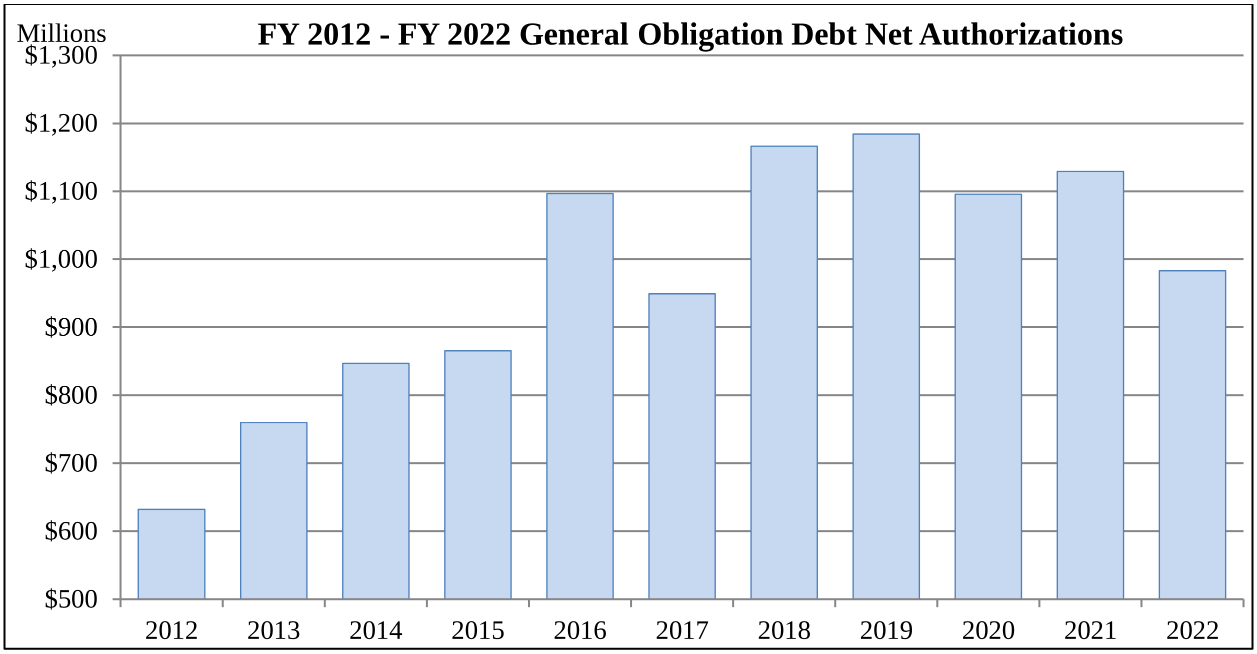
The Constitution limits the use of GO debt to the following purposes:

- 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.

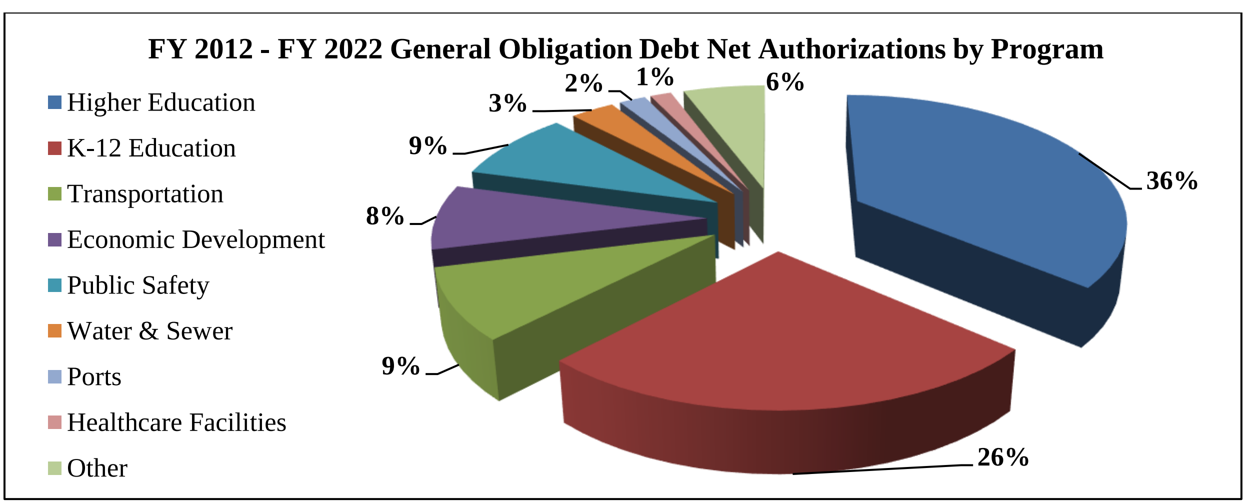
For the first two purposes described above, the State Constitution limits the term of GO debt to 25 years. As a matter of practice, however, the General Assembly typically approves the issuance of GO debt with a final maturity of not more than 240 months (20 years) from the date that the debt is incurred for major construction and renovation projects, or for a shorter final maturity (generally 60 months) for less extensive repair projects and capital equipment needs; this is so the term of the debt does not exceed the useful life of the specific projects and equipment being funded.

The following chart depicts the net GO debt authorized for the period FY 2012 through FY 2022 (net GO debt is equal to original authorizations less any deauthorizations by the General Assembly prior to the debt being incurred). As part of its active and responsive financial management of the budget in response to the decline in State revenues during and after the end of the last recession in mid-2009, the State reduced the amount of new authorizations as compared to preceding years for GO debt to only the most critical infrastructure projects in order to help bring the various debt ratios back within planning limits sooner rather than later. As State revenues recovered after the recession, new debt authorizations also were returned to more normal levels. The “COVID-19 Recession” in 2020, which officially lasted only two months and was quite deep based on many metrics of measurement, did not result in as severe of a drop of State revenues, or for an extended duration as did the 2007-2009 recession, and thus did not require the same level of response to reduce new authorizations.

(Chart shown on following page.)



GO debt may be incurred only if the General Assembly first enacts legislation as part of the annual appropriations bill or the amended annual appropriations bill which states the purpose(s), in either general or specific terms, for the debt; also, the bill must specify the authorized maximum principal amount of the debt and appropriate funds for the maximum annual debt service requirement to fully amortize such debt within the specified time frame. The Governor may approve or veto debt authorizations on an individual basis as part of signing the appropriations bill legislation into law. Authorizations for debt and the appropriations made for payment of debt service on that debt do not lapse at the end of the fiscal year even if the debt is not incurred and continue in effect until either the debt for which the appropriation was authorized has been incurred, or the authorization has been repealed by the General Assembly and such repeal subsequently is enacted into law by the Governor, or otherwise becomes law without the signature of the Governor. The following chart illustrates how the GO debt authorizations in aggregate of approximately $10.709 billion during the FY 2012 through FY 2022 period were distributed among major functions and programs of the State.

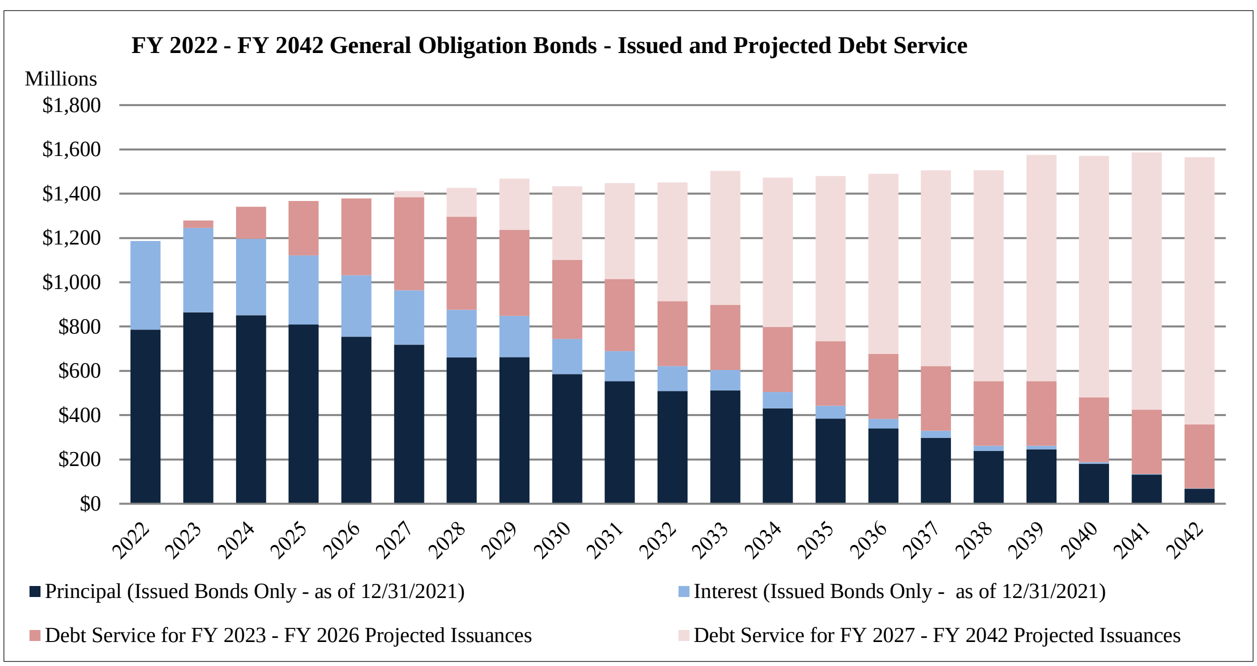


The Constitution requires that each fiscal year the appropriations for debt service payments on all GO debt be made to a special trust fund which is designated as the State of Georgia General Obligation Debt Sinking Fund (the "sinking fund"). The amount to be appropriated to the sinking fund must be sufficient to pay that year's debt service on all outstanding GO debt plus the maximum annual debt service requirement on all authorized but unissued debt. The Constitution also restricts use of appropriations to the sinking fund solely for the payment of debt service for GO debt.

As a further safeguard against there being any shortage in the sinking fund necessary to make all required debt service payments, the Constitution provides that should the General Assembly fail to make sufficient appropriation to the sinking fund as described above, or if for any reason the amount in the sinking fund is insufficient to make all required debt service payments during the fiscal year, 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, 2021, there was approximately $9.628 billion of GO debt outstanding (see Appendix A, page A-1). In July 2021, the State funded approximately $1.139 billion of its authorized and unissued total of approximately $1.311 billion GO debt, leaving $171.91 million of GO debt authorizations available for future issuances. The net effect of these transactions, together with scheduled principal payments and early retirements which were made from July 1, 2021 through December 31, 2021, was that as of December 31, 2021 the total GO debt outstanding had increased to approximately $10.02 billion. As of the date of this Plan, there are no plans for additional issuance of GO bonds for the remainder of FY 2022 and unless repealed by the General Assembly prior to issuance the $171.91 million of unissued authorizations will carry-over into FY 2023.

The following chart depicts the annual debt service on all currently outstanding GO debt plus the projected annual debt service on the debt currently authorized but not yet incurred, as well as projected future new debt authorizations annually of $950 million beginning with FY 2023.



Guaranteed Revenue Debt

GR debt is revenue debt issued by a State authority for which the State, via the legislative process, has guaranteed the repayment of the debt. The Constitution limits the use of GR 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 GR debt which may be issued to fund water or sewage treatment facilities or systems is 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."

> There also is a limit on the amount of GR debt for educational purposes:

> "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."

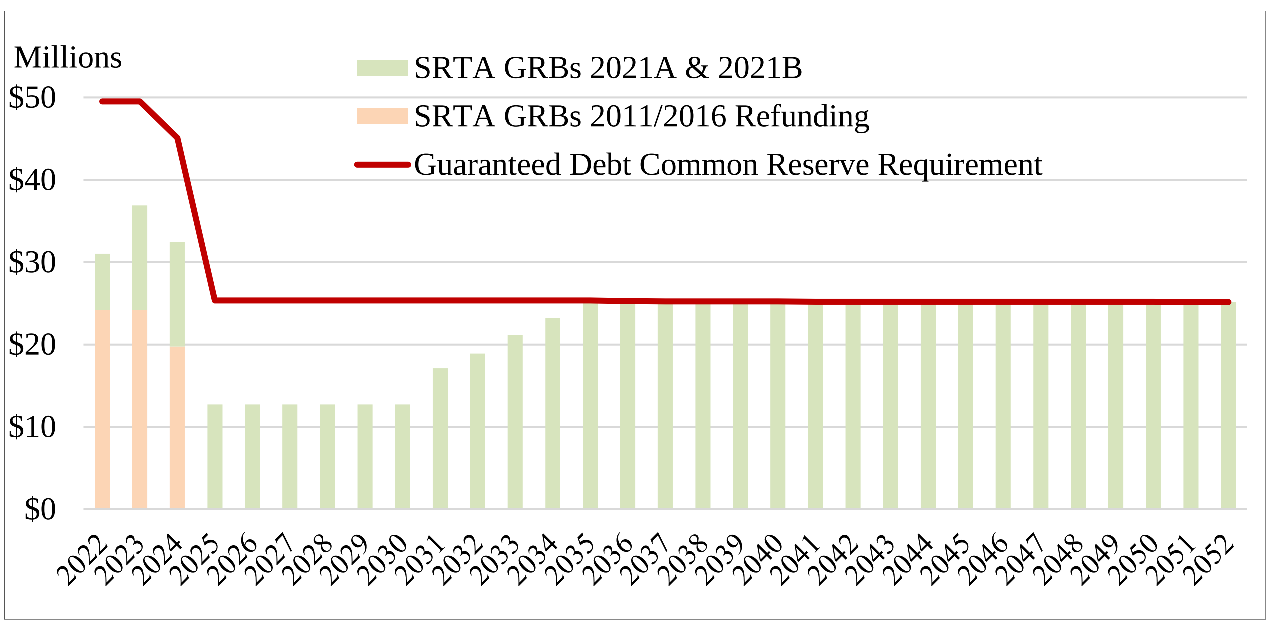
Prior to incurring GR debt, legislation must be enacted by the General Assembly and signed into law by the Governor authorizing the guarantee of the proposed debt obligation. In the legislation, which generally is part of the annual appropriations bill for the State, the General Assembly must determine conclusively that such obligations will be self-liquidating over the life of the obligation, specify the maximum principal amount of such obligation, and appropriate an amount at least equal to the highest annual debt service requirement for the obligation which must be deposited into a special trust fund designated as the State of Georgia Guaranteed Revenue Debt Common Reserve Fund (the "common reserve fund") at the time the GR debt is incurred. The common reserve fund provides a reserve for debt service payments pursuant to the State guarantee(s) made in connection with each GR debt obligation. Appropriations of the maximum annual debt service made for the benefit of GR 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. The authorization and appropriation of debt service may be repealed provided such repeal occurs prior to the debt being incurred and payment made into the common reserve fund for the highest annual debt service requirement of the debt.

If the revenue pledged to the payment of the GR debt is not sufficient to meet the debt service requirement and any portion of the debt service payment is required to be made utilizing funds in the common reserve fund, the Constitution mandates that the common reserve fund must be reimbursed from the State's general funds within ten (10) days after the start of the next fiscal year to restore the common reserve fund to the required amount. The requirement to reimburse the common reserve fund for any such payment is subordinate only to the obligation to make sinking fund deposits for the payment of GO debt.

The Constitution requires that the amount to the credit of the common reserve fund must at all times be at least equal to the aggregate highest annual debt service requirements on all GR obligations outstanding; 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.

As of June 30, 2021, there was a total of $63.46 million of GR debt outstanding (see Appendix A, page A-2) with a common reserve fund requirement of $24,179,500; all outstanding GR debt was issued by the State Road and Tollway Authority ("SRTA"). On July 1, 2021, SRTA issued $367.38 million of the $567 million GR debt which was authorized for SRTA in the FY 2022 appropriations bill, leaving $199.62 million of GR debt authorizations available for future issuances. Also, on July 1, 2021, the required amount of $25,335,403 for the highest annual debt service was deposited into the common reserve fund; this made the aggregated amount of common reserve fund requirements $49,514,903. The net effect of this transaction, together with the scheduled maturing principal payment made on October 1, 2021, was that as of December 31, 2021, the total principal amount of GR debt outstanding had increased to a total of $409.295 million. As of the date of this Plan, SRTA expects it will issue the remaining authorized GR bonds during FY 2026.

The following chart shows the annual debt service for all currently outstanding GR debt for the period FY 2022 through FY 2052, which is the last year of debt service for the currently outstanding GR bonds, including the 2021A and 2021B GR bonds which were issued on July 1, 2021. The chart also shows the required amount for the common reserve fund during that same period.



Refunding Opportunities

To ensure that the debt service on the State's outstanding debt is minimized, the Financing and Investment Division continuously monitors market conditions to determine if any outstanding debt could be refunded and thereby reduce the debt service payments. Refunding bond issues must comply with the requirements of the Constitution, the Commission Act, and the Commission's official policies which include: refunding debt may not extend the term beyond the term of the refunded debt; refunding debt may not increase debt service in any fiscal year; and a Commission adopted policy that refunding debt should produce minimum present value debt service savings of 3% for a current refunding or 4% minimum present value debt service savings for an advance refunding. (The terms "current refunding" and "advance refunding" are references to federal tax law definitions for two different refunding structures.) This policy can be waived by the Commission should the Commission deem that to be appropriate for the circumstance. There are additional restrictions imposed by federal regulations for the refunding debt to be tax-exempt debt for federal income tax purposes.

Authority Revenue Debt

Certain State authorities are authorized by statute to issue revenue bonds for various revenue-producing undertakings. Since such revenue debt incurred by State authorities is not tax-supported and there is no State guarantee regarding payment of the debt service (except in the case of the previously described GR debt obligations), the issuance of such debt by State authorities does not directly impact the State's debt burden or debt capacity. Unless specifically exempted by its enabling legislation, the State authority is required to request and receive permission from the Commission before incurring any revenue debt, including any line(s) of credit for operating cash flow purposes. Following is a brief summary of those State authorities which have revenue bonds or other debt obligations currently outstanding – no State authorities have entered into interest rate management agreements (which also are considered debt instruments subject to Commission approval) relative to their financings. Unless noted otherwise, all figures are as of June 30, 2021, with the outstanding amounts updated as of December 31, 2021. (See Appendix B for authority debt service schedules as of June 30, 2021.)

- The **Georgia Higher Education Facilities Authority** ("GHEFA") is authorized to incur debt to finance self-liquidating capital projects for the USG and the TCSG; GHEFA is authorized by statute to have outstanding at any point in time a maximum debt of $500 million. GHEFA issued revenue bonds in 2008, 2009, and 2010 which financed a total of eighteen projects at thirteen separate USG institutions. Subsequently, three GHEFA student housing projects which had been financed by GHEFA (two by the 2008 bonds and one by the 2010 bonds) were included in the USG's student housing privatization initiative and the outstanding bonds for those projects were defeased and are no longer outstanding. During FY 2015, GHEFA issued bonds to refund the outstanding 2008 bonds. In July 2018, the $18.805 million of outstanding bonds related to the Bainbridge College student center project which had been funded via the 2009 bonds were defeased. During FY 2019 the remaining outstanding 2009 bonds were refunded and no 2009 bonds are outstanding. In March 2020 GHEFA issued bonds to refund the then outstanding bonds from its 2010 issue. As of June 30, 2021, the aggregate amount of outstanding GHEFA bonds was $176.56 million.

- 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. By statute, GHFA may have a maximum aggregate amount of bonds and notes outstanding at any point in time of $3 billion for GHFA's single family residential housing program, excluding refunding bonds and notes. As of June 30, 2021, GHFA had approximately $1.529 billion bonds outstanding, all of which were for its single family residential housing program. GHFA has made additional principal redemptions of outstanding bonds during the second half of calendar year 2021, as well as issuing $101.235 million of additional new money and refunding bonds. As a result of these transactions, GHFA's total outstanding bonds amount was approximately $1.49 billion as of December 31, 2021. At its December 8, 2021 meeting, the Commission authorized GHFA to issue up to $250 million of new money or refunding bonds during calendar year 2022 for its single-family residential mortgage loans program.
- The **Georgia World Congress Center Authority** ("GWCCA") is authorized by statute to have outstanding no more than $500 million revenue bonds for multi-purpose stadiums and coliseums and certain ancillary facilities at any time. In FY 2016 GWCCA received a loan of approximately $30.05 million through GEFA's energy efficiency project multiyear contract program (see program description in a later section of the Plan) with the final loan payment due in FY 2034. In April 2021, GWCCA issued a total of $439.595 million of Convention Center Hotel Revenue Bonds which had been authorized by the Commission in an amount not to exceed the statutory maximum of $500 million to finance the development of a new Authority-owned hotel with additional convention facilities on GWCCA property adjoining its multi-use stadium facility in Atlanta. The GWCCA currently has no plans to incur any of the $60.405 million of unused debt capacity.
- The **Lake Lanier Islands Development Authority** ("LLIDA") is authorized to issue revenue bonds and borrow money (there is no debt limit specified in the LLIDA Act) for the purpose of improving, developing, and promoting the islands in Lake Lanier as a recreational and convention location. In 2008, LLIDA issued $10 million revenue bonds for roadway and other capital improvements; it also borrowed approximately $15.141 million from GEFA to make improvements to its sewerage system. As of June 30, 2021, LLIDA had a combined total of approximately $10.825 million principal outstanding of revenue bonds and the GEFA loan; as of December 31, 2021, scheduled repayments of principal further reduced the outstanding balance to approximately $9.974 million.
- The **Georgia Ports Authority** ("GPA") is authorized to issue revenue bonds and incur debt for projects which are "self-liquidating" in accordance with the Georgia Ports Authority Act creating GPA; there is no specified limit as to the total amount of debt GPA is permitted to incur. In November 2021, GPA issued its 2021 revenue bonds in the amount of $427.04 million; the bonds amortize annually by maturity or mandatory redemption each July 1, 2022 through 2051. The 2021 bonds were issued for the purpose of funding improvements and expansions at the Port of Savannah. GPA expects to issue additional bonds in FY 2024 on parity with the 2021 Bonds to fund approximately $500 million of additional projects.
- The **State Road and Tollway Authority** ("SRTA") is authorized to issue revenue bonds (there is no debt limit specified in the SRTA Act) for self-liquidating land public transportation systems (roads, bridges, etc.) and projects. As described in more detail below, as of June 30, 2021 the total amount of SRTA bonds outstanding was approximately

$457.585 million, primarily due to the issuance of $484.16 million GARVEE bonds on December 22, 2020, less principal payments of $47.18 million on June 1, 2021, as described below. (Note: the TIFIA loan described in the Northwest Corridor Project discussion below is not included in the preceding figures.)

On July 1, 2021, SRTA incurred $367.38 million of the maximum $567 million GR debt (the "2021 GR Bonds") which had been authorized via the FY 2022 appropriations bill, leaving $199.62 million unused GR debt authorization, as further described below. The 2021 GR Bonds were issued for the purposes of: (i) financing or refinancing all or a portion of the costs of land public transportation facilities or systems including construction of and improvement to toll facilities and adjacent related structures, (ii) repay in full the TIFIA loan for the Northwest Corridor Project described in more detail below, (iii) legally defease all of the outstanding SRTA bonds for the I-75 South Express Lanes Project (also described in more detail below), (iv) fund capitalized interest on a portion of the 2021 GR Bonds through January 15, 2024, and (v) to pay the costs of issuance of the 2021 GR Bonds. The 2021 GR Bonds are secured by the net revenues of the tolled Managed Lane System projects (I-75 South Managed Lanes Project, the Northwest Corridor Project, and the I-85 Express Lanes (including the I-85 Extension)), as well as the full faith and credit of the State by virtue of the GR bonds designation, as further described within this State Road and Tollway Authority subsection.

- **Guaranteed Revenue Bonds**. As of June 30, 2021, there were two series of SRTA GR Refunding Bonds (2011B and 2016, which refunded bonds that had been issued in 2001 and 2003) outstanding in an aggregate amount of $63.46 million; however, as described above, SRTA issued $367.38 million of 2021 GR Bonds on July 1, 2021 increasing the aggregate amount of GR bonds outstanding to $430.84 million. On October 1, 2021, a scheduled principal payment of $21.545 million on the 2011B bonds was made which reduced the aggregate amount outstanding of GR bonds to $409.295 million as of December 31, 2021.
- **Grant Anticipation Revenue Vehicle ("GARVEE") Bonds**. As of June 30, 2021, SRTA had an aggregate outstanding amount of GARVEE bonds (described in more detail in the following GARVEE Bonds section) of $457.585 million. As there were no scheduled payments of principal between June 30, 2021 and December 31, 2021, as of December 31, 2021 the aggregate amount of outstanding GARVEE bonds was $457.585 million. SRTA currently does not anticipate issuing additional GARVEE bonds prior to FY 2024. (See "GARVEE Debt" below.)
- **I-75 South Express Lanes Project Toll Revenue Bonds**. As of June 30, 2021, the outstanding aggregate accreted value of SRTA's toll revenue bonds, which were issued in June 2014 for the construction of the I-75 South Express Lanes Project in Henry and Clayton counties (south of the City of Atlanta), was approximately $41.7 million. As described in the second paragraph of this State Road and Tollway Authority section, on July 1, 2021, SRTA issued its 2021 GR Bonds, with a portion of those bond proceeds being used, along with additional Authority funds, to legally defease all the outstanding I-75 South Express Lanes Project Toll Revenue Bonds; the net toll revenues from this project now are part of the security for the 2021 GR Bonds.
- **Northwest Corridor Project Toll Revenue Bonds**. In order to provide a portion of the funding for the Northwest Corridor managed lanes project adjoining I-75 and I-575 in Cobb and Cherokee counties north of the City of Atlanta, SRTA previously had obtained a loan commitment from the United States Department of Transportation of up to $275 million (the "TIFIA Loan") which was secured solely by the toll revenues

of this managed lane project. Users of the Northwest Corridor managed lanes are charged tolls and these toll revenues were to be the source of revenue for the repayment of the TIFIA Loan. The project was placed into service on September 8, 2018 and the final draw from the TIFIA Loan commitment was in early September 2019. As of June 30, 2021, there had been approximately $249.7 million disbursed from the TIFIA Loan commitment and with interest payment deferrals the amount owed on this loan had increased to approximately $290.1 million. On July 1, 2021, SRTA used a significant portion of the proceeds of the 2021 GR Bonds to pay-off the TIFIA Loan, including all accrued but unpaid interest, thus removing that lien upon the toll revenues from the Northwest Corridor Project. The toll revenues from this project now are part of the security for the 2021 GR Bonds. Additionally, as interest rates had declined significantly since the incurring of the TIFIA Loan (which was at a taxable rate), this refinancing (which was at tax-exempt rates) provided significant debt service savings versus the original TIFIA Loan repayment schedule.

- **Georgia Military College** ("GMC") was authorized in 2002 by the Commission to incur debt not to exceed $7.0 million to construct new barracks for cadets on its Milledgeville campus. During FY 2021, GMC repaid the outstanding balance on this debt and GMC has no outstanding debt.

GARVEE Debt

In August 2006, SRTA issued $450 million fixed rate GARVEE bonds and approximately $50 million in a commercial paper mode. Through this bond issue, SRTA established a structure for the GARVEE bonds as consisting of two separate series, one described as Federal Highway Grant Anticipation Revenue Bonds and the other described as Federal Highway Reimbursement Revenue Bonds at an 80/20 ratio, respectively, with a final maturity of approximately 12 years from the date issued. The master trust indenture for the GARVEE bonds established an additional bonds test requiring that 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 any proposed GARVEE debt when issued on parity with the outstanding debt. In April 2008 and March 2009, additional GARVEE bonds totaling $600 million in each year were issued; in 2008, the outstanding commercial paper issued in 2006 was retired with a portion of the proceeds from the 2008 bonds. In August 2017, SRTA issued approximately $63.85 million of additional GARVEE bonds to fund right-of-way acquisition for express lanes adjoining the northern portion of Interstate 285 between Interstate 75 in Cobb County and Interstate 85 in DeKalb County (the "2017 Project") and $285.915 million refunding bonds to refund a portion of then outstanding GARVEE bonds in order to achieve debt service savings. The 2017 bonds have a final maturity of 2029. In December 2020, SRTA issued $484.16 million of additional GARVEE bonds which have a final maturity date of June 1, 2032. SRTA's GARVEE bonds are secured solely by federal highway grant revenues and reimbursements and do not carry either a direct or an implied guarantee of the State.

The August 2017 and December 2020 GARVEE bonds were issued pursuant to Commission action on December 15, 2016 to adopt a resolution authorizing SRTA to issue up to $675 million of additional GARVEE bonds for the purpose of funding the 2017 Project; $126.99 million of that authorization remains unissued, but SRTA currently has no plans to issue any additional GARVEE bonds prior to FY 2024. As allowed by the Resolution for the 2017 GARVEE bonds, SRTA and the State Transportation Board modified the description of the 2017 Project to include additional work in the Interstate 285 and Georgia 400 corridors. The 2016 Commission resolution specified that the final maturity of the authorized GARVEE bonds may not be later than June 1, 2035.

The following table summarizes the debt service requirements on the outstanding GARVEE bonds, the most recent Projected Federal Obligation Authority available for debt service, and the resulting debt service coverage factors; however, estimated total federal reimbursements are expected to be lower, as shown in the table on page 32.

($000)	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**
Debt Service Requirements – Outstanding Debt	$60.443	$60.432	$60.446	$60.442	$60.442
Projected Federal Obligation Authority	$1,566.035	$1,597.355	$1,629.302	$1,661.888	$1,695.126
Debt Service Coverage	25.9x	26.4x	27.0x	27.5x	28.0x

SRTA's GARVEE bond issues in 2006, 2008, and 2009 initially received ratings of Aa2/AA-/AA- from Moody's Investors Service ("Moody's), S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("Standard & Poor's"), and FitchRatings ("Fitch"), respectively. Since the initial ratings on those GARVEE bond issues, however, both Moody's and Fitch have lowered their ratings for GARVEE bonds on a programmatic basis nationwide primarily due to the ongoing lack of certainty surrounding both the timing and future level and structure of federal transportation funding, although Standard & Poor's, based on their assessment of the program nationally, continued to rate SRTA's GARVEE bonds as AA- with a stable outlook. When rating the 2017 GARVEE bonds and reviewing the rating on the outstanding bonds which were being refunded as part of the transaction, Fitch maintained its existing A+ rating (with a stable outlook) and Moody's maintained its A2 rating (with a stable outlook) to each series of the Grant Anticipation Revenue Bonds and A1 rating (with a stable outlook) to each series of the Reimbursement Revenue Bonds; Standard & Poor's, however, upgraded its rating to AA (with a stable outlook) on all of SRTA's GARVEE bonds. In December 2020, the rating agencies confirmed the ratings as established in 2017, all with stable outlooks.

With respect to calculations of net tax-supported debt, one of the rating agencies differs in its treatment of GARVEE debt versus the other two rating agencies. Standard & Poor's does not include GARVEE debt in its tax-supported debt calculations while both Moody's and Fitch do include GARVEE debt (with a corresponding allowance granted for the federal revenue sources which support the debt) in their calculations. Given the size of the program, and that both Moody's and Fitch include GARVEE debt in their calculations of tax-supported debt, the State believes that it is prudent also to consider the effect the GARVEE debt has on the net tax-supported debt ratio projections.

As shown in the table on page 32, including GARVEE bonds in the debt ratio calculations results in a slight increase in the State's overall debt burden. The ratio of debt service requirements to the prior year's State treasury receipts plus federal reimbursements is projected at 4.1% in FY 2022, 4.7% in FY 2023, 4.7% in FY 2024, 4.6% in FY 2025, and 4.5% in FY 2026; these percentages are well below the planning level limit of 8% inclusive of the GARVEE debt as established in the Plan.

Multiyear Contracts for Energy Efficiency Projects

In November 2010, an amendment to the Constitution to provide for multiyear contracts for energy efficiency or conservation improvement projects (the "2010 Amendment") was approved by the electorate of the State. The 2010 Amendment allowed the General Assembly, through adoption of general law (2010 General Assembly 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 the vendors guarantee that debt service payments for the energy efficiency improvements will be offset fully by specified savings or revenue gains attributable solely to the improvements. Senate Bill 194 also required the Commission to adopt fiscal policies and establish a total multiyear contract value for such contracts and further provided any contract entered into by a state agency not in compliance with the policies and multiyear contract value authority set by the Commission would be void and of no effect. On December 12, 2012, the Commission adopted its "Fiscal Requirements for Energy Performance Contracts" policy as required by Senate Bill 194. The Commission previously authorized $73.5 million for FY 2016 and $55.3 million for FY 2019. Only $6.5 million of the FY 2019 authorization was utilized during FY 2019. Although the Commission authorized the carryover of $8.2 million of the unused FY 2019 authorization into FY 2020, it was not utilized and subsequently lapsed. No authorizations were requested for either FY 2021 or FY 2022. While the debt service amount is not required to be included in the calculation of the debt service ratio previously discussed in the Plan, and it is neither GO debt or GR debt of the State, the Commission has determined to make such calculations to ensure that conservative debt affordability standards are maintained for all State debt. The energy project multiyear contracts are recorded as Notes Payable on the financial statements of the State.

Multiyear Contracts for Real Property Leases

In November 2012, an amendment to the Constitution to provide for multiyear rental agreements for real property (the "2012 Amendment") was approved by the electorate of the State. The 2012 Amendment allowed the General Assembly, through adoption of general law (2012 General Assembly Senate Bill 37, effective January 1, 2013), to authorize certain State agencies - the State Properties Commission (the "SPC") and the Board of Regents ("BOR") - to enter into multiyear rental agreements, without obligating funds for the total amount of the obligation that the State will 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. Although the debt service amount for the multiyear rental agreement contract value authority is not 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, the Commission has determined to make such calculations to ensure that conservative debt affordability standards are maintained. Various accounting rules and standards dictate that the multiyear real property rental agreements are considered leases on the financial statements of the State (see "OTHER LONG-TERM OBLIGATIONS Leases" below).

Through FY 2021 SPC and BOR had closed on an aggregate of approximately $844.234 million of multiyear rental agreements per authorizations approved by the Commission. The Commission authorized $10 million multiyear contract value authority for BOR for FY 2022, although BOR had not closed on any new leases as of the end of calendar year 2021. For FY 2022 through December 2021, SPC had closed on an additional $12.996 million of multiyear rental agreements related to the $80 million of Commission approved multiyear contract authority for FY 2022. On December 8, 2021 the Commission approved SPC's request for $125 million new multiyear contract value authority for FY 2023.

OTHER LONG-TERM OBLIGATIONS

Leases

The State routinely acquires use of real property and equipment through leases (including the multiyear contracts for energy projects and real property leases as described in the preceding section). Many 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. Although these leases do not directly impact the calculation of the debt service ratio as defined by the State Constitution, they are considered by the rating agencies as tax-supported debt and are included in the rating agency's calculations. For additional information regarding leases, see the State's audited Annual Comprehensive Financial Report for the fiscal year ending June 30, 2021, Note 11, available on the State Accounting Office's website at www.sao.georgia.gov.

In some instances, the lessor obtained acquisition and/or renovation financing for the property being leased by the State via a funding process which involved the issuance of revenue bonds by a local city or county government or local development authority (the proceeds then are loaned to the lessor for the acquisition and/or renovations and the state agency leases the property on an annually renewable basis). When this is the case (for example, the highly specialized archives storage facility originally developed for the Secretary of State which since has been transferred to the BOR), 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. Numerous and consistent communications from the rating agencies have affirmed that such an event of non-appropriation likely would jeopardize the State's triple-A credit ratings as being indicative of either an unwillingness, or inability, of the State to continue the lease and thus fulfill its credit obligations. While these obligations are not legally equivalent to the debt service payment obligations for general obligation debt or guaranteed revenue debt, the annual payments essentially become a de facto fixed payment obligation which has the practical effect of binding the State to make these lease payments for the entire term of the lease, thus slightly reducing the future financial flexibility of the State.

Public University Foundation Debt

According to the BOR's Finance Office, as of June 30, 2021 the total outstanding principal amount of bonds and leases which financed university system facilities through the system's Public Private Ventures Program totaled approximately $2.855 billion. (This amount includes bonds issued by local authorities, bonds issued by GHEFA (as previously discussed), proceeds from the United States Department of Agriculture, and multiyear contracts for real property leases. Proceeds of these transactions have been used to construct, renovate and/or rehabilitate, 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 fees), or the BOR has instituted dedicated student fees (such as student activity or parking fees), which provide revenues to support the annual lease payment; upon renewal of the lease each fiscal year, the lease payment obligation becomes a legal and binding obligation of the BOR for that fiscal year and thus is secured by the entirety of the legally available financial resources of the BOR. These obligations are included on the financial statements of the various USG institutions and the BOR and the State; additional information may be obtained from those documents.

During FY 2015, the BOR implemented a Public Private Partnership ("P3") program for existing and new on-campus student housing at nine (9) member institutions. The P3 program was designed to provide housing options for students choosing to live on campus by leveraging private sector innovation and efficiencies in the operation and maintenance of the P3 facilities, and correspondingly reducing the BOR's lease obligations associated with student housing. The P3 program was structured so that any debt incurred by the P3 vendor to acquire existing housing facilities or to construct the additional student housing per the P3 program was not a liability of the BOR as it was not backed by a rental agreement with the BOR. No additional projects have been converted to P3 status since FY 2015 and currently there are no approved or pending plans for additional conversions.

Retirement Systems and Other Post-Employment Benefits

These liabilities do not directly impact the calculation of the State's debt service ratio as defined by the Constitution, but they do represent significant ongoing financial commitments which could affect both the current and future financial flexibility of the State. Also, the rating agencies view these liabilities as long-term tax-supported debt and include their own adjusted calculations in various calculations of tax-supported debt as an indicator of financial flexibility of the State and as comparative metrics among the states. For a more complete description and discussion of these liabilities, which involve extremely complex actuarial calculations unique to each pension plan and assumptions regarding investment returns of the various pension funds and other post-employment benefits funds, see notes 15, 16, and 17 in the State's FY 2021 Annual Comprehensive Financial Report which is available via the State Accounting Office's website at www.sao.georgia.gov. The calculations shown in the latter sections of the Plan currently do not include either the pension liabilities or the other post-employment benefits liabilities for the State or the comparison states.

DEBT STRUCTURE

State debt may be issued with fixed interest rates or with a rate structure which can vary according to a prescribed methodology, generally known as variable rate debt. The use of variable rate debt introduces an element of interest rate risk and the potential of increased debt service payments for that debt. That risk can be reduced, but not eliminated entirely, using hedging instruments (although each instrument also would have its own particular risk profile) such as a floating to fixed interest rate swap agreement. To ensure that the level of interest rate risk is reasonable, the rating agencies suggest that an issuer limit the aggregate amount of variable rate debt in its capital structure to a maximum of approximately 15% to 20% of its total debt. The primary benefit to an issuer of utilizing variable rate debt is that generally the interest rate resets on a periodic and frequent basis (such as daily or weekly) with the bond holder able to "put" the bond back to either the issuer or a liquidity provider which has been engaged by the issuer specifically for that purpose, and thus the interest rate prices at the short term rate and the debt service is expected to be lower than if the debt had been incurred on a longer-term fixed interest rate for the full term of the debt. During FY 2017 the State refunded all of its outstanding variable rate general obligation debt with fixed interest rate debt and no other debt has been issued as variable rate debt since that time; because of the very low interest rates available in the capital markets there currently are no plans to consider the use of variable rate debt during the period covered by the Plan.

The State's objective for each new GO and GR bond issue is to structure the issue with approximately level annual debt service payments corresponding with the term of the authorized debt being funded by that issue. Should any variable rate debt be considered in the future, the maximum allowed interest rate would be utilized to develop a level annual debt service schedule utilizing serialized annual principal maturities and/or term bonds structured with annual mandatory redemptions for that debt.

DEBT AFFORDABILITY

The Plan is intended to ensure an acceptable balance is maintained between the provision of capital projects required to meet the State's future needs and the State's ability and willingness to repay the debt incurred to finance these projects. Through the establishment of reasonable target levels based on the State's expected population growth and per capita income projections balanced with the financial resources available to meet its debt obligations, the plan provides assurance the authorization of additional debt by the General Assembly is at prudent levels which would not be expected to not jeopardize the State's triple-A bond ratings.

There is no specific formula, however, for determining the maximum amount of debt which can be issued by the State in any particular year to accomplish these objectives. Many factors must be considered including: balancing the State's current and projected operating budget for funding both ongoing and new program requirements, current year and out year projected revenues, available fund balances, and an overall plan for managing the operating budget in balance with the need for new or renovated capital projects. The Plan incorporates the concept of debt affordability in determining an acceptable amount of tax-supported debt the State can issue. Also, any model for determining debt affordability is dependent upon the reasonableness and ultimately the degree of accuracy of economic forecasts and the projected impact on the State's total financial resources. Since FY 2006, the Commission's debt management plan has utilized a 7% cap (8% including GARVEE debt) for the debt service ratio, rather than the 10% maximum as specified in the Constitution; the 7% cap is in line with the State's peer group of states 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, many purchasers of governmental bonds historically have relied heavily on the major rating agencies' analysis of the factors affecting each borrower's ability to meet its debt obligations as reflected by the ratings and outlooks on those obligations. Each issuer's rating and outlook has a significant effect on the marketability of its bonds and the interest rates necessary to generate investor demand for the issuer's debt obligations. The states whose GO bonds are rated triple-A generally can sell those bonds at the lowest possible interest rates at any given point in time.

Another benefit of triple-A ratings was demonstrated during the credit market disruptions of late 2008 and early 2009 when higher rated issuers were able to access the credit market sooner and in larger amounts than was the case for lower rated issuers. (For some of the referenced time period, credit market access was severely curtailed to almost nonexistent and a functional credit market was restored only in a gradual manner over several months.) A somewhat similar situation, although not for as long or as severe as in 2008-2009, occurred in the late first quarter and second quarter of calendar 2021 due to the unsettled market conditions resulting from the impact of COVID-19 upon economic activity in the State of Georgia, the U.S., and internationally. The highest rated issuers, including the State of Georgia, were among the earliest issuers to regain access to the market, particularly with respect to larger issue sizes such as the State typically brings to market.

Rating agencies consider and incorporate trends relating to an issuer's overall debt and liability burden, revenue base, fund balances, and general economic base into their rating decisions, as well as a comparison of actual fiscal experience versus budget projections over a three- to five-year period. While specific rating criteria and weightings do vary slightly between the three rating agencies, the rating analysis generally incorporates four primary fiscal factors:

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

The amount of an issuer's tax supported debt is a very important factor in the determination of its credit rating. Credit analysts usually calculate several ratios, including those which are discussed in greater detail in a later section of the Plan, to use as measure of the issuer's debt burden. Credit analysts also look for balance, diversity, and growth potential of the economic base, as well as the primary sources of revenue to generate sufficient revenues to consistently meet operating program needs as well as repay all debt obligations – this is what the rating agencies generally refer to as "structural balance." Those issuers which demonstrate structural balance over both good times and bad times generally receive higher ratings than issuers which do not maintain structural balance during the bad times, or issuers which fail to regain structural balance within a reasonable period of time after major adverse events such as recessions, or disasters such as hurricanes and tornados, significant wildfires, floods, or extreme blizzards.

When analyzing an issuer's fiscal management practices, credit analysts also compare fiscal results with budgets and plans. Over time, such comparisons tend to serve as a good indicator of the effectiveness and quality of fiscal management by the issuer. Another criterion of sound fiscal management is the existence of laws, policies, and procedures which allow an issuer to exercise strong, but reasonable and flexible, control over its sources and timing of revenues, expenditures, and debt issuance. Issuers which do not have such control, or which frequently must use one-time measures to maintain budgetary balance, are not considered to be well-managed fiscally.

Actual financial performance is a result of both the quality of a state's fiscal management and general economic performance of the local economy. One indicator of financial performance is an issuer's ability to adjust to revenue shortfalls due to unexpected economic downturns, or downturns that are much more severe or longer than initial expectations, such as occurred during the 2007-2009 recession and the very slow, long, and shallow recovery which followed.

Another gauge of an issuer's fiscal management and financial performance is its ability to establish and maintain reasonable levels of reserves for cushioning the effects of unexpected adverse economic events, and then its ability to rebuild those reserves in a timely manner subsequent to their use in preparation for future downturns in the economy. The State of Georgia often is cited by the rating agencies as using its Revenue Shortfall Reserve appropriately – building it up during periods of robust economic activity and then judiciously using it during recessions to mitigate even more significant cutbacks in service levels that likely would have been necessary without those reserve resources.

Illustrative of how these various concepts affect the State's general obligation bond rating, the Rating Agency credit reports with respect to the State's June 2021 sale of 2021A and 2021B GO Bonds highlighted the following strengths.

- S&P Global Ratings (May 24, 2021):
    - Georgia's 'AAA' long-term rating is supported by our view of the state's overall strong credit fundamentals, including its large and diverse economic base that exhibited comparative resilience to the U.S. in light of uncertain public health and safety risks presented by the COVID-19 and management's implementation of timely structural budget measures to balance its fiscal 2020 and fiscal 2021 budget. …Georgia made necessary budget adjustments and emerged from this challenging social and economic landscape in a comparatively steady financial position, ending fiscal 2020 with very strong budgetary reserve levels….
    - The enacted fiscal 2022 budget is balanced without the use of one-time or non-recurring revenues to support state operations. In addition, Georgia's fiscal 2022 [budget] does not appropriate or authorize federal aid from the American Rescue Plan (ARP) to fund operational expenditures over the current or following fiscal year. … Previously, Georgia received approximately $3.5 billion in direct aid under Title V of the CARES Act, which established the Coronavirus Relief Fund (CRF). Approximately 40% of CRF funds received went to repay what the state borrowed for the federal Unemployment Compensation Fund, and the rest was largely spread across local government aid, health care and public safety staffing costs, PPE, testing, and other public health and response-related costs.
    - The state's debt burden … is moderate and should remain so despite future debt plans to undertake additional transportation projects, given our expectation that the state will align its debt issuance with its affordability metrics. Georgia's tax-supported debt per capita is about $930 and its tax-supported debt to personal income is approximately 2%. The state has no significant debt plans and given its rapid amortization and growth in population and incomes, we expect these ratios to continue to see slight moderation over time. Debt service has also been moderating in recent years and was a moderate 6% of expenditures in 2020.
    - Georgia maintains its commitment to adequately funding its pension liabilities and in recent years has started to prefund its other postemployment benefit (OPEB) obligations. We view the state's pension funding discipline as adequate as it annually

contributes an amount in its major pension plans to cover static funding, although its [sic] slightly short of meeting our minimum funding progress metric for all plans. The state's OPEB liability is moderate with some pre-funding and a legal ability to adjust benefits when necessary.

  - We view the state's social risks in line with that of the sector, supported by strong economic and demographic trends over the past decade. While we expect economic activity to continue to recover and remain comparable with the nation, headwinds from a resurgence in COVID-19 or increased corporate focus on social issues could challenge the pace of growth. We view Georgia's governance risks as being in line with the sector and it has historically maintained a strong management and policy framework to respond to developing risks. … [W]e view environmental risk as somewhat elevated compared to other states due to approximately 110 miles of coastline along the Atlantic Ocean and susceptibility to physical risks, such as hurricanes and other adverse weather events.
  - In our opinion, Georgia's economy is likely to remain resilient given its level of employment diversification and projected economic growth that mirrors the nation, despite the significant slowdown in leisure and hospitality (which constitutes 9.4% of total employment). … Over the last decade, Georgia has benefitted from an expanding economy, strong demographic trends, and improvement in its urban core of metropolitan Atlanta. Before the COVID-19 outbreak, most service sectors of the state's economy were flourishing. Absent any pull-back in economic activity to address health and safety risks, the state should be relatively well positioned for future growth.
  - Georgia's GO [general obligation] bonds are eligible to be rated above the sovereign [U.S.] because we believe the state can maintain better credit characteristics than the U.S. in a stress scenario. … The institutional framework in the U.S. is predictable, with significant state autonomy and flexibility demonstrated by serial bond amortization as well as independent treasury management.
- Fitch Ratings (May 24, 2021):
  - Georgia's 'AAA' IDR [Issuer Default Rating] reflects the state's proven willingness and ability to maintain fiscal balance and a broad-based, growth oriented economy that supports revenue growth over time.
  - Georgia's economic base is diverse and similar to that of the nation, although wealth indicators are below average. Growth in population and jobs has outpaced the nation over several decades, driving steady economic gains and providing a solid foundation for future growth.
  - Georgia's revenues, primarily comprising income and sales taxes, will continue to reflect the breadth of the economy and its solid long-term growth potential.
  - Georgia retains ample expenditure flexibility, and it is able to adjust the trajectory of growth in response to shifting revenues. The state has complete control over its' revenues, with an essentially unlimited legal ability to raise operating revenues as needed. with a low burden of carrying costs and the broad expense-cutting ability.
  - Georgia's long-term liability debt burden is low, and overall debt management is conservative. The state regularly issues bonds for capital need and principal amortization is rapid. Georgia fully funds its actuarially determined contributions for pensions supporting a modest net pension liability burden.
  - The state is well-positioned to deal with economic downturns, with exceptionally strong gap-closing capacity due to its broad control over revenues and spending coupled with its practice of building reserves. Georgia has a track record of restoring

financial flexibility during economic expansions, which is important given the state's above-average revenue volatility as indicated by historical experience and the Fitch Analytical Stress Test model.
    - Georgia's major pension systems covering both state employees [ERS] and teachers [TRS] have benefitted from consistent full actuarial contributions.
    - Georgia's exceptionally strong gap-closing ability during cyclical downturns derives primarily from its superior budget flexibility and strong reserves. Conservative fiscal practices and a cyclical but still diverse and expanding economy offer a strong platform for the state to address downturns and then gradually restore fiscal flexibility. Georgia typically responds to budgetary stress with spending restraint and use of budgetary reserves.
- Moody's Investors Service (May 21, 2021):
    - Georgia's Aaa general obligation rating reflects strong finances and liquidity, robust fiscal management and governance, and long-term liabilities and fixed cost burdens. The state's diverse economy and favorable demographic trends are also key considerations in the rating and factors that will contribute to long-term stability.
    - The stable outlook reflects the expectation that Georgia's economic fundamentals, financial position and fiscal management will remain strong and support the current rating.

Some of the State's weaknesses or factors that could lead to a downgrade as cited in the reports include:

- Heightened revenue or spending pressures that point to increased prospects of a weakened financial position.
- A departure from strong fiscal management and governance practices.
- Failure to adjust quickly to changing fiscal and economic circumstances and address budgetary challenges.
- Growth in long-term liabilities and fixed costs that outpace expansion of the state's economy and revenue base.

Measuring the Debt Burden

When calculating indebtedness, credit analysts use measures which take into account all debt supported, or serviced, by the issuer's sources of revenues, and particularly taxes such as income taxes and sales and use taxes; in most cases the debt being supported or serviced will include not only GO debt, but various leases, GARVEE bonds, and other debt depending upon the legal security and source of payments for the debt service. Such debt is classified as net tax-supported debt. For the State, net tax-supported debt includes all GO debt and GR debt, but does not include any revenue bonds not supported by the guarantee of the State; however, the GARVEE bonds are included by two of the three rating agencies due to the essential infrastructure nature of the projects. GR debt is included in the calculation of net tax-supported debt because the guarantee is related to all revenues of the State and not just project revenues. Except for the GARVEE bonds as noted above, revenue bonds issued by an instrumentality of the State which do not carry the State's explicit guarantee are not included in the calculation of the State's net tax-supported debt. As described earlier in the Plan, the issuance of revenue bonds by State authorities requires prior approval by the Commission; such approval is granted only after careful evaluation of the dedicated revenue stream that provides the security for these issues, as well as other pertinent factors. As Authority revenues, these revenues are not included in the State's general treasury revenues and thus can be pledged to the repayment of the debt pursuant to the enabling legislation for the Authority.

The following table summarizes the State's issued principal amounts for new projects and the outstanding principal amounts as of December 31, 2021; also as of that date, there remained $171.91 million of GO debt and $199.62 million of GR debt authorized which had not been incurred, and none is expected to be incurred during the remainder of FY 2022.

	Total Principal Issued	Outstanding Principal
General Obligation Debt	$31,093,275,000	$10,019,985,000
Guaranteed Revenue Debt	1,220,095,000	409,295,000
Total State Obligations	$32,313,370,000	$10,429,280,000

Five debt ratios as shown in the following table 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; they also provide a method of comparison of debt burdens among the various states.

Debt Ratio	**How Ratio is Calculated**
Debt per Capita	Net Tax-supported Debt / State Population
Debt as Percent of Personal Income	Net Tax-supported Debt / Total Personal Income of the State's Population
Debt Service as Percent of State Net Revenues	Annual Debt Service Requirement / Net Revenues of the State
Debt as Percent of Full Valuation of Assessed Property	Net Tax-supported Debt / Full Valuation of All Taxable Property
Debt as Percent of State Gross Domestic Product	Net Tax-supported Debt / State Gross Domestic Product

Credit analysts also examine how fast the debt is being repaid by calculating how much, in percentage terms, of the issuer's total long term debt is retired after 5 and 10 years. Analysts generally use a standard for this measure of 25 percent retired in 5 years and 50 percent retired in 10 years as being more favorable than slower debt amortizations. The rating agencies routinely comment favorably about the State's rapid rate of debt repayment.

All the ratios described above serve as important tools to track and monitor the impact of the State's debt. The Plan establishes reasonable amounts and peer-group comparable levels for three of the five debt ratios to help maintain triple-A credit ratings, as well as ensuring that the State remains below the maximum allowable debt limit as established by the Constitution.

Furthermore, as the State has issued a total of approximately $2.198 billion in GARVEE bonds from FY 2007 through the date of the Plan to address transportation infrastructure needs (not including bonds issued to refund previously issued debt), and given that 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. As previously mentioned, however, GARVEE bonds are secured solely from federal highway grant revenues and reimbursements and they do not have any legal claim to the full faith and credit of the State; thus they are not GO debt or GR debt of the State and are not included in the debt service coverage ratio as defined by the Constitution. As of December 31, 2021, there was an aggregate of $488.675 million GARVEE bonds outstanding.

The eighteen month long financial crisis recession which began in 2007 and ended in mid-2009 was quite severe and the ensuing slower than normal economic recovery which followed resulted in dramatically reduced state treasury receipts which were very slow to recover to previous levels; however, the debt service ratio has improved in each year since then. The COVID-19 recession of 2020, however, was much faster, deeper, and considerably shorter at only two months long and the economic recovery already exceeds one year with the economy even achieving expansion by some metrics, although the number of employed persons still has a considerable gap to overcome to reach the pre-recession amount. It still is not certain, however, that a follow-on recession will not ensue due to another significant wave of COVID-19 cases in the U.S. which could lead to a slowing of economic activity nationally or regionally - whether voluntary, government mandated, or a combination of the two in order to slow the rate of new cases. The pandemic and economic situations outside of the U.S. are even less settled and continue to result in disruptions in supply lines for both raw materials and finished goods, both imported and exported.

The Plan indicates that setting new authorizations for GO debt at $950 million annually for FY 2023 through FY 2026, 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 in the following table.

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

The following table presents a historical comparison of the State's net GO and GR indebtedness and debt ratios.

Historical Debt Ratios for General Obligation Bonds and Guaranteed Revenue Bonds							
Fiscal Year Ended June 30	**Debt Outstanding ($ millions)**	**Debt to Personal Income**	**Debt per Capita**	**Debt to Estimated Full Value**	**Annual Debt Service to Prior Year Receipts**	**Debt Retired in 5 Years**	**Debt Retired in 10 Years**
2017	$9,108.3	2.1%	$873	0.9%	5.5%	43%	73%
2018	9,196.6	2.0	874	0.9	5.5	42	73
2019	9,547.3	1.9	899	0.9	5.1	42	73
2020	9,551.6	1.7	892	0.8	4.9	42	73
2021	9,691.6	1.6	896	0.8	4.7	41	72

During this period the net amount of debt outstanding increased by $583.3 million and the "Debt as % of Personal Income" ratio decreased to 1.8% from 2.1%. Although the ratio "Annual Debt Service as % of Prior Year Receipts" for FY 2017 was only 5.5%, that still was somewhat elevated primarily due to the significant decline in State revenues followed by a slow recovery resulting from the severe impact of the 2007-2009 recession on Georgia's economy. As a result of the continued improvement in the State's economy during the last several years, generally lower interest rates on new debt issued, the effects of refunding debt to lower debt service payments, and despite the effects of the COVID-19 recession, this ratio improved to 4.7% for FY 2021. The percent of debt to be retired in 5 years and in 10 years has remained at levels viewed favorable by the rating agencies.

Comparison of Debt Burden to Other Triple-A States

Georgia is one of thirteen states currently rated triple-A by all three of the three major rating agencies; however, only the ten states shown in the following table are active issuers of general obligation debt (the states not included are Indiana, Iowa, and South Dakota). As of the date of this plan, no state which has triple-triple-A ratings currently has a negative outlook on any of its ratings. To assess the reasonableness of its target debt ratios for the Plan, Georgia compares its ratios to those of this peer group.

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The following table presents the debt ratios for the triple-triple-A states, the group median and average, and the 50-state median and average; Georgia is below the triple-triple-A average in all categories. Moody's net tax-supported debt includes GARVEEs, leases as reported in the State's Annual Comprehensive Financial Report and the Development Authority of Clayton County revenue bonds issued in 2012 for the State Archives Building. Moody's debt calculations are based on an analysis of calendar year 2020 debt issuance and fiscal year 2020 debt service.

Moody's Comparison of Net Tax-Supported Debt and Debt Ratios for Triple-Triple-A States						
State	**Amount Per Capita / Rank - 50 States**		**% of 2020 Personal Income / Rank - 50 States**		**% of 2019 Gross State Domestic Product / Rank - 50 States**	
Delaware	$3,400	6	6.0%	4	4.44%	6
Maryland	2,410	9	3.5	13	3.45	12
Virginia	1,746	15	2.8	17	2.72	17
Georgia	**987**	**28**	**1.9**	**25**	**1.71**	**27**
Utah	866	29	1.7	29	1.44	29
Florida	710	32	1.3	30	1.41	30
North Carolina	581	35	1.2	32	1.05	37
Missouri	413	41	0.8	40	0.79	40
Texas	365	42	0.7	43	0.61	43
Tennessee	266	44	0.5	44	0.50	44
Triple-A Median	788	--	1.5	--	1.43	--
Triple-A Average	1,174	--	2.0	--	1.81	--
50-State Median	1,039	--	1.9	--	2.04	--
50-State Average	1,535	--	2.5	--	2.43	--

Compiled from Moody's 2021 State Debt Medians

For comparison purposes, Moody's measures the ratios of tax-supported debt service to prior year receipts for all fifty states. Moody's considers Georgia's debt service burden to be in the low to moderate range and a credit strength for the State. As shown in the following table, at 5.4% Georgia's budgetary requirements for debt service to prior year receipts ratio is considered moderate, although it is higher than all but two of the triple-triple-A rated states. This is partly because unlike most other states Georgia devotes a substantial portion of its debt capacity each year to providing significant levels of bond-funded capital outlay grant funds to local school systems throughout the State; furthermore, for those states which also have such a program, most are not as comprehensive in scope as Georgia's program. Also, as Georgia has been one the fastest growing states for the last several decades, it has devoted substantial capital outlay funding to meet various infrastructure needs in order to meet increased needs resulting from the population growth and to remain economically competitive with other states.

(Table shown on following page.)

Moody's Debt Ratios Comparison for Triple-Triple-A States		
State	**FY 2020 Debt Service to FY 2019 Revenues (%)**	**Ranking among 50 States**
Maryland	6.8%	8
Delaware	5.6	11
Georgia	**5.4**	**15**
Virginia	4.5	19
Utah	4.5	20
Florida	4.3	21
North Carolina	3.0	32
Missouri	2.7	33
Texas	2.6	34
Tennessee	1.1	44
Triple-A Median	4.4	--
Triple-A Average	4.1	--
50-State Median	3.9	--
50-State Average	4.1	--

Compiled from Moody's 2021 State Debt Medians

Debt Issuance Projections

For FY 2022, approved new GO debt authorizations totaled $983.135 million; when added to the $327.405 million unissued prior years' debt authorizations carried over into FY 2022, there was a total of approximately $1.311 billion GO debt authorizations available at the beginning of FY 2022. In July 2021, the State utilized approximately $1.139 million of GO debt authorizations for the issuance of the 2021A and 2021B bonds, leaving $171.91 million of debt authorizations to be carried forward into FY 2023 (provided no additional debt is incurred during the remainder of FY 2022 and none is deauthorized prior to its being incurred). New GO debt authorizations for FY 2023 through FY 2026 are projected at $950 million annually, as shown in the following table. The Plan also projects that all currently authorized but unissued GO debt will be issued in FY 2023 and that all new authorizations will be issued in the fiscal year authorized. As is the usual practice of the State, new debt is expected to be structured to achieve approximately level debt service each fiscal year for the term authorized.

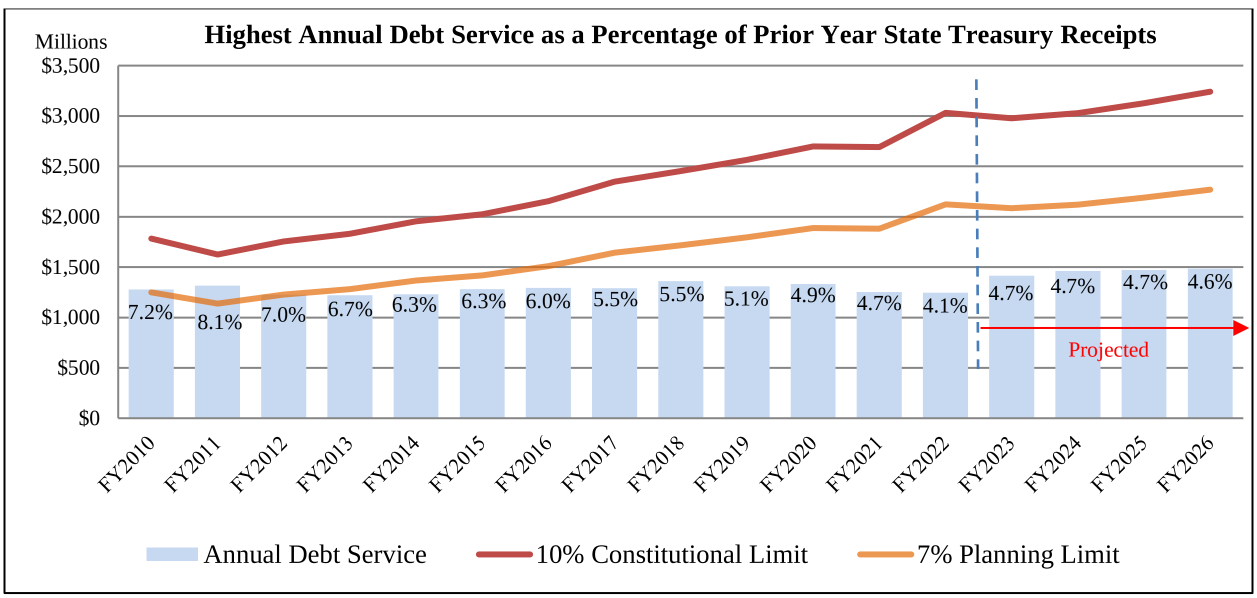
Projected General Obligation Bond Authorizations Utilized ($000)					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Prior Year Authorizations Carry Over	$327,405	$ 171,910	-	-	-
New 5 Year Bond Authorizations	116,560	140,000	140,000	140,000	140,000
New 10 Year Bond Authorizations	2,000				
New 20 Year Bond Authorizations	1,020,070	810,000	810,000	810,000	810,000
Total GO Bond Authorizations Utilized	$1,138,630	$1,121,910	$950,000	$950,000	$950,000

Based on the currently outstanding debt, new debt incurred, scheduled debt retirements, and projected debt issuance, the following table summarizes the projected combined GO and GR debt outstanding at the end of the fiscal year for each year through FY 2026 and the projected annual debt service on that debt in each year.

(Table shown on following page.)

($ 000s)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Outstanding Debt at Beginning of Year	$9,691,610	$10,203,460	$10,439,080	$10,467,240	$10,505,045
Plus GO Bonds Issued	1,096,630	1,121,910	950,000	950,000	950,000
Plus GR Bonds Issued	367,380				199,620
Less Total Principal Payments, Redemptions, and Retirements	(952,160)	(886,290)	(921,840)	(912,195)	(909,785)
Net GO & GR Debt Outstanding at End of Fiscal Year	$10,203,460	$10,439,080	$10,467,240	$10,505,045	$10,744,880
HADS (For all outstanding debt plus the authorized but unissued debt)	$1,232,322	$1,400,416	$1,449,180	$1,456,805	$1,483,582

The following chart shows historical HADS for FY 2010 through FY 2021 and projected HADS for FY 2022 through FY 2026; it also shows both the 10% constitutional debt limit and the 7% planning limit. As previously mentioned, as part of the active and responsive financial management of the State's finances in response to the decline in State revenues during and after the end of the 2007-2009 recession and the subsequent slow recovery of State revenues, the HADS ratio exceeded the 7% planning limit. In response to the situation, the State reduced new debt authorizations to critical infrastructure projects for several years. As State revenues recovered, the HADS ratio improved to where it was possible to increase new authorizations for debt incrementally to levels more reflective of the need to fund new projects in response to the challenges created by population and economic growth throughout the State. The impact of the "COVID-19 recession" in FY 2020 did result in a slight dip in State Treasury Receipts in FY 2020 from FY 2019 (approximately -0.3%), but receipts recovered in FY 2021 to a total amount of over $30.3 billion, which was an increase of over 12.6% over FY 2020 and an increase of over 12.3% over FY 2019.



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 following table.

Economic and Demographic Projections								
Fiscal Year	**Treasury Receipts (billions)**	**Year over Year Growth**	**Personal Income (billions)**	**Year over Year Growth**	**Population (millions)**	**Year over Year Growth**	**Estimated Full Value (billions)**	**Year over Year Growth**
2022	$29.780	(1.8)%	$589	(0.8)%	10.923	1.0%	$1,245	1.0%
2023	30.284	1.7	604	2.5	11.029	1.0	1,295	4.0
2024	31.276	3.3	628	4.0	11.136	1.0	1,347	4.0
2025	32.412	3.6	653	4.0	11.242	1.0	1,401	4.0
2026	33.497	3.3	679	4.0	11.342	0.9	1,457	4.0

Projected Interest Rates Assumption

In analyzing debt issuance levels for the Plan, the State has assumed that the credit market's preference for a five percent interest rate will continue for the period covered by the plan. This means that most new issues will generate original issue premium which can be used to downsize the principal amount of bonds accordingly. Effective interest rates are expected to increase some over the period, but not exceed five percent.

Impact of Debt Issuance Projections on State Debt Ratios

As can be seen in the following table, based on the assumptions utilized in the Plan, the authorization of approximately $983.135 million of new GO debt in FY 2022 and the projected new GO debt authorizations of $950 million for FY 2023 and thereafter, will result in projected ratios that are within the Commission's planning levels. The rating agencies view the percent of debt retired ratios as rapid and favorable. Furthermore, the projected ratios indicate that there still is some available margin should any of the growth rate assumptions, or projections regarding the interest rate environment, prove to be too optimistic.

Projected Debt Ratios (Combined General Obligation and Guaranteed Revenue Debt)							
Fiscal Year Ended June 30	**Debt Outstanding (billions)**	**Debt to Personal Income**	**Debt per Capita**	**Debt to Estimated Full Value**	**HADS to Prior Year Receipts**	**Debt Retired in 5 Years**	**Debt Retired in 10 Years**
2022	$10.203	1.7%	$934	0.8%	4.1%	40%	69%
2023	10.439	1.7	946	0.8	4.7	39	68
2024	10.467	1.7	940	0.8	4.8	40	68
2025	10.505	1.6	934	0.7	4.7	39	68
2026	10.745	1.6	947	0.7	4.6	39	67

CONCLUSION

The Plan serves as a guide to the State in ensuring the availability of funding for necessary capital projects required to meet the State's future needs while maintaining the balance between the State's need for capital and the ability and willingness of the State to repay additional debt. In addition, the Plan assists the State in its efforts to preserve 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 while still continuing to meet citizen demand for State provided services and facilities in an affordable manner. The State has established maximum limits for the debt ratios and will continue to monitor debt levels and ratios and adjust debt issuances if the ratios consistently exceed the target levels. The Plan will be updated each subsequent year and all assumptions will be revisited and reaffirmed or revised as needed to accurately and conservatively project the State's debt capacity. The Plan indicates that the projected new bond authorization amounts will not cause the State to equal or exceed any of its planning levels for the various ratios measured by the Plan during the period covered by the Plan, even though debt outstanding at the end of each fiscal year covered by the Plan will increase slightly as a result of the increased level of annual authorizations.

Following are tables which summarize the assumptions and resulting debt ratios, both with and without inclusion of the GARVEE bonds, based on the currently projected debt issuance schedule. The annual debt service amounts reflect actual debt service for existing debt issued as of calendar year end 2021 plus the highest annual debt service ("HADS") for the current authorized but unissued amounts and projected new authorizations. Additional tables present the outstanding GO bonds debt service, outstanding GR bonds debt service, and outstanding revenue bonds debt service of State authorities.

Summary of Projected Debt Ratios
General Obligation and Guaranteed Revenue Debt

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Principal (000s) Outstanding at Beginning of Fiscal Year	**$ 9,691,610**	**$ 10,203,460**	**$ 10,439,080**	**$ 10,467,240**	**$ 10,505,045**
Issuances of New General Obligation Bond Authorizations	949,535	950,000	950,000	950,000	950,000
Issuances of Prior Year GO Bond Authorizations	189,095	171,910			
Issuance of Guaranteed Revenue Bonds	367,380				199,620
Principal Payments for both GO Bonds and GR Bonds	(886,535)	(886,290)	(921,840)	(912,195)	(909,785)
Premium Proceeds from GO Bond Issuances	(42,000)				
Net Effect of GO Refunding Bonds and Early Redemptions	(65,625)				
Principal (000s) Outstanding at End of Year (June 30)	**$ 10,203,460**	**$ 10,439,080**	**$ 10,467,240**	**$ 10,505,045**	**$ 10,744,880**
State Treasury Receipts ($ millions)	29,780	30,284	31,276	32,412	33,497
Population (millions)	10.923	11.029	11.136	11.242	11.342
Personal Income ($ billions)	589	604	628	653	679
Property Valuation ($ billions)	1,245	1,295	1,347	1,401	1,457
Ratios for Outstanding Principal at the End of the Fiscal Year					
Debt to Personal Income	1.7%	1.7%	1.7%	1.6%	1.6%
Debt per Capita	$934	$946	$940	$934	$947
Debt to Estimated Actual Property Value	0.8%	0.8%	0.8%	0.7%	0.7%
Annual Debt Service Ratios*					
Actual Annual Debt Service - Issued (as of 12/31/21)	$ 1,217,607	$ 1,282,835	$ 1,228,733	$ 1,133,491	$ 1,043,938
Guaranteed Revenue Bonds - Projected Issuance					13,465
General Obligation Bonds - Projected Issuance	14,715	117,581	220,447	323,313	426,179
Total Projected GO Bonds and GR Bonds Annual Debt Service	$ 1,232,322	$ 1,400,416	$ 1,449,180	$ 1,456,805	$ 1,483,582
Debt Service to Prior Year Receipts	**4.1%**	**4.7%**	**4.8%**	**4.7%**	**4.6%**

* Projected annual debt service is based on (1) actual debt service for debt that has been issued as of 12/31/2021 and (2) estimated authorized debt service for projected issuances as reflected above (including authorizations that had not been issued as of 12/31/2021). No additional debt is expected to be incurred prior to the end of FY 2022.

Summary of Projected Debt Ratios
General Obligation, Guaranteed Revenue, and GARVEE Debt

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Principal (000s) Outstanding at Beginning of Fiscal Year	**$ 10,185,635**	**$ 10,661,465**	**$ 10,859,275**	**$ 10,847,720**	**$ 10,843,840**
Issuances of New and Prior Year GO Bond Authorizations	1,138,630	1,121,910	950,000	950,000	950,000
Issuance of Guaranteed Revenue Bonds	367,380				199,620
Principal Payments: GO, GR, and GARVEE Bonds	(922,555)	(924,100)	(961,555)	(953,880)	(951,470)
Premium Proceeds from GO Bond Issuances	(42,000)				
Net Effect of GO Refunding Bonds and Early Redemptions	(65,625)				
Principal (000s) Outstanding at End of Fiscal Year	**$ 10,661,465**	**$ 10,859,275**	**$ 10,847,720**	**$ 10,843,840**	**$ 11,041,990**
State Treasury Receipts ($ millions)	29,780	30,284	31,276	32,412	33,497
Estimated Federal Reimbursements ($ millions)	1,519	1,550	1,581	1,612	1,644
Total Revenues ($ millions)	31,299	31,834	32,856	34,024	35,141
Population (millions)	10.923	11.029	11.136	11.242	11.342
Personal Income ($ billions)	589	604	628	653	679
Property Valuation ($ billions)	1,245	1,295	1,347	1,401	1,457
Ratios for Outstanding Principal at the End of the Fiscal Year					
Debt to Personal Income	1.8%	1.8%	1.7%	1.7%	1.6%
Debt per Capita	$976	$985	$974	$965	$974
Debt to Estimated Actual Property Value	0.9%	0.8%	0.8%	0.8%	0.8%
Ratios for Combined Annual Debt Service*					
Total Projected Annual Debt Service (GO Bonds and GR Bonds)	1,232,322	1,400,416	1,449,180	1,456,805	1,483,582
GARVEE Debt Service - Issuances as of 12/31/2021	60,443	60,432	60,446	60,442	60,442
Combined Debt Service to Prior Year Total Revenues	**4.1%**	**4.7%**	**4.7%**	**4.6%**	**4.5%**
Combined Debt Service to Current Year Total Revenues	4.1%	4.6%	4.6%	4.5%	4.4%

* Projected annual debt service is based on (1) actual debt service for debt that has been issued as of 12/31/2021 and (2) estimated authorized debt service for projected issuances as reflected above (including prior year authorizations not issued as of 12/31/2021). No additional debt is expected to be incurred prior to the end of FY 2022.

APPENDIX A

STATE OF GEORGIA

GENERAL OBLIGATION BONDS AND GUARANTEED REVENUE BONDS

DEBT SERVICE SCHEDULES AS OF JUNE 30, 2021

and

DECEMBER 31, 2021

State of Georgia

Debt Service Schedule
General Obligation Bonds
As of June 30, 2021

Fiscal Year	Principal	Interest	Total
2022	$ 864,990,000	$ 383,291,752	$ 1,248,281,752
2023	823,935,000	346,514,685	1,170,449,685
2024	809,535,000	311,340,363	1,120,875,366
2025	751,890,000	278,078,807	1,029,968,807
2026	694,560,000	245,851,338	940,411,338
2027	656,020,000	216,900,621	872,920,621
2028	619,660,000	188,326,520	807,986,520
2029	619,745,000	160,881,451	780,626,451
2030	542,200,000	135,362,174	677,562,174
2031	508,590,000	113,295,444	621,885,444
2032	495,055,000	92,548,809	587,603,809
2033	462,840,000	73,075,532	535,915,532
2034	379,770,000	55,845,379	435,615,379
2035	330,575,000	42,716,377	373,291,377
2036	283,790,000	31,034,617	314,824,617
2037	239,655,000	21,286,048	260,941,048
2038	179,055,000	13,678,760	192,733,760
2039	184,775,000	8,012,065	192,787,065
2040	116,355,000	3,434,268	119,789,268
2041	65,155,000	886,563	66,041,563
Totals	$9,628,150,000	$2,722,361,574	$12,350,511,574

Note: amounts as shown above may not add precisely due to rounding.

State of Georgia

Debt Service Schedule
Guaranteed Revenue Bonds
As of June 30, 2021

Fiscal Year	Principal	Interest	Total
2022	$21,545,000	$2,634,375	$24,179,375
2023	22,650,000	1,529,500	24,179,500
2024	19,265,000	481,625	19,746,625
Totals	$63,460,000	$4,645,500	$68,105,500

Note: all outstanding GR bonds were issued by SRTA.

State of Georgia

Combined Debt Service Schedule
General Obligation and Guaranteed Revenue Bonds
As of June 30, 2021

Fiscal Year	Principal	Interest	Total
2022	$ 886,535,000	$ 385,926,127	$ 1,272,461,127
2023	846,585,000	348,044,185	1,194,629,185
2024	828,800,000	311,821,991	1,140,621,991
2025	751,890,000	278,078,807	1,029,968,807
2026	694,560,000	245,851,338	940,411,338
2027	656,020,000	216,900,621	872,920,621
2028	619,660,000	188,326,520	807,986,520
2029	619,745,000	160,881,451	780,626,451
2030	542,200,000	135,362,174	677,562,174
2031	508,590,000	113,295,444	621,885,444
2032	495,055,000	92,548,809	587,603,809
2033	462,840,000	73,075,532	535,915,532
2034	379,770,000	55,845,379	435,615,379
2035	330,575,000	42,716,377	373,291,377
2036	283,790,000	31,034,617	314,824,617
2037	239,655,000	21,286,048	260,941,048
2038	179,055,000	13,678,760	192,733,760
2039	184,775,000	8,012,065	192,787,065
2040	116,355,000	3,434,268	119,789,268
2041	65,155,000	886,563	66,041,563
Totals	$9,691,610,000	$2,727,007,074	$12,418,617,074

Note: amounts as shown above may not add precisely due to rounding.

State of Georgia

Debt Service Schedule
General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2022	$ 786,770,000	$ 399,813,200	$ 1,186,583,200
2023	863,640,000	382,314,281	1,245,954,281
2024	850,545,000	345,740,362	1,196,285,362
2025	809,940,000	310,850,305	1,120,790,305
2026	754,560,000	276,677,357	1,031,237,357
2027	717,920,000	245,633,573	963,553,573
2028	660,335,000	215,215,031	875,550,031
2029	661,755,000	186,178,578	847,933,578
2030	585,555,000	158,979,582	744,534,582
2031	554,105,000	135,145,458	689,250,458
2032	508,435,000	113,198,826	621,633,826
2033	511,650,000	92,409,082	604,059,082
2034	431,185,000	73,085,079	504,270,079
2035	384,135,000	57,956,780	442,091,780
2036	339,240,000	44,384,967	383,624,967
2037	297,075,000	32,662,598	329,737,598
2038	238,535,000	22,994,173	261,529,173
2039	246,410,000	15,177,464	261,587,464
2040	180,220,000	8,364,241	188,584,241
2041	131,090,000	3,745,835	134,835,835
2042	67,835,000	963,526	68,798,526
Totals	$10,580,935,000	$3,121,490,298	$13,702,425,298

Note: amounts as shown above may not add precisely due to rounding.
Amounts as shown above include all outstanding GO bonds as of June 30, 2021, the debt service for new GO bonds which were issued on July 1, 2021, and all FY 2022 GO bonds early retirement transactions through December 31, 2021. FY 2022 amounts as shown above include actual amounts paid from the GO debt sinking fund from July 2021 through December 2021 plus the scheduled debt service payments for January 2022 through June 2022.

State of Georgia

Debt Service Schedule
Guaranteed Revenue Bonds

Fiscal Year	Principal	Interest	Total
2022	$ 21,545,000	$ 9,478,717	$ 31,023,717
2023	22,650,000	14,230,340	36,880,340
2024	19,265,000	13,182,465	32,447,465
2025	0	12,700,840	12,700,840
2026	0	12,700,840	12,700,840
2027	0	12,700,840	12,700,840
2028	0	12,700,840	12,700,840
2029	0	12,700,840	12,700,840
2030	0	12,700,840	12,700,840
2031	4,440,000	12,663,100	17,103,100
2032	6,320,000	12,568,480	18,888,480
2033	8,725,000	12,437,438	21,162,438
2034	10,940,000	12,264,815	23,204,815
2035	13,365,000	11,970,403	25,335,403
2036	13,755,000	11,499,350	25,254,350
2037	14,305,000	10,938,150	25,243,150
2038	14,875,000	10,354,550	25,229,550
2039	15,470,000	9,747,650	25,217,650
2040	16,095,000	9,116,350	25,211,350
2041	16,740,000	8,459,650	25,199,650
2042	17,400,000	7,776,850	25,176,850
2043	18,100,000	7,066,850	25,166,850
2044	18,825,000	6,328,350	25,153,350
2045	19,575,000	5,560,350	25,135,350
2046	20,365,000	4,761,550	25,126,550
2047	21,170,000	3,930,850	25,100,850
2048	22,025,000	3,177,075	25,202,075
2049	22,680,000	2,506,500	25,186,500
2050	23,360,000	1,815,900	25,175,900
2051	24,065,000	1,104,525	25,169,525
2052	24,785,000	371,775	25,156,775
Totals	$430,840,000	$279,517,072	$710,357,072

Note: amounts as shown above may not add precisely due to rounding.
Amounts shown above include all outstanding GR bonds as of June 30, 2021 and the debt service for new GR bonds which were issued by SRTA on July 1, 2021. FY 2022 as shown above includes actual amounts paid July 2021 through December 2021 plus the scheduled debt service payments for January 2022 through June 2022.

State of Georgia

Combined Debt Service Schedule
General Obligation Bonds and Guaranteed Revenue Bonds

Fiscal Year	Principal	Interest	Total
2022	$ 808,315,000	$ 409,291,917	$ 1,217,606,917
2023	886,290,000	396,544,621	1,282,834,621
2024	869,810,000	358,922,827	1,228,732,827
2025	809,940,000	323,551,145	1,133,491,145
2026	754,560,000	289,378,197	1,043,938,197
2027	717,920,000	258,334,413	976,254,413
2028	660,335,000	227,915,871	888,250,871
2029	661,755,000	198,879,418	860,634,418
2030	585,555,000	171,680,422	757,235,422
2031	558,545,000	147,808,558	706,353,558
2032	514,755,000	125,767,306	640,522,306
2033	520,375,000	104,846,520	625,221,520
2034	442,125,000	85,349,894	527,474,894
2035	397,500,000	69,927,183	467,427,183
2036	352,995,000	55,884,317	408,879,317
2037	311,380,000	43,600,748	354,980,748
2038	253,410,000	33,348,723	286,758,723
2039	261,880,000	24,925,114	286,805,114
2040	196,315,000	17,480,591	213,795,591
2041	147,830,000	12,205,485	160,035,485
2042	85,235,000	8,740,376	93,975,376
2043	18,100,000	7,066,850	25,166,850
2044	18,825,000	6,328,350	25,153,350
2045	19,575,000	5,560,350	25,135,350
2046	20,365,000	4,761,550	25,126,550
2047	21,170,000	3,930,850	25,100,850
2048	22,025,000	3,177,075	25,202,075
2049	22,680,000	2,506,500	25,186,500
2050	23,360,000	1,815,900	25,175,900
2051	24,065,000	1,104,525	25,169,525
2052	24,785,000	371,775	25,156,775
Totals	$11,011,775,000	$3,401,007,371	$14,412,782,371

Note: amounts as shown above may not add precisely due to rounding.
Amounts shown above include the debt service for new GO and GR bonds which were issued on July 1, 2021 and all FY 2022 early retirement transactions through December 31, 2021; FY 2022 amounts as shown above include actual amounts paid from the GO debt sinking fund and the GR bonds debt service funds from July 2021 through December 2021 plus the scheduled debt service payments for January 2022 through June 2022.

APPENDIX B

DEBT SERVICE SCHEDULES

For

STATE AUTHORITIES

Georgia Higher Education Facilities Authority

Revenue Bonds

Series 2015 Refunding, Series 2019 Refunding, and Series 2020 Refunding

Debt Outstanding as of June 30, 2021

Fiscal Year	Principal	Interest	Total Debt Service
2022	$ 6,110,000	$ 7,691,825	$ 13,801,825
2023	6,465,000	7,386,325	13,851,325
2024	6,785,000	7,063,075	13,848,075
2025	7,125,000	6,723,825	13,848,825
2026	7,480,000	6,367,575	13,847,575
2027	7,780,000	6,060,475	13,840,475
2028	8,115,000	5,736,069	13,851,069
2029	8,480,000	5,365,919	13,845,919
2030	8,910,000	4,941,919	13,851,919
2031	9,350,000	4,496,419	13,846,419
2032	9,755,000	4,079,919	13,834,919
2033	10,145,000	3,698,619	13,843,619
2034	10,610,000	3,235,419	13,845,419
2035	11,100,000	2,750,669	13,850,669
2036	11,575,000	2,270,219	13,845,219
2037	12,035,000	1,801,025	13,836,025
2038	12,530,000	1,313,188	13,843,188
2039	13,015,000	835,418	13,850,418
2040	5,890,000	339,106	6,229,106
2041	3,305,000	132,200	3,437,200
Total	$ 176,560,000	$ 82,289,208	$ 258,849,208

Note: amounts as shown above may not add precisely due to rounding.

Georgia Housing and Finance Authority

Debt Outstanding as of June 30, 2021
(Under the 1976 General Resolution)

Fiscal Year	Principal	Interest	Total Debt Service
2022	$ 42,330,000	$ 48,778,094	$ 91,108,094
2023	44,345,000	47,690,069	92,035,069
2024	43,370,000	46,576,310	89,946,310
2025	43,670,000	45,490,240	89,160,240
2026	43,770,000	44,311,550	88,081,550
2027	41,570,000	43,201,377	84,771,377
2028	46,390,000	42,073,937	88,463,937
2029	51,020,000	40,677,457	91,697,457
2030	52,625,000	39,075,922	91,700,922
2031	54,380,000	37,426,129	91,806,129
2032	52,460,000	35,715,921	88,175,921
2033	59,550,000	33,965,059	93,515,059
2034	57,825,000	31,997,688	89,822,688
2035	57,160,000	30,116,211	87,276,211
2036	60,620,000	28,161,189	88,781,189
2037	60,615,000	26,125,939	86,740,939
2038	60,745,000	24,070,212	84,815,212
2039	59,200,000	22,025,155	81,225,155
2040	62,235,000	20,036,047	82,271,047
2041	66,500,000	17,854,049	84,354,049
2042	61,095,000	15,561,496	76,656,496
2043	57,265,000	13,536,196	70,801,196
2044	63,095,000	11,435,424	74,530,424
2045	44,290,000	9,396,702	53,686,702
2046	48,575,000	7,920,186	56,495,186
2047	55,415,000	6,099,805	61,514,805
2048	59,630,000	4,114,440	63,744,440
2049	49,680,000	2,076,641	51,756,641
2050	29,855,000	593,581	30,448,581
Total	$ 1,529,280,000	$ 776,103,026	$ 2,305,383,026

Note: amounts as shown above may not add precisely due to rounding to the dollar.

Lake Lanier Islands Development Authority

Revenue Bonds and GEFA Loan
Debt Outstanding as of June 30, 2021

Fiscal Year	Principal	Interest	Total Debt Service
2022	$ 1,715,074	$ 326,319	$ 2,041,392
2023	1,764,077	277,315	2,041,392
2024	1,815,034	226,359	2,041,392
2025	1,868,038	173,354	2,041,392
2026	1,923,189	118,203	2,041,392
2027	951,854	66,843	1,018,696
2028	787,983	26,174	814,157
Total	$ 10,825,249	$ 1,214,567	$ 12,039,815

Note: amounts as shown above may not add precisely due to rounding.

Geo. L. Smith II Georgia World Congress Center Authority

Convention Center Hotel First Tier Revenue Bonds, Series 2021A
And
Convention Center Hotel Second Tier Revenue Bonds, Series 2021B
Combined Debt Service Schedule

Fiscal Year	Principal	Interest	Total Debt Service
2022	$ -	$ 13,639,650	$ 13,639,650
2023	-	19,106,125	19,106,125
2024	-	19,106,125	19,106,125
2025	-	19,106,125	19,106,125
2026	-	19,106,125	19,106,125
2027	7,240,000	19,106,125	26,346,125
2028	7,705,000	18,873,550	26,578,550
2029	8,200,000	18,622,056	26,822,056
2030	8,700,000	18,360,056	27,060,056
2031	9,225,000	18,083,681	27,308,681
2032	9,760,000	17,792,150	27,552,150
2033	10,460,000	17,341,650	27,801,650
2034	11,185,000	16,860,150	28,045,150
2035	11,705,000	16,346,500	28,051,500
2036	12,240,000	15,810,700	28,050,700
2037	12,795,000	15,252,150	28,047,150
2038	13,380,000	14,670,000	28,050,000
2039	13,990,000	14,063,000	28,053,000
2040	14,615,000	13,430,100	28,045,100
2041	15,280,000	12,770,700	28,050,700
2042	15,970,000	12,083,100	28,053,100
2043	16,685,000	11,366,300	28,051,300
2044	17,430,000	10,619,250	28,049,250
2045	18,205,000	9,840,700	28,045,700
2046	19,025,000	9,029,400	28,054,400
2047	19,865,000	8,183,450	28,048,450
2048	20,750,000	7,302,050	28,052,050
2049	21,660,000	6,383,350	28,043,350
2050	22,630,000	5,426,300	28,056,300
2051	23,615,000	4,428,350	28,043,350
2052	24,665,000	3,388,950	28,053,950
2053	25,745,000	2,305,350	28,050,350
2054	26,870,000	1,176,300	28,046,300
Total	$ 439,595,000	$ 428,979,569	$ 868,574,569

Note: amounts as shown above may not add precisely due to rounding. Principal payment amounts consist of either mandatory redemptions or maturities of Term Bonds.

State Road and Tollway Authority
GARVEE Bonds Series 2017 and Series 2020
Combined Debt Service Schedule
Outstanding as of June 30, 2021

Fiscal Year	Principal	Interest	Annual Debt Service
2022	$ 36,020,000	$ 24,422,800	$ 60,442,800
2023	37,810,000	22,621,800	60,431,800
2024	39,715,000	20,731,300	60,446,300
2025	41,685,000	18,756,500	60,441,500
2026	43,770,000	16,672,250	60,442,250
2027	45,955,000	14,483,750	60,438,750
2028	48,250,000	12,186,000	60,436,000
2029	50,665,000	9,773,500	60,438,500
2030	45,935,000	7,240,000	53,175,250
2031	48,230,000	4,943,500	53,173,500
2032	50,640,000	2,532,000	53,172,000
Total	$488,675,000	$154,363,650	$643,038,650

Georgia Ports Authority

Revenue Bonds, Series 2021
Debt Service Schedule

Fiscal Year	Principal	Interest	Total Debt Service
2022	$ 4,590,000	$ 11,704,410	$ 16,294,410
2023	7,205,000	17,549,350	24,754,350
2024	7,565,000	17,189,100	24,754,100
2025	7,945,000	16,810,850	24,755,850
2026	8,340,000	16,413,600	24,753,600
2027	8,755,000	15,996,600	24,751,600
2028	9,195,000	15,558,850	24,753,850
2029	9,655,000	15,099,100	24,754,100
2030	10,135,000	14,616,350	24,751,350
2031	10,645,000	14,109,600	24,754,600
2032	11,175,000	13,577,350	24,752,350
2033	11,735,000	13,018,600	24,753,600
2034	12,320,000	12,431,850	24,751,850
2035	12,940,000	11,815,850	24,755,850
2036	13,585,000	11,168,850	24,753,850
2037	14,265,000	10,489,600	24,754,600
2038	14,835,000	9,919,000	24,754,000
2039	15,430,000	9,325,600	24,755,600
2040	16,045,000	8,708,400	24,753,400
2041	16,685,000	8,066,600	24,751,600
2042	17,185,000	7,566,050	24,751,050
2043	17,875,000	6,878,650	24,753,650
2044	18,590,000	6,163,650	24,753,650
2045	19,255,000	5,500,950	24,755,950
2046	19,940,000	4,814,050	24,754,050
2047	20,650,000	4,102,250	24,752,250
2048	21,410,000	3,341,494	24,751,494
2049	22,200,000	2,552,056	24,752,056
2050	23,020,000	1,732,738	24,752,738
2051	23,870,000	882,475	24,752,475
Total	$ 427,040,000	$ 307,103,872	$ 734,143,872

Note: amounts shown above may not add precisely due to rounding. Bonds were issued on November 4, 2021. Debt service payments due on July 1 are shown as of the preceding June 30, consistent with the requirements of the Master Resolution for the bonds.

STATE OF GEORGIA

Georgia State Financing and Investment Commission

Financing and Investment Division

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