

**Georgia Association of State Facilities
Administrators Spring Summit
April 25, 2023**

Georgia State Financing and Investment Commission

“BACKWARDS” JEOPARDY

- Each question must be answered within 10 seconds
- Incorrect/Blank answers result in negative points
- Each team keeps score
- Team with the most points wins

Municipal Bonds	State Law	Federal Law	Budget Process – Bonds	Tax-Exempt or Taxable?	Georgia Stats
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\$100	\$100	\$100	\$100	\$100	\$100
\$200	\$200	\$200	\$200	\$200	\$200
\$300	\$300	\$300	\$300	\$300	\$300
\$400	\$400	\$400	\$400	\$400	\$400
\$500	\$500	\$500	\$500	\$500	\$500

Final Jeopardy

FINAL JEOPARDY

FY 2024 Bond
Authorizations

Question

FINAL JEOPARDY

What is the total amount authorized for G.O. funding in the FY 2024 Appropriations Bill?



Answer

FINAL JEOPARDY

\$724,880,000

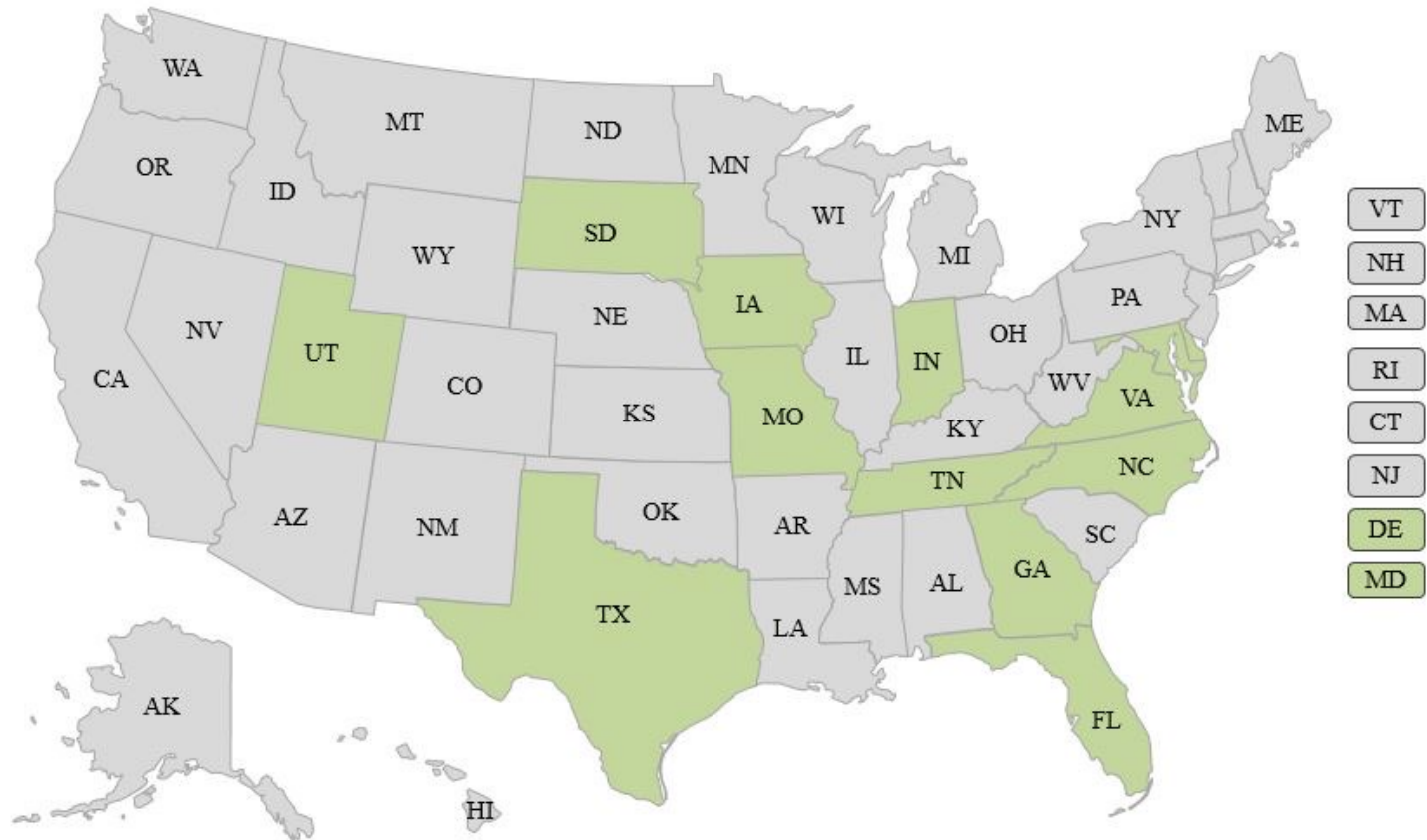


Thank you!

What is
Georgia's credit
rating?

[Return to Main Board](#)

[Answer](#)



Georgia is one of 13 States Rated Triple-A by all 3 Rating Agencies
(4 States do not have any state general obligation debt: IA, IN, SD, TX)

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Why would a
government
issue bonds?

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[Answer](#)



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What is the state
bird of Georgia?

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[Answer](#)



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Name at least
two features of
a municipal
bond

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[Answer](#)

REGISTERED

NUMBER

R-

REGISTERED

DOLLARS



UNITED STATES OF AMERICA

STATE OF GEORGIA

GENERAL OBLIGATION BOND, 1992B

DATE OF ORIGINAL ISSUE

MARCH 1, 1992

Coupon or Interest Rate

Maturity Date

CUSIP
373384, 373385

THE STATE OF GEORGIA, for value received, hereby promises to pay to

Principal Amount

or registered assigns,
the principal sum of

DOLLARS

In lawful money of the United States of America, on the date indicated above, at the principal corporate trust office of the Registrar and Paying Agent, Wachovia Bank of Georgia, N.A., Atlanta, Georgia (the "Paying Agent"), and interest hereon at the rate per annum set forth above, payable September 1, 1992, and semi-annually thereafter on the first days of March and September in each year (each an "Interest Payment Date") from the Interest Payment Date next preceding the date of authentication and registration hereof to which interest has previously been paid (unless the date of authentication and registration hereof is prior to September 1, 1992, in which event from March 4, 1992, or unless such date is an Interest Payment Date, in which event from the date thereof) until payment of the principal amount hereof.

The principal hereof shall be paid only upon surrender of this Bond at the principal corporate trust office of the Paying Agent. The interest hereon shall be paid to the person in whose name this Bond is registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date by check or draft, drawn on the Paying Agent, and mailed to such person at the address on the books of registry kept by the Paying Agent.

This Bond is one of an issue of bonds, duly authorized by the Georgia State Financing and Investment Commission (the "Commission") by a resolution duly adopted on March 4, 1992 (the "authorizing resolution") in the principal amount of \$395,905,000 known as "State of Georgia General Obligation

Bonds - 1992B", all of the date and tenor except as to numbers, interest rates, denominations and maturities, and the same are being issued for the purpose of providing funds for various public purposes.

The terms and provisions of this Bond and definitions of the certain terms used herein are contained on the reverse side hereof and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth at this place.

THE BONDS OF THIS ISSUE ARE NONCALLABLE.

This Bond shall not be entitled to any benefit under the authorizing resolution and shall not become valid or obligatory for any purpose until it shall have been authorized by execution by the Paying Agent by manual signature of the officers hereon endorsed.

IN WITNESS WHEREOF, the State of Georgia, under the authority aforesaid, has caused this Bond to be executed by the facsimile signature of the Chairman of the Georgia State Financing and Investment Commission and the official seal of said Commission to be printed hereon and attested by the facsimile signature of the Secretary of said Commission, as of March 1, 1992.

Date of Authentication and Registration:

AUTHENTICATION CERTIFICATE

The above Bond is one of the 1992B Bonds described in the within-mentioned authorizing resolution of March 4, 1992.

WACHOVIA BANK OF GEORGIA, N.A.,
as Paying Agent

Authorized Signatory

STATE OF GEORGIA
COUNTY OF FULTON

The undersigned Clerk of the Superior Court of Fulton County, Georgia, hereby certifies that the State of Georgia General Obligation Bonds - 1992B in the principal amount of \$395,905,000 were validated and confirmed by judgment of the Superior Court of Fulton County, Georgia, Civil Action File Number E-0005, on the 23rd day of March, 1992, that no intervention or objection was made thereto and that no appeal has been prosecuted therefrom.

IN WITNESS WHEREOF, I have caused this Certificate to be executed by the use of my facsimile signature and have caused the official seal of the Superior Court of Fulton County, Georgia, to be printed hereon.



Clerk, Superior Court, Fulton County, Georgia

CERTIFICATE OF VALIDATION

STATE OF GEORGIA

By:
Chairman, Georgia State
Financing and Investment Commission

Attest:
By:
Secretary



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Who invests in
municipal
bonds?

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[Answer](#)

Individuals
Mutual Funds
Insurance Companies

[Return to Main Board](#)

What is the State's
process for a
project to be
authorized for G.O.
Bond funding?

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[Answer](#)

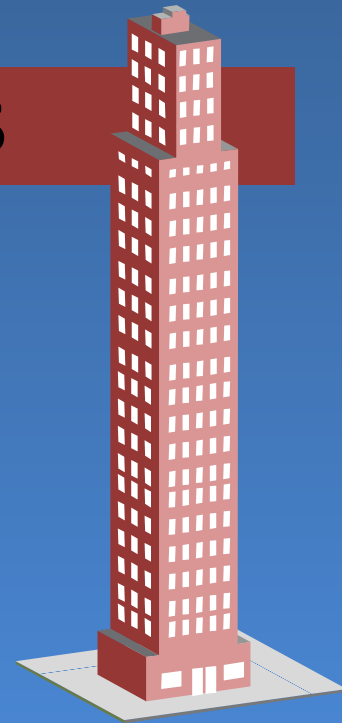
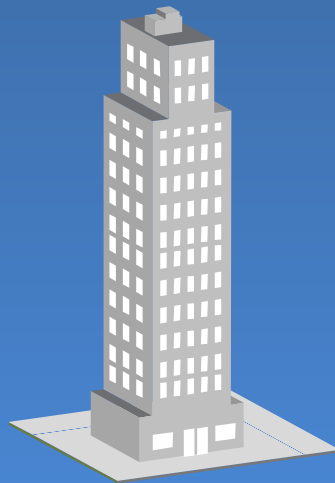
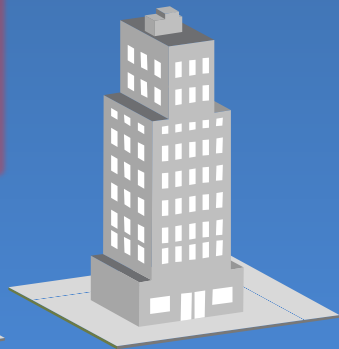
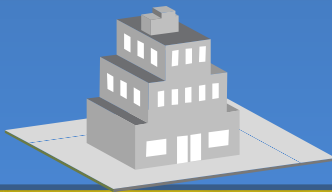
**Agency
Strategic
Plan**

**GOVERNOR'S
BUDGET
REPORT**

**APPROPRIATIONS
BILL**

BUDGET DISCUSSIONS

**CAPITAL
FUNDING
NEEDS**



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True or False: Agency salary expenditures related to a capital project may be reimbursed from bond proceeds

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[Answer](#)

False

Personal Services

Lease Payments

Disposable Items

Office Supplies

Maintenance Agreements
for copiers/computers

Annual License Agreements
for software

Operational
Expenses are
Not Eligible
*(even if they
can be
capitalized)*

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What must an agency provide to GSFIC to request a project be included in a bond sale?




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[Answer](#)

<https://www.ebonds.gsfc.ga.gov/new.aspx>

eBonds
General Obligation Bond System
Georgia
State Financing
and Investment
Commission



 **eBonds Production**
 Access Control
 Support Tools

**RESOLUTION
OF THE
STATE TRANSPORTATION BOARD**

I. WHEREAS, the Department of Transportation (the "Department") was created as a department of the State of Georgia (the "State") in accordance with O.C.G.A. §§ 32-2-1 and 32-2-2;

II. WHEREAS FURTHER, the State Transportation Board (the "Board") is charged with the general control and supervision of the Department, including, but not limited to, the approval of all long-range plans and programs of the Department, in accordance with O.C.G.A. § 32-2-21;

III. WHEREAS FURTHER, pursuant to Article VII, Section IV of the Constitution of the State of Georgia (the "Georgia Constitution"), the State may finance certain capital needs directly through the issuance of general obligation debt;

IV. WHEREAS FURTHER, pursuant to Article VII, Section IV, Paragraph VII(a) of the Georgia Constitution, and the "Georgia State Financing and Investment Commission Act", O.C.G.A. §§ 50-17-20 through 50-17-30, as amended (the "Commission Act"), the Georgia State Financing and Investment Commission (the "Commission") is the agency and instrumentality of the State charged with issuing debt of the State and ensuring the proper application, as provided by law, of the proceeds of such debt to the purposes for which the debt is incurred;

V. WHEREAS FURTHER, Article VII, Section IV, Paragraph I (c) of the Georgia Constitution, and the Commission Act provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter "General Obligation Debt") may be incurred 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 those State authorities which were created and activated prior to November 8, 1960;

VI. WHEREAS FURTHER, as set forth in **ATTACHMENT 1** attached hereto and incorporated herein, the General Assembly of the State of Georgia (the "General Assembly") has passed various appropriations acts authorizing amounts from state general funds to be appropriated for the purpose of financing certain capital projects through the issuance of General Obligation Debt, and such appropriations are more fully set forth in such **ATTACHMENT 1**;

VII. WHEREAS FURTHER, the Board finds an immediate need for certain project funding for the purposes of financing some or all of the projects and facilities associated with the appropriations set forth in **ATTACHMENT 1** hereto (the "Projects") in the aggregate principal amount of \$112,500,000;

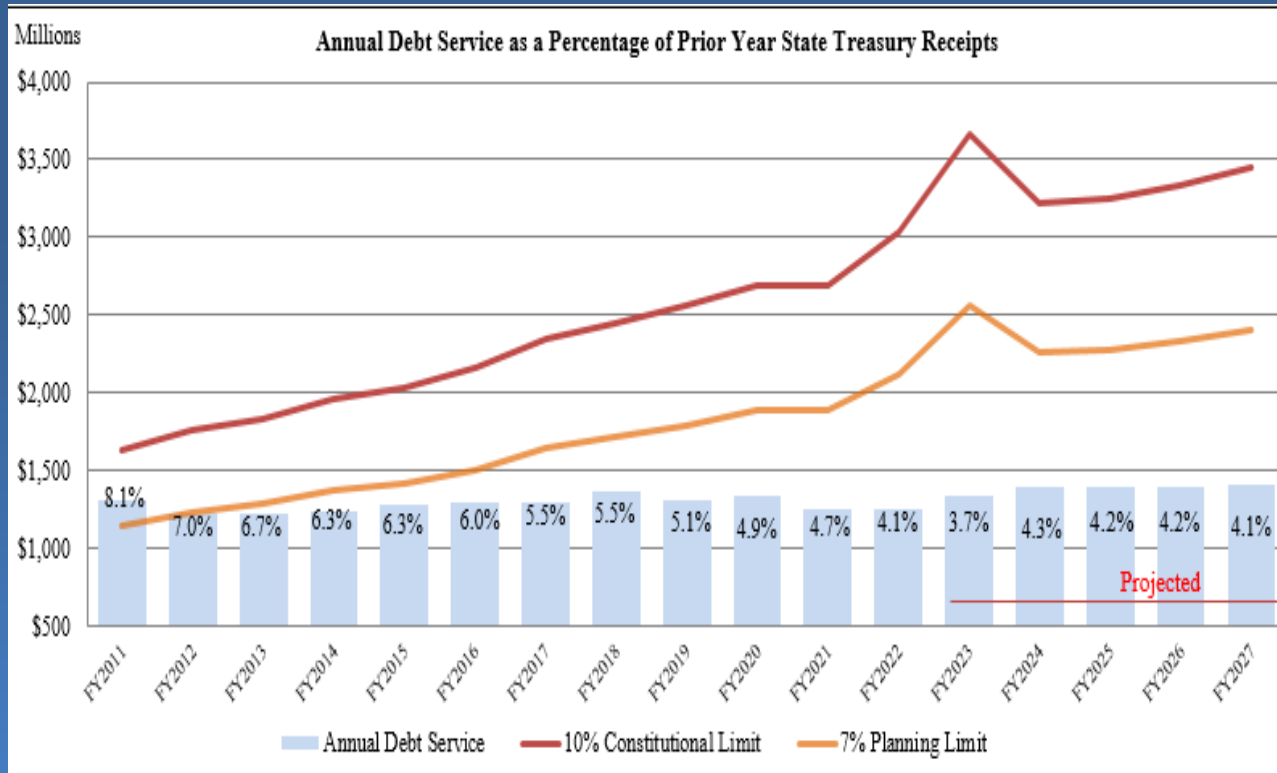
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What is the State Constitutional Limit for Issuing State Debt?

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[Answers](#)

10%



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Unless specifically provided for as an exception, name two of the three necessary requirements for a project to be funded with State G.O. bond proceeds?

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[Answer](#)

- **Owned by the State**
- **Capital Asset**
- **Useful Life = Term**

Land/Property Acquisitions

Land Improvements

Construction of new buildings

Renovations of existing facilities

Equipment Purchases

Professional services related to construction/renovations

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Which federal
agency audits
the State's bond
issues?

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[Answer](#)

Internal Revenue Service

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How many years
has GASFA been
around?

[Return to Main Board](#)

[Answer](#)



[Return to Main Board](#)

DAILY DOUBLE

What is spend-down and why is this important?

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[Answer](#)

6 Months
5% Encumbered

3 Years
85% Disbursed

5 Years
100% Disbursed

If a bond issue does not meet the spend-down milestones, IRS could deem the bond issue taxable

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You have a project that was financed with 20 year tax-exempt GO bonds. The project was built in 4 years. In year 12 your agency no longer needs the building and has been approached by a potential buyer. What do you do?

[Return to Main Board](#)

[Answer](#)

Contact GSFIC as
early as possible
in the planning
process

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What is private
business use and
why is this
important?

[Return to Main Board](#)

[Answer](#)

If a tax-exempt bond issue is deemed to exceed limits, IRS could deem the bond issue taxable

Use
Of the
Project/Facilities

In a Trade or
Business

By a Non-
Qualified User

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What system must
Agencies use to
request their project
authorizations?

Hint: e_____

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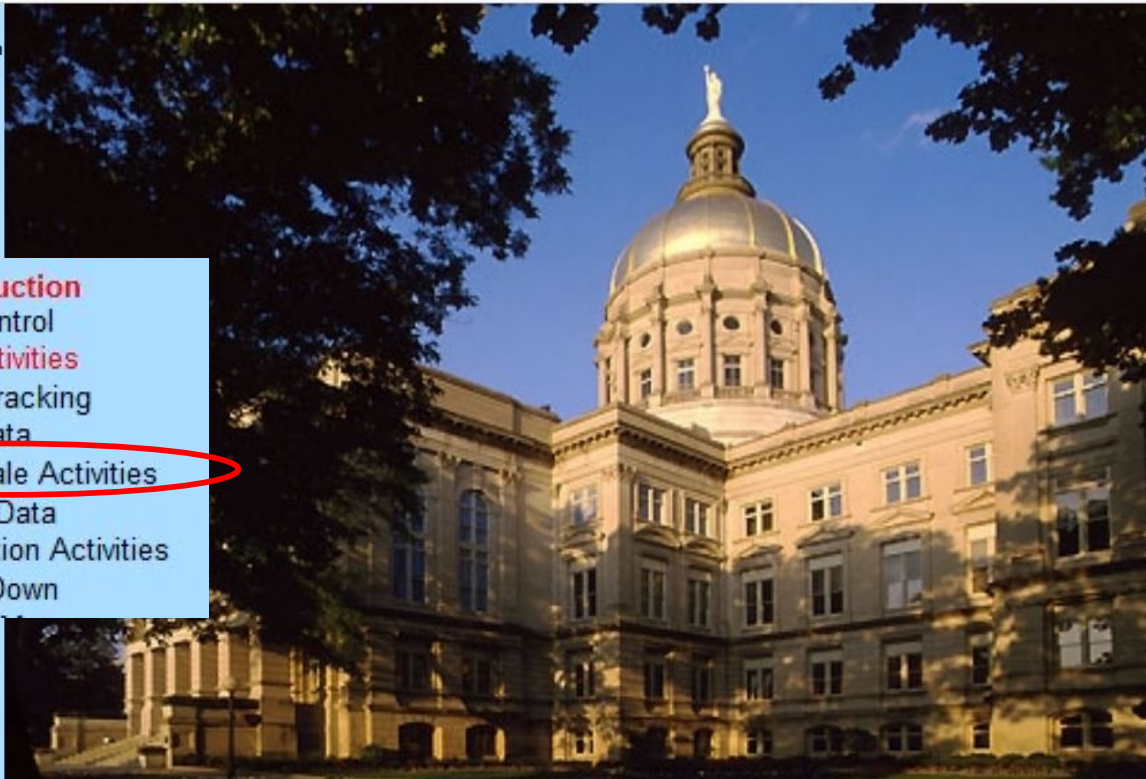
[Answer](#)

eBonds
General Obligation Bond System
Georgia
State Financing
and Investment
Commission



eBonds Production
+ Access Control
+ Support Tools

+ eBonds Production
+ Access Control
- Agency Activities
+ Asset Tracking
+ Bond Data
+ Bond Sale Activities
+ Project Data
+ Redirection Activities
+ Spend Down



eBonds

<https://www.ebonds.gsfc.ga.gov/new.aspx>

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Who is responsible for
advocating capital
funding needs?

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[Answer](#)

You are!

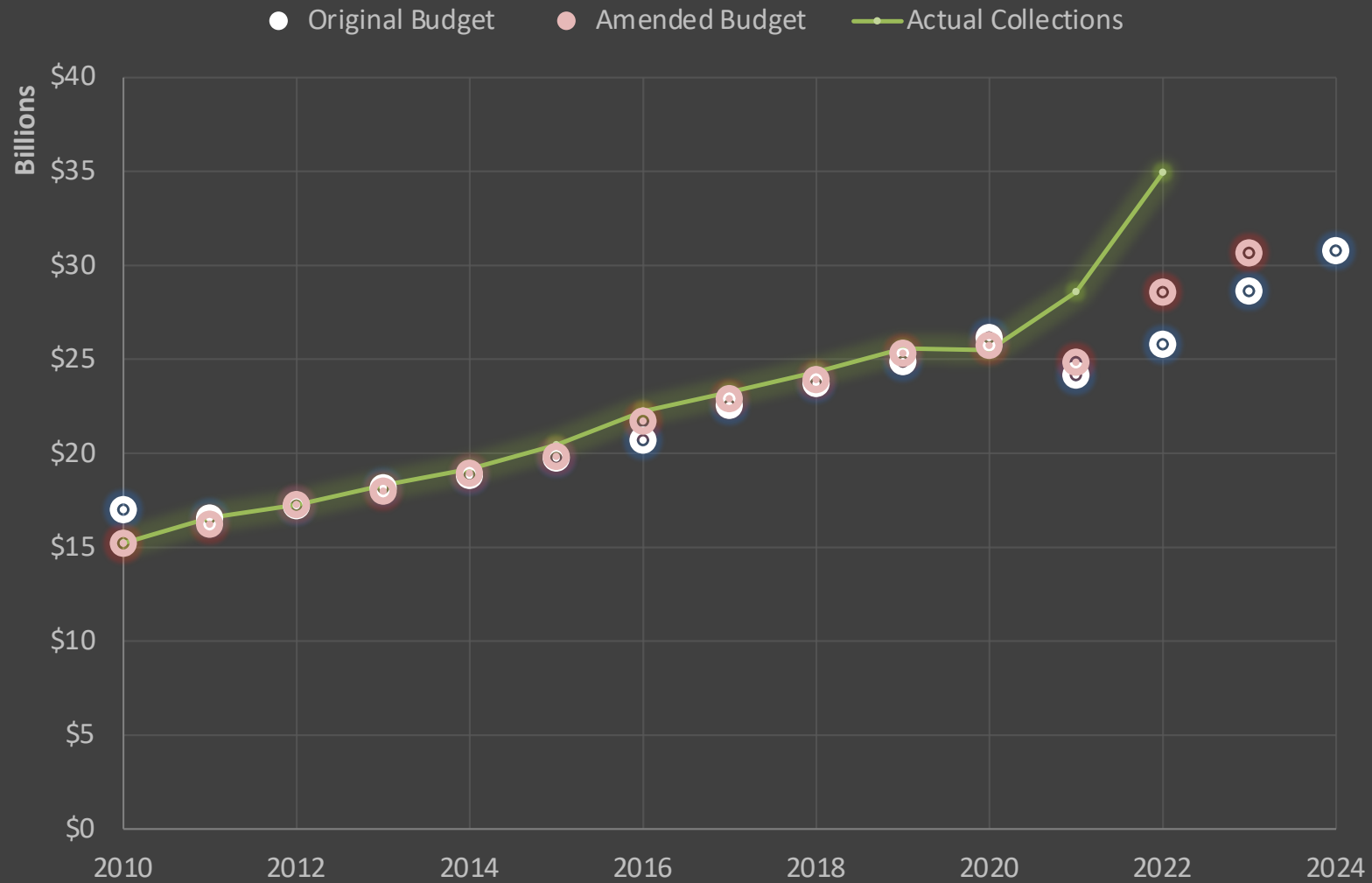
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How do bonds get
paid?

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[Answer](#)

State General Fund Collections



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Who is the head
coach for the
Atlanta Braves?

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[Answer](#)



Brian Snitker

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What could happen if the State is found to be non-compliant with spend-down requirements?

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[Answer](#)

ALL BAD THINGS...

- Loss of market access
- Loss of AAA rating
- Reputational damage

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True or False:
Tax-exempt bonds are issued
for maturities less than 10
years and taxable bonds are
issued for maturities greater
than 10 years.

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[Answer](#)

False

The difference
depends on the
project being financed

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If you are building a facility that will have space for a “Diana’s Coffee Shop” what type of bonds will you request?

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[Answer](#)

Taxable
Or
It depends

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What is the main
benefit of issuing
tax-exempt
bonds

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[Answer](#)

Lowest borrowing cost

[Return to Main Board](#)

What is the main benefit of issuing taxable bonds?

[Return to Main Board](#)

[Answer](#)

Flexibility

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What are the two main reasons to fund a project with taxable bonds vs. tax-exempt bonds?

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[Answer](#)

Private use associated
with project/facility

- or -

Spend down concerns

[Return to Main Board](#)

Why would
someone buy a
State of Georgia
bond?

[Return to Main Board](#)

[Answer](#)

Safe investment & Income Tax benefits

[Return to Main Board](#)

How much does
the State typically
authorize each
year with G.O.
bonds?

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[Answer](#)

General Obligation Bond Authorizations

Millions

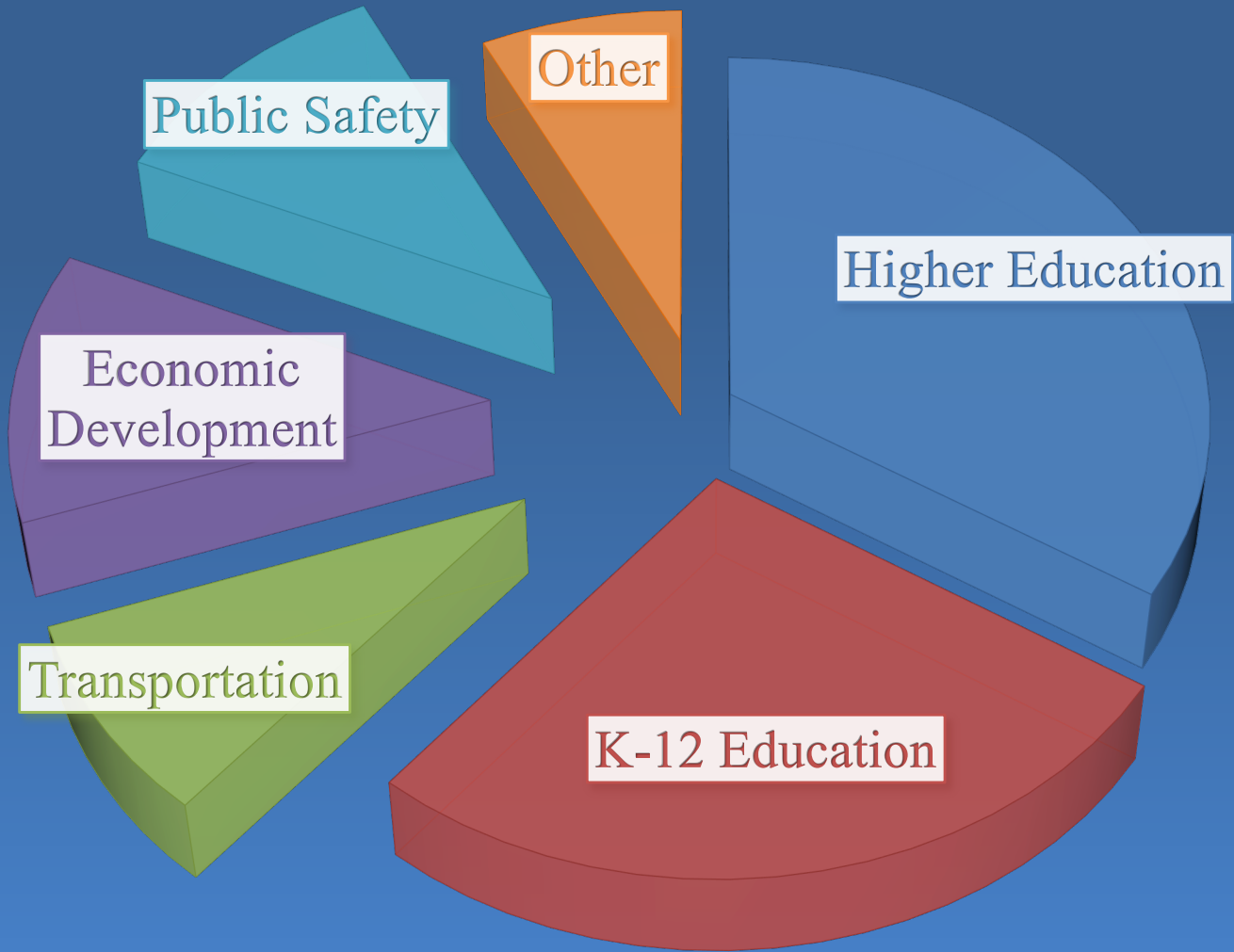


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What projects
typically are
funded by the
State's G.O.
bonds?

[Return to Main Board](#)

[Answer](#)



G.O. Bond Authorizations – FY 2014 through FY 2024

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How much G.O.
debt is currently
outstanding?

[Return to Main Board](#)

[Answer](#)

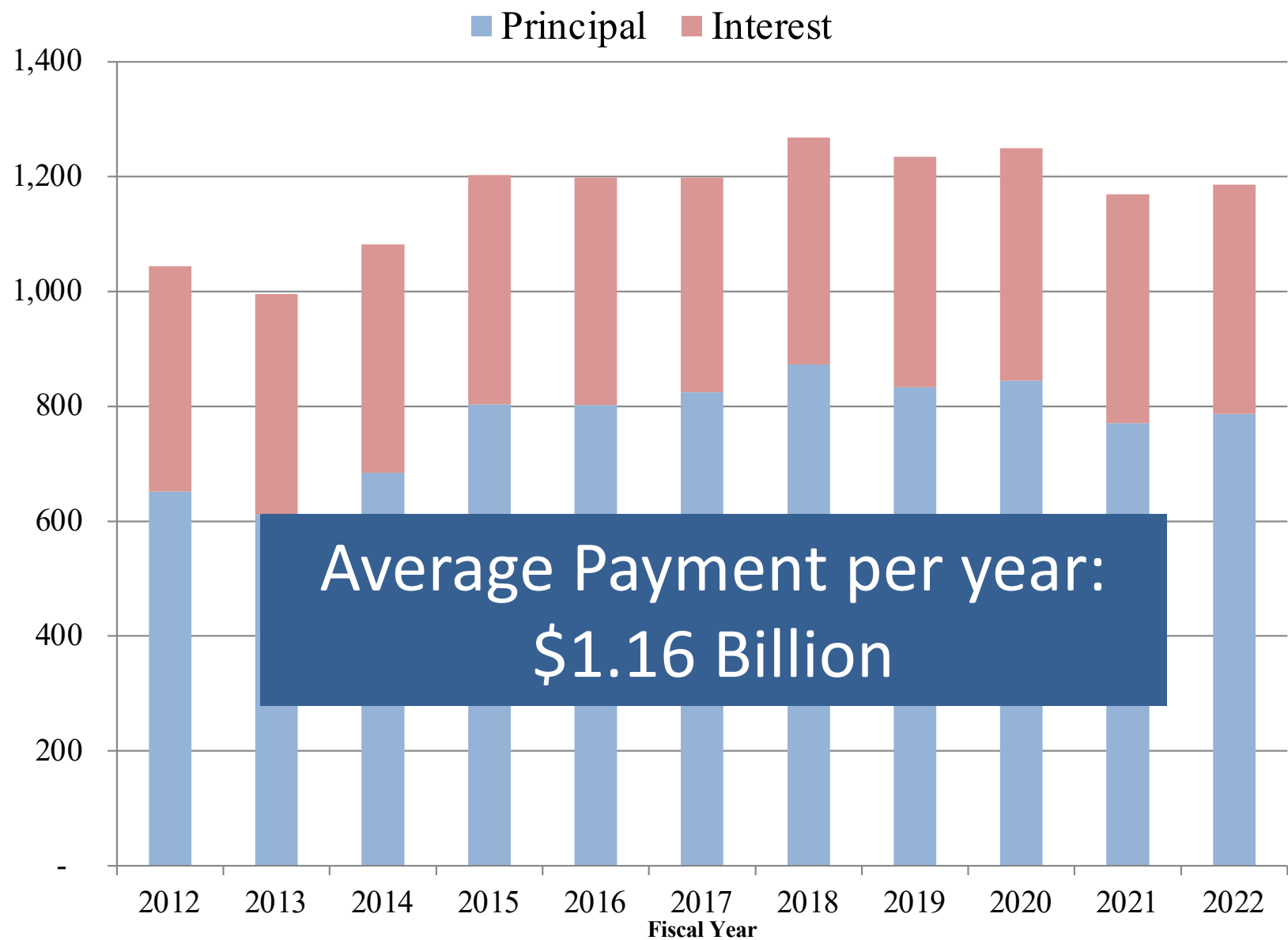
Approximately
\$10 Billion

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How much does
the State pay in
G.O. debt service
each year?

[Return to Main Board](#)

[Answer](#)



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