

Upson County, Georgia

Capital Improvement Plan



The Capital Improvement Plan (the "Plan") includes some projects already in progress. Other projects are based on known needs for capital improvements to repair facilities, roads and bridges, and to replace equipment. Some projects are part of the County's desire to improve and enhance recreational and sports facilities. Not all projects will come to fruition without grant support. The Plan is simply a plan and not all projects conceived in the Plan have or will be approved by the Board. Each year, the Plan will be revised to adjust to changing needs and funding availability. The Hannah's Mill Road Bridge is not in the Plan, but it will be added in future revisions.

February 2, 2023



Project Overview

Upson County, Georgia

County Projects Overview



- County Staff provided Davenport with the following projects that needed to be funded in the coming years.
- As shown to the right, the County has identified approximately \$61.4 million of potential projects.
- In developing a Capital Improvement Plan, the County will need to identify potential sources of funds or reduce the number of potential projects over the approximate 5-year period.
 - Note: Davenport has included the Judicial Center but the necessary funds have already been obtained via the Series 2022 Bonds.

Capital Projects	
Uses	Funding Needed
Judicial Center	\$22,000,000
Judicial Center FF&E	2,000,000
Broadband	8,585,556
Road Department - Road Resurfacing Phase I	3,300,000
City-County Sewer Improvement	2,860,737
Sheriff Vehicles 5 per year \$300,000	1,500,000
Spirewell Bluff Park - Trail, Camping and Rest Station	1,485,000
Phase I Renovations - Civic Center	1,311,461
Water Department - New Thurston Well	883,500
Dripping Rock Road Bridge Replacement	783,000
Facilities - Government Complex, including ADA	750,000
Road and Shop - Equipment	490,100
Civic Center Roof Repair (includes Mez lighting)	440,338
Spirewell Bluff Park - Maintenance Facility	325,000
Spirewell Bluff Park - Mountain Bike Trails	260,000
Vehicles - Road and Shop	228,000
Rocky Creek Road Culvert Replacement	141,750
Airport Used 2000 Model Jet Refueler	120,000
Airport Taxiway Lighting GDOT Match	103,125
Courthouse Landscape	100,000
Water Department - Equipment	85,000
Equipment - SBP	61,200
Water Department - Vehicle	47,000
Equipment - County General	25,500
Phase II Athletic Field Upgrades	4,798,388
Sheriff - New Trunking System	598,358
Water Department - Building Improvements	345,000
Airport Hangars, Taxiways, Ramps, Runways	316,000
Water Department - IT Software and PC Equipment	223,000
Airport Pavement Overlay for Driveway and Parking	200,000
Water Department - Property Improvements	100,000
Airport Construct Phase 1	35,000
Spirewell Bluff Park - Camping Sites	2,470,000
Spirewell Bluff Park - Land Improvements	1,443,000
Phase III Renovations - Civic Center	1,098,127
Water Department - Infrastructure	551,500
Spirewell Bluff Park - Building Improvements	546,000
Spirewell Bluff Park - Buildings	526,500
Spirewell Bluff Park - Camp Site Renovations	243,100
Total	\$61,380,240

Source: County Staff.

Capital Improvement Program Summary

Uses of Funds



Detailed Capital Projects						
Uses	Priority	Project Cost	Existing Commitments	Other Potential Sources	Funding Needed	Notes
Judicial Center	High	\$22,000,000	\$22,000,000	\$0	\$0	Existing Commitments: \$22,000,000 Bonds (Series 2022)
Judicial Center FF&E	High	2,000,000	2,000,000	-	-	Existing Commitments: \$1,000,000 Bonds (Series 2022) / - \$1,000,000 Grants
Broadband	High	8,585,556	6,500,000	2,085,556	-	Existing Commitments: \$2,200,000 ARPA / \$4,000,000 Grants - Other Potential Sources: \$2,085,556 Highline
Road Department - Road Resurfacing Phase I	High	3,300,000	3,300,000	-	-	Existing Commitments: \$626,095 2016 SPLOST / \$1,473,905 T-SPLOST / - \$1,200,000 Grants
City-County Sewer Improvement	High	2,860,737	2,651,300	209,437	-	Existing Commitments: \$2,651,300 ARPA - Other Potential Sources: \$209,437 Committed Fund Balance
Sheriff Vehicles 5 per year \$300,000	High (Annually)	1,500,000	1,500,000	-	-	- Existing Commitments: \$1,500,000 2016 SPLOST
Sprewell Bluff Park - Trail, Camping and Rest Station	High	1,485,000	1,485,000	-	-	- Existing Commitments: \$375,000 2016 SPLOST / \$1,110,000 Grants
Phase I Renovations - Civic Center	High	1,311,461	-	-	1,311,461	-
Water Department - New Thurston Well	High	883,500	883,500	-	-	- Existing Commitments: \$883,500 Grants
Dripping Rock Road Bridge Replacement	High	783,000	783,000	-	-	- Existing Commitments: \$195,750 2016 SPLOST / \$587,250 Grants
Facilities - Government Complex, including ADA	High	750,000	-	-	750,000	-
Road and Shop - Equipment	High	490,100	-	-	490,100	-
Civic Center Roof Repair (includes Mez lighting)	High	440,338	440,338	-	-	- Existing Commitments: \$440,338 2016 SPLOST
Sprewell Bluff Park - Maintenance Facility	High	325,000	-	-	325,000	-
Sprewell Bluff Park - Mountain Bike Trails	High	260,000	200,000	-	60,000	Existing Commitments: \$200,000 Grants
Vehicles - Road and Shop	High	228,000	-	-	228,000	-
Rocky Creek Road Culvert Replacement	High	141,750	141,750	-	-	- Existing Commitments: \$35,438 2016 SPLOST / \$106,312 Grants
Airport Used 2000 Model Jet Refueler	High	120,000	120,000	-	-	- Existing Commitments: \$120,000 2016 SPLOST
Airport Taxiway Lighting GDOT Match	High	103,125	-	-	103,125	-
Courthouse Landscape	High	100,000	100,000	-	-	- Existing Commitments: \$100,000 2016 SPLOST
Water Department - Equipment	High	85,000	-	-	85,000	-
Equipment - SBP	High	61,200	-	-	61,200	-
Water Department - Vehicle	High	47,000	-	-	47,000	-
Equipment - County General	High	25,500	-	-	25,500	-
Phase II Athletic Field Upgrades	Moderate	4,798,388	-	-	4,798,388	-
Sheriff - New Trunking System	Moderate	598,358	-	-	598,358	-
Water Department - Building Improvements	Moderate	345,000	-	-	345,000	-
Airport Hangars, Taxiways, Ramps, Runways	Moderate	316,000	316,000	-	-	- Existing Commitments: \$316,000 2016 SPLOST
Water Department - IT Software and PC Equipment	Moderate	223,000	-	-	223,000	-
Airport Pavement Overlay for Driveway and Parking	Moderate	200,000	200,000	-	-	- Existing Commitments: \$200,000 2016 SPLOST
Water Department - Property Improvements	Moderate	100,000	-	-	100,000	-
Airport Construct Phase 1	Moderate	35,000	35,000	-	-	- Existing Commitments: \$35,000 2016 SPLOST
Sprewell Bluff Park - Camping Sites	Low	2,470,000	-	-	2,470,000	-
Sprewell Bluff Park - Land Improvements	Low	1,443,000	-	-	1,443,000	-
Phase III Renovations - Civic Center	Low	1,098,127	-	-	1,098,127	-
Water Department - Infrastructure	Low	551,500	-	-	551,500	-
Sprewell Bluff Park - Building Improvements	Low	546,000	-	-	546,000	-
Sprewell Bluff Park - Buildings	Low	526,500	-	-	526,500	-
Sprewell Bluff Park - Camp Site Renovations	Low	243,100	-	-	243,100	-
Total		\$61,380,240	\$42,655,888	\$2,294,993	\$16,429,359	

Priority of Capital Projects provided by County Staff.

Capital Improvement Program Summary

Committed Sources of Funds Available



Committed Sources of Funds Available	
Sources	Available Funds
Series 2022 Bonds	\$23,000,000
Grants	9,387,063
ARPA	4,851,300
2016 SPLOST	3,943,621
Highline	2,085,556
2019 T-SPLOST	1,473,905
Committed Fund Balance	209,437
Total	\$44,950,881

Capital Improvement Program Summary

Sources and Uses



Capital Projects (Consolidated)		
Uses	Priority	Project Cost
Judicial Center (Incl. FF&E & Landscape)	High	\$24,100,000
Broadband	High	8,585,556
Spewell Bluff Park	Moderate - Low	7,298,600
Athletic Field Upgrades	Moderate	4,798,388
Road / Bridge Improvements	High	4,224,750
City-County Sewer Improvement	High	2,860,737
Civic Center	High	2,849,926
Water Department	Moderate - Low	2,235,000
Sheriff Vehicles 5 per year \$300,000	High (Annually)	1,500,000
Equipment / Transportation	High	804,800
Airport	Moderate	774,125
Facilities - Government Complex, including ADA	High	750,000
Sheriff - New Trunking System	Moderate	598,358
Total		\$61,380,240

Committed Sources of Funds Available	
Sources	Available Funds
Series 2022 Bonds	\$23,000,000
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Committed Fund Balance	209,437
Total	\$44,950,881
Funding Deficit	\$16,429,359

Capital Improvement Program Summary

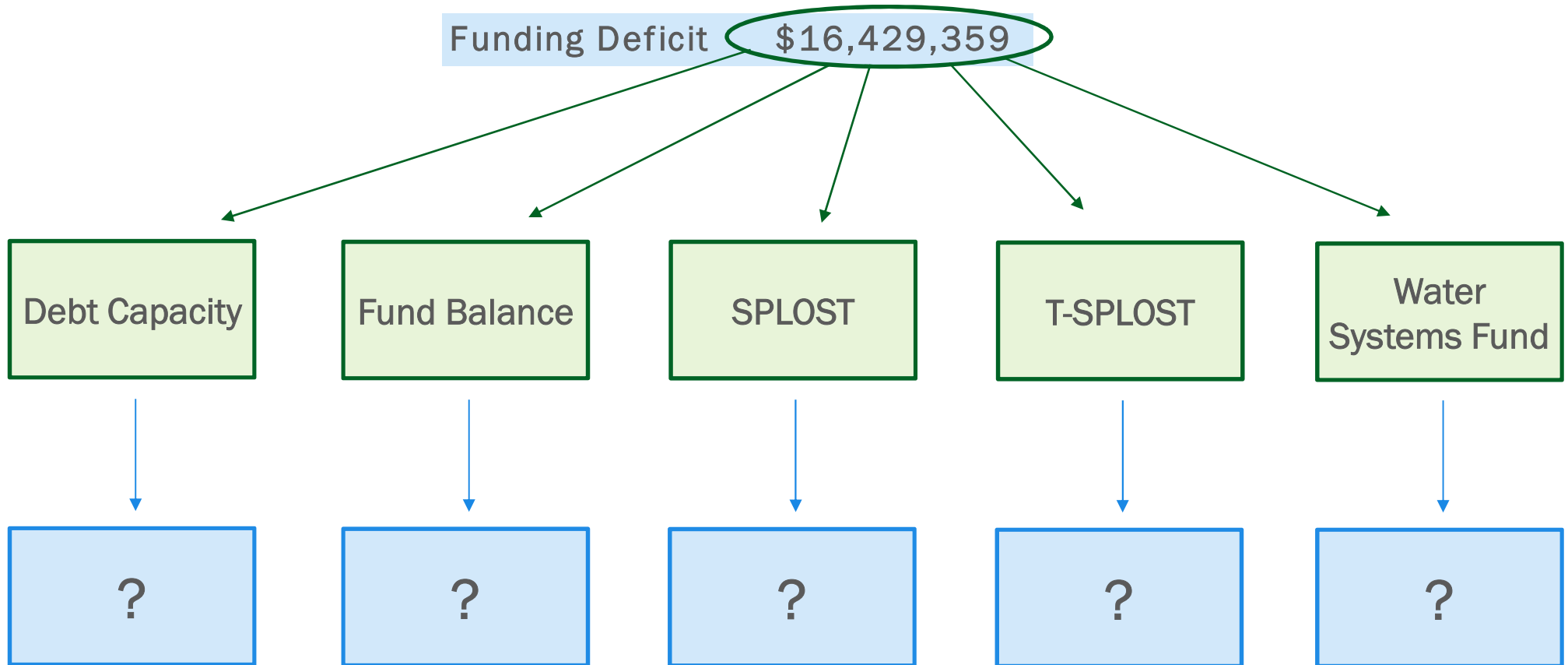
How is the Deficit Funded?



Total Uses \$61,380,240

Total Sources \$44,950,881

Funding Deficit **\$16,429,359**





Potential Source: Debt Capacity

Upson County, Georgia

Total Existing Debt – Overview



Tax-Supported Debt

Issue	Project	Payment Source	Original Par	Outstanding 12/31/2022	Interest Rate(s)	Final Maturity	Call Date
General Obligation TSPLOST Bonds, Series 2019	TSPLOST Projects	TSPLOST	\$5,600,000	\$2,400,000	5.000%	8/1/2024	Non-Callable
Building Authority Revenue Bonds, Series 2022	Judicial Center	SPLOST	21,125,000	21,125,000	3.00 - 5.00%	6/1/2042	6/1/2032
Total			\$26,725,000	\$23,525,000			

Self-Supporting Debt

Issue	Project	Payment Source	Original Par	Outstanding 12/31/2022	Interest Rate(s)	Final Maturity	Call Date
Building Authority Revenue Bonds, Series 2019	Refunding of GEFA Loans	Water Fund	\$2,698,925	\$2,015,520	1.800%	12/1/2031	12/31/2025
GEFA Loan DW11018	W&S Improvements	Water Fund	1,300,000	756,508	1.125%	1/1/2034	Anytime
Total			\$3,998,925	\$2,772,029			

Total Existing Debt – Debt Service



Existing Tax-Supported Debt Service				
	Principal	Interest	Total	Payout Ratio
2023	\$1,840,000	\$907,200	\$2,747,200	7.82%
2024	1,935,000	814,325	2,749,325	16.05%
2025	745,000	716,575	1,461,575	19.21%
2026	780,000	678,450	1,458,450	22.53%
2027	820,000	638,450	1,458,450	26.01%
2028	865,000	596,325	1,461,325	29.69%
2029	910,000	551,950	1,461,950	33.56%
2030	955,000	505,325	1,460,325	37.62%
2031	1,005,000	456,325	1,461,325	41.89%
2032	1,055,000	404,825	1,459,825	46.38%
2033	1,100,000	361,950	1,461,950	51.05%
2034	1,130,000	328,500	1,458,500	55.86%
2035	1,165,000	294,075	1,459,075	60.81%
2036	1,200,000	258,600	1,458,600	65.91%
2037	1,240,000	222,000	1,462,000	71.18%
2038	1,275,000	184,275	1,459,275	76.60%
2039	1,315,000	145,425	1,460,425	82.19%
2040	1,355,000	105,375	1,460,375	87.95%
2041	1,395,000	64,125	1,459,125	93.88%
2042	1,440,000	21,600	1,461,600	100.00%
Total	\$23,525,000	\$8,255,675	\$31,780,675	

Existing Self-Supporting Debt Service				
	Principal	Interest	Total	Payout Ratio
2023	\$277,074	\$42,709	\$319,783	10.00%
2024	276,599	38,197	314,796	19.97%
2025	281,177	33,619	314,796	30.12%
2026	285,832	28,964	314,796	40.43%
2027	290,567	24,229	314,796	50.91%
2028	295,383	19,413	314,796	61.57%
2029	300,281	14,515	314,796	72.40%
2030	305,263	9,533	314,796	83.41%
2031	310,331	4,466	314,797	94.61%
2032	71,331	1,321	72,652	97.18%
2033	72,141	511	72,652	99.78%
2034	6,049	6	6,054	100.00%
2035	0	0	0	100.00%
2036	0	0	0	100.00%
2037	0	0	0	100.00%
2038	0	0	0	100.00%
2039	0	0	0	100.00%
2040	0	0	0	100.00%
2041	0	0	0	100.00%
2042	0	0	0	100.00%
Total	\$2,772,029	\$217,482	\$2,989,511	

Debt Capacity vs. Affordability



- When considering whether or not to take on additional debt to fund capital projects, it will be helpful for the County to consider both its Debt Capacity and its Debt Affordability.
- Debt Capacity can be thought of as the amount of debt a locality can incur while staying within prudent financial guidelines.
 - Debt Capacity can be thought of as the County's credit card limit.
- Debt Affordability focuses more on the County's ability to repay its debt obligations given its current cash flows.
 - Debt Affordability can be equated to the ability for County to pay its credit card bill.
- When assessing a locality, credit rating agencies will assess the locality's Debt Capacity and Debt Affordability using, among other metrics, the Key Debt Ratios that were detailed herein.

Key Debt Ratios



- When considering the issuance of tax-supported debt, Davenport advises that the County be mindful of the impact that such debt could have on its debt ratios. While there are several different ratios/metrics that can be tracked to evaluate a government's debt profile, two are generally regarded industry-wide as **Key Debt Ratios**.

1. Debt vs. Full Value

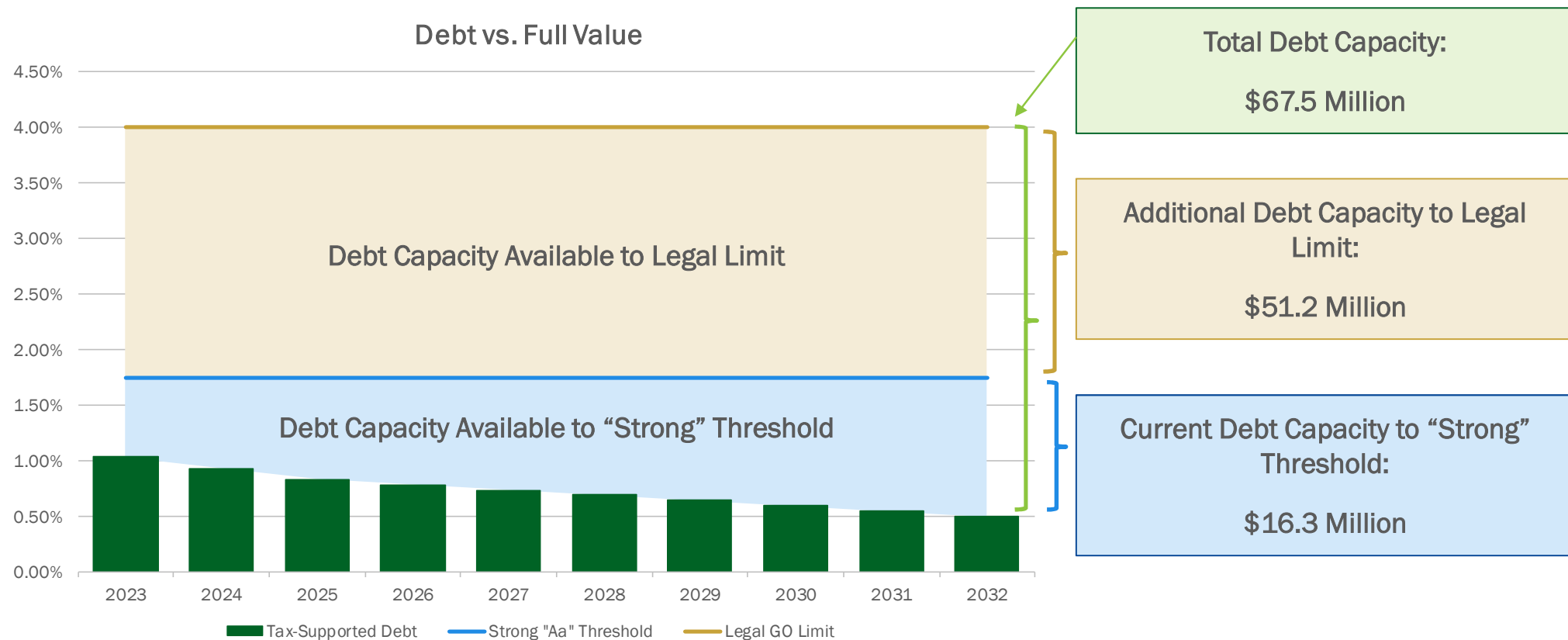
- This ratio is typically calculated by taking a locality's tax-supported debt and dividing it by its full value/tax base.
- This is a key ratio that answers the *"Can I Borrow This?"* question. It is commonly used by rating agencies to measure an issuer's capacity to support existing and additional debt.

2. Annual Debt Service vs. Annual Expenditures

- This ratio is typically calculated by taking a locality's most recent year's tax-supported debt service and dividing it by its General Fund expenditures.
- Debt Service vs. Expenditures is a key ratio because it measures how much of the annual budget is being spent to pay for debt, and can show how much additional debt service can be added before exceeding prudent levels. It answers the *"Can I Afford This?"* question.



Key Debt Ratio – Debt vs. Full Value



■ Moody's Historic Criteria for General Obligation Credits defines categories of Debt to Full Value as:

- Very Strong (Aaa): < 0.75%
- Strong (Aa): 0.75% - 1.75%
- Moderate (A): 1.75% - 4.00%
- Weak/Very Poor (Baa & below): > 4.00%

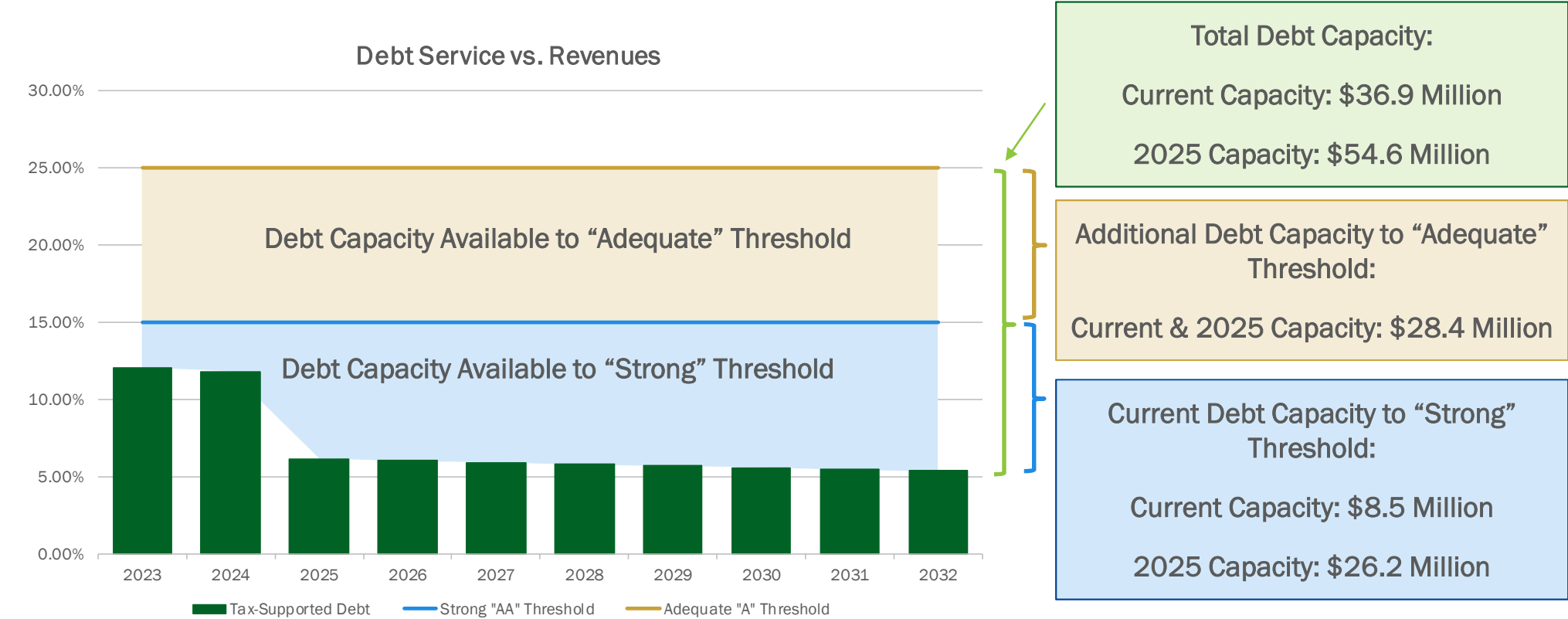
On November 2, 2022, Moody's published a revised rating methodology for US Cities and Counties.

Note: Full Values are assumed to grow 2.0% annually beginning in Fiscal Year 2023.

Source: Upson County ACFRs.



Key Debt Ratio – Debt Service vs. Revenues



- S&P’s Criteria for General Obligation Credits defines categories of Debt Service to Expenditures as:
 - Very Strong: < 8%
 - Strong: 8% - 15%
 - Adequate: 15% - 25%
 - Weak: 25% - 35%
 - Very Weak: > 35%

Note: Davenport assumed a 20 year level debt service at 5.00%.

Note: General Fund & SPLOST Revenues are assumed to grow 2.0% annually beginning in Fiscal Year 2022.

Source: Upson County ACFRs.



Potential Source: Fund Balance

Upson County, Georgia

Historic General Fund Balance

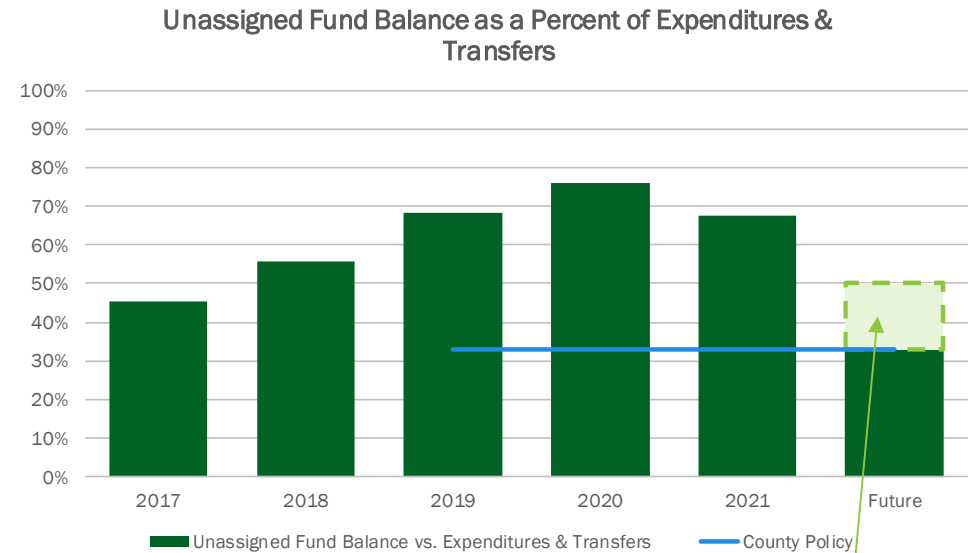
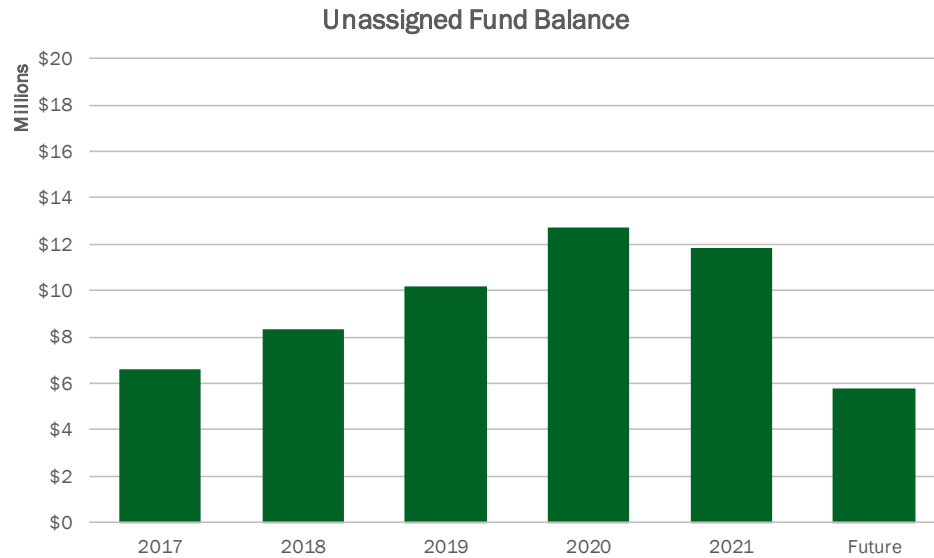


	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Nonspendable:					
Prepaid Items	\$1,197	\$0	\$0	\$0	\$0
Committed:					
Waste/Water Improvements	0	0	455,250	455,250	455,250
Capital Outlay	0	0	0	741,888	741,888
Technology Improvements	0	0	0	0	4,308
Unassigned:					
General Fund	6,622,261	8,327,094	10,186,077	12,725,714	11,841,578
Total	\$6,623,458	\$8,327,094	\$10,641,327	\$13,922,852	\$13,043,024

Available Committed Fund Balance	\$1,197,138
Less: Committed Projects	(209,437)
Total Committed Fund Balance Available	\$987,701

Based upon conversation with County Staff, these funds are not specifically tied to any project and can be used towards funding the County's Capital Projects.

Unassigned General Fund Balance



Fiscal Year	Unassigned General Fund Balance	General Fund Operating Expenditures & Transfers
2017	\$6,622,261	\$14,535,081
2018	8,327,094	14,926,053
2019	10,186,077	14,910,999
2020	12,725,714	16,752,456
2021	11,841,578	17,500,666

Unassigned Fund Balance vs. Expenditures & Transfers	County Policy
45.56%	N/A
55.79%	N/A
68.31%	33.00%
75.96%	33.00%
67.66%	33.00%

Less	(6,066,358)	Maximum potential amount to be used to reach County Policy
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Projected Future	5,775,220	17,500,666
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33.00%

Drawing all the way down to the County's policy may be more than the County's appetite and raise questions in the Credit Market. If the County were to keep the ratio at 50%, then \$3,091,245 could be drawn.



Potential Source: 2016 SPLOST

Upson County, Georgia

Historic SPLOST Collections



SPLOST Collections							
	2016	2017	2018	2019	2020	2021	2022
January	\$269,789	\$270,480	\$275,862	\$288,294	\$316,247	\$351,806	\$390,286
February	213,762	219,812	260,863	255,243	253,792	284,654	339,454
March	232,154	212,039	224,755	251,370	260,174	289,497	333,263
April	259,607	248,454	273,298	275,713	297,907	368,929	378,060
May	260,945	248,983	257,210	303,730	302,374	373,163	409,904
June	225,270	257,538	269,301	296,503	326,745	375,586	413,055
July	261,676	242,844	269,405	279,680	319,476	370,394	418,867
August	244,324	261,366	274,699	299,929	330,447	405,087	506,766
September	254,140	248,398	265,278	302,648	657,886	352,353	427,967
October	249,244	267,124	253,144	295,898	304,838	307,952	416,240
November	248,603	277,470	295,435	301,092	305,922	367,122	400,527
December	238,308	260,752	260,997	292,430	310,531	371,406	403,869
Total	\$2,957,822	\$3,015,261	\$3,180,248	\$3,442,531	\$3,986,338	\$4,217,950	\$4,838,258
Annual Growth	N/A	1.94%	5.47%	8.25%	15.80%	5.81%	14.71%

2016 SPLOST Fund Overview



2016 SPLOST Fund

Total Cash at December 31, 2022	\$4,805,590
Capital Project Encumbrances:	
Equipment	(252,753)
Road Resurfacing	(282,729)
Total Encumbrances	(535,482)
Ending Balance	\$4,270,108
Less: SPLOST 2016 Committed Projects	(3,943,621)
Total Funds Available	\$326,488



Potential Source: 2022 SPLOST

Upson County, Georgia

2022 SPLOST Project List (County Only)



2022 SPLOST Project List (County Only)			
Project	Estimated Cost	Amount for Series 2022 Debt Service	Remainder for Pay-Go
Acquiring, constructing and improving County facilities, including judicial, administrative, civic, recreational, airport, and jail facilities	\$11,451,000	(\$9,023,540)	\$2,427,460
Roads, Streets and Bridges	1,550,000		1,550,000
Vehicle procurement and replacement, including Sheriff's department	500,000		500,000
Machinery and heavy equipment for repairs and maintenance of roads, streets and bridges, and other government facilities	610,000		610,000
Machinery and heavy equipment for repairs and maintenance of water and sewer facilities	615,000		615,000
Office equipment, IT and telecommunications upgrades	250,000		250,000
Total County Projects	\$14,976,000		\$5,952,460

2022 SPLOST Fund Overview



	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Available Funds	\$0	\$462,783	\$1,875,887	\$3,288,367	\$4,697,097	\$6,108,951	\$7,520,806
Tax Revenues	2,220,000	4,440,000	4,440,000	4,440,000	4,440,000	4,440,000	2,220,000
SPLOST Disbursements	(1,201,152)	(1,569,695)	(1,569,695)	(1,569,695)	(1,569,695)	(1,569,695)	(784,848)
Available Before Debt Service	1,018,848	3,333,087	4,746,192	6,158,672	7,567,401	8,979,256	8,955,958
Debt Service	(556,065)	(1,457,200)	(1,457,825)	(1,461,575)	(1,458,450)	(1,458,450)	(1,461,325)
Available Balance for Pay-Go	462,783	1,875,887	3,288,367	4,697,097	6,108,951	7,520,806	7,494,633

The County is able to receive on average approximately \$1.1 million annually over the 6-year SPLOST period after debt service.



Potential Source: 2019 T-SPLOST

Upson County, Georgia

Historic & Projected T-SPLOST Collections



T-SPLOST Collections							2019 T-SPLOST Period
	2019	2020	2021	2022	2023	2024	
January	\$0	\$301,754	\$341,759	\$368,307	\$312,121		
February	0	244,214	307,367	313,399	312,121		
March	0	247,230	276,814	309,709	312,121		
April	0	283,432	351,051	348,787	312,121		
May	0	290,291	354,404	383,747	312,121		
June	0	313,869	352,222	383,215	312,121		
July	0	307,338	348,671	392,958	312,121		
August	278,084	311,608	345,545	479,255	312,121		
September	286,310	315,063	328,245	392,472	312,121		
October	278,813	290,895	322,473	388,003	312,121		
November	285,727	291,078	345,442	364,052	312,121		
December	279,752	296,264	331,182	370,636	165,234		
Actual Total	\$1,408,686	\$3,493,035	\$4,005,175	\$4,494,540	\$0	\$0	\$13,401,437
Projected Total	\$0	\$0	\$0	\$0	\$3,598,563	\$0	\$3,598,563
Total Annual Receipts	\$1,408,686	\$3,493,035	\$4,005,175	\$4,494,540	\$3,598,563	\$0	\$17,000,000

According to the County's projection assumptions, the County is expected to reach their collection maximum (\$17 million) in December 2023.

Note: Projected tax revenues are based on the current 12 -month average times 10.
Source: Georgia Tax Center.

2019 T-SPLOST Fund Overview



	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Available Funds	\$0	\$1,408,686	\$2,190,154	\$3,251,623	\$4,661,012	\$5,028,667
Tax Revenues*	1,408,686	3,493,035	4,005,175	4,494,540	3,598,563	0
Debt Service	0	(1,289,696)	(1,294,000)	(1,290,750)	(1,290,000)	(1,291,500)
Available Before Disbursements	1,408,686	3,612,026	4,901,329	6,455,413	6,969,575	3,737,167
T-SPLOST Disbursements	0	(1,421,872)	(1,649,706)	(1,794,401)	(1,940,908)	(659,126)
Available Balance for Pay-Go	1,408,686	2,190,154	3,251,623	4,661,012	5,028,667	3,078,041
Less: T-SPLOST 2019 Committed Projects						(1,473,905)
Total Funds Available						\$1,604,136

*Note: Based on actual and projected collections stated on the prior slide.
Source: County Staff.



Potential Source: Water Systems Fund

Upson County, Georgia

Utility Methodology – Days Cash/Reserves



Moody's Days Cash on Hand Rating Criteria						
	Aaa	Aa	A	Baa	Ba	B and Below
Days Cash on Hand (15%)	> 250	250 - 150	150 - 35	35 -15	15 - 7	< 7

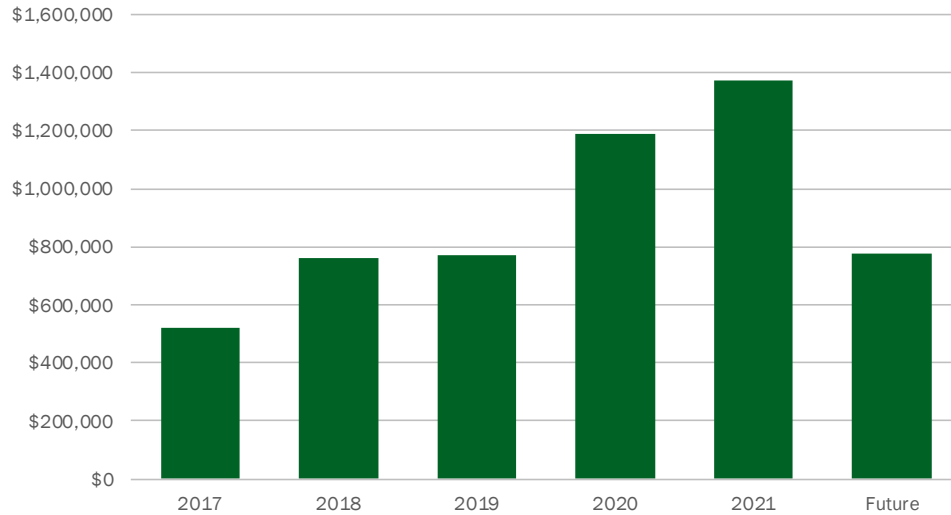
Standard and Poor's Liquidity and Reserve Preliminary Evaluation		
Preliminary Assessment	Days Cash	Actual Cash
1	Greater than 150	More than \$75 million
2	90 to 150	\$20 million to \$75 million
3	60 to 90	\$5 million to \$20 million
4	30 to 60	\$1 million to \$5 million
5	15 to 30	\$500,000 to \$1 million
6	Less than 15	Less than \$500,000

Standard and Poor's Liquidity and Reserves Assessment							
Days Cash Ratio, Preliminary Evaluation		Actual Cash on Hand, Preliminary Evaluation					
		1	2	3	4	5	6
1		1	1	2	2	3	4
2		1	2	2	3	3	4
3		2	2	3	4	4	5
4		2	3	4	4	5	5
5		3	3	4	5	5	6
6		4	4	5	5	6	6

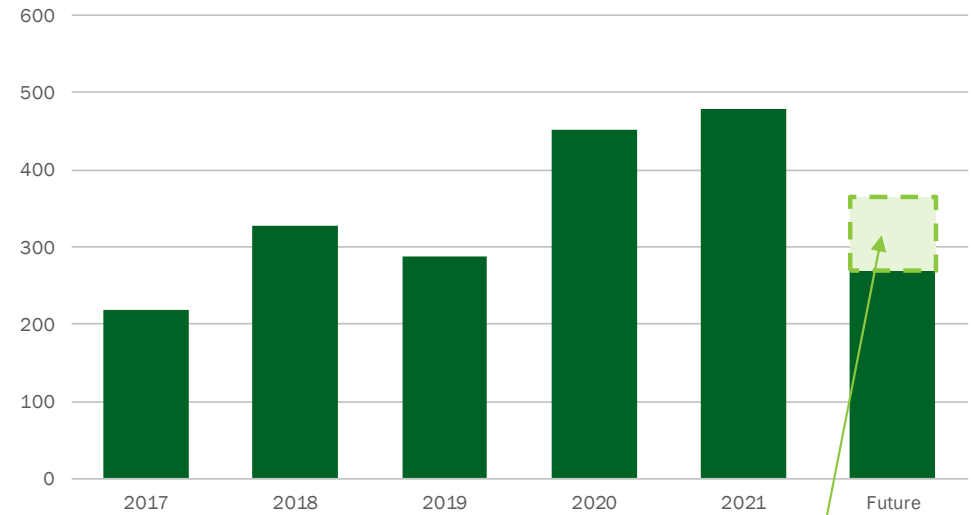
Water Systems Fund – Reserves/Days Cash



Cash and Cash Equivalents



Days Cash on Hand



Fiscal Year	Unrestricted Cash, Cash Equivalents	Operating Expense Less Depreciation	Days	Cash Operating Expense Per Day
2017	\$520,627	\$867,437	365	\$2,377
2018	761,801	849,934	365	2,329
2019	770,326	979,712	365	2,684
2020	1,190,913	961,809	365	2,635
2021	1,374,197	1,047,014	365	2,869

Days Cash on Hand
219
327
287
452
479

Less	(599,693)	Amount Used to Capital Projects
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Projected Future	774,504	1,047,014	365	2,869
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270

The County could only draw \$327,183 if they wanted to keep their Cash on Hand at 365 days.

Utility Methodology – Debt Service Coverage



Moody's Debt Service Coverage Rating Criteria						
	Aaa	Aa	A	Baa	Ba	B and Below
Annual Debt Service Coverage (15%)	> 2.00x	2.00x - 1.70x	1.70X - 1.25X	1.25X - 1.00x	1.00X - 0.70x	<0.70x

Standard and Poor's Assessment of All-In-Coverage	
Initial Assessment	All-In-Coverage
1	> 1.60X
2	1.60x - 1.40x
3	1.40x - 1.20x
4	1.20x - 1.10x
5	1.10x - 1.00x
6	< 1.00x

Water Systems Fund – Debt Service Coverage



	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Operating Revenues					
Charges for Sales and Services	<u>\$1,551,927</u>	<u>\$1,531,637</u>	<u>\$1,525,010</u>	<u>\$1,647,553</u>	<u>\$1,689,461</u>
Total Operating Revenues	\$1,551,927	\$1,531,637	\$1,525,010	\$1,647,553	\$1,689,461
Operating Expenses					
Administration	\$867,437	\$849,934	\$979,712	\$961,809	\$1,047,014
Depreciation	<u>184,390</u>	<u>184,390</u>	<u>184,390</u>	<u>187,440</u>	<u>248,287</u>
Total Operation Expense	\$1,051,827	\$1,034,324	\$1,164,102	\$1,149,249	\$1,295,301
Less Depreciation	(184,390)	(184,390)	(184,390)	(187,440)	(248,287)
Operating Income Net of Depreciation	\$684,490	\$681,703	\$545,298	\$685,744	\$642,447
Nonoperating Revenues (Expenses)					
Interest income	<u>\$505</u>	<u>\$1,960</u>	<u>\$2,241</u>	<u>\$667</u>	<u>\$157</u>
Total Nonoperating Revenues (Expenses)	\$505	\$1,960	\$2,241	\$667	\$157
Income (Loss)	\$684,995	\$683,663	\$547,539	\$686,411	\$642,604
Debt Service	\$395,009	\$395,007	\$288,495	\$301,083	\$337,216
Debt Service Coverage	1.73	1.73	1.90	2.28	1.91

Water Systems Fund – Debt Service Coverage Capacity



	Fiscal Year 2021	1.75x Coverage	1.50x Coverage	1.25x Coverage
Total Operating Revenues	\$1,689,461	\$1,689,461	\$1,689,461	\$1,689,461
Total Operation Expense (Less Depreciation)	\$1,047,014	\$1,047,014	\$1,047,014	\$1,047,014
Operating Income Net of Depreciation	\$642,447	\$642,447	\$642,447	\$642,447
Total Nonoperating Revenues (Expenses)	\$157	\$157	\$157	\$157
Income (Loss)	\$642,604	\$642,604	\$642,604	\$642,604
Existing Debt Service Levels	\$337,216	\$337,216	\$337,216	\$337,216
New Debt Service	0	29,813	91,179	176,784
Total Debt Service	\$337,216	\$367,029	\$428,395	\$514,000
Additional Debt Funded*	3,061,816	371,536	1,136,292	2,203,119
Debt Service Coverage	1.91	1.75	1.50	1.25

The County has the following capacity below according to the County's FY 2021 financials to meet the specified coverage targets:

1.75x = \$371,536

1.50x = \$1,136,292

1.25x = \$2,203,119

*Note: Davenport assumed a 20 year level debt service at 5.00%.

Source: Upson County ACFRs.



Summary of Available Sources

Upson County, Georgia

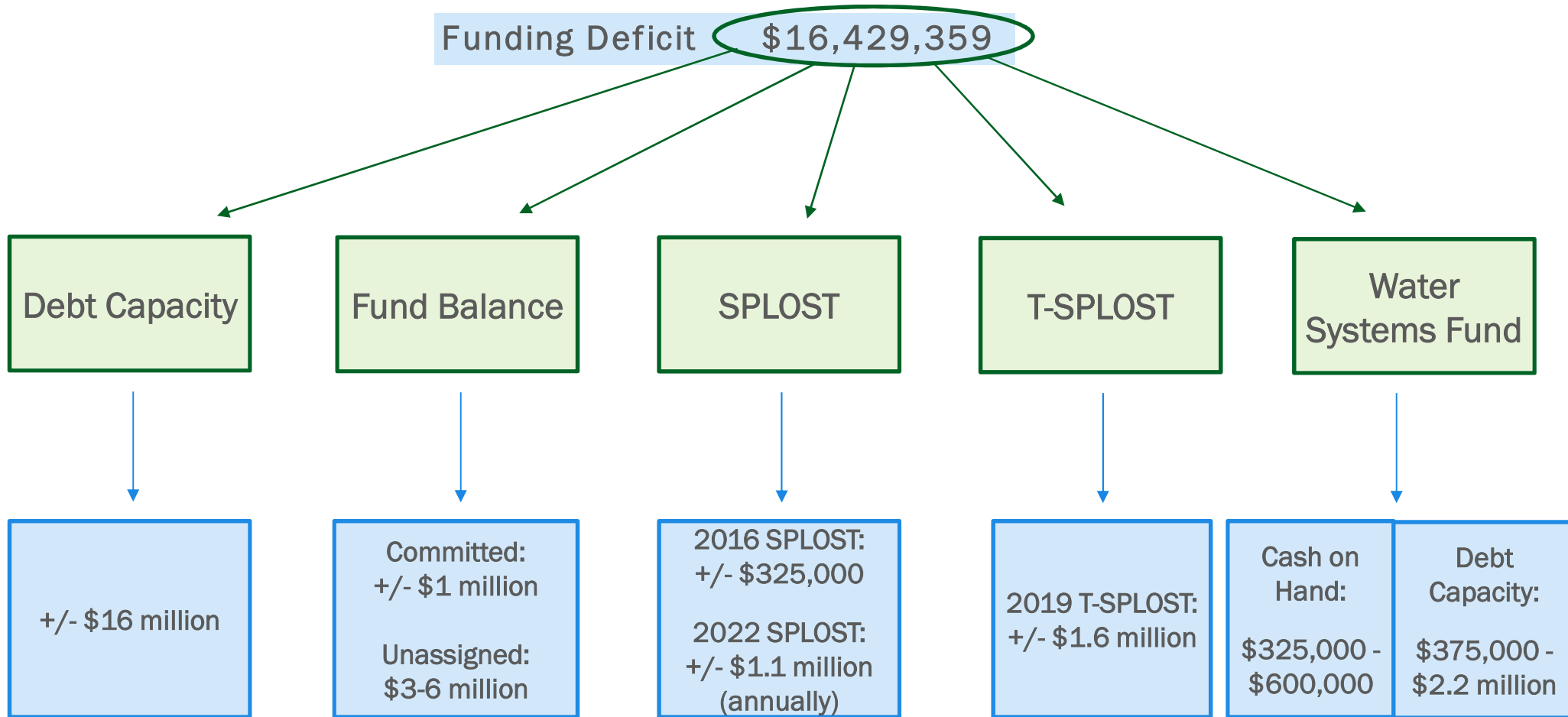
Summary of Available Sources



Total Uses \$61,380,240

Total Sources \$44,950,881

Funding Deficit **\$16,429,359**





Project Prioritization / Next Steps

Upson County, Georgia

Project Prioritization / Next Steps



Davenport will work with the County Commission to identify how each of these available sources summarized below can be allocated to the projects detailed to the right.

Available Source	Amount
Debt Capacity	+/- \$16 million
Committed Fund Balance	+/- \$1 million
Unassigned Fund Balance	\$3-6 million
2016 SPLOST	+/- \$325,000
2022 SPLOST	+/- \$1.1 million (annually)
2019 T-SPLOST	+/- \$1.6 million
Water Systems Fund – Cash on Hand	\$325,000 - \$600,000
Water Systems Fund – Debt Capacity	\$375,000 - \$2.2 million



Capital Projects	
Uses	Funding Needed
Judicial Center	Funded
Judicial Center FF&E	Funded
Broadband	Funded
Road Department - Road Resurfacing Phase I	Funded
City-County Sewer Improvement	Funded
Sheriff Vehicles 5 per year \$300,000	Funded
Sprewell Bluff Park - Trail, Camping and Rest Station	Funded
Phase I Renovations - Civic Center	1,311,461
Water Department - New Thurston Well	Funded
Dripping Rock Road Bridge Replacement	Funded
Facilities - Government Complex, including ADA	750,000
Road and Shop - Equipment	490,100
Civic Center Roof Repair (includes Mez lighting)	Funded
Sprewell Bluff Park - Maintenance Facility	325,000
Sprewell Bluff Park - Mountain Bike Trails	60,000
Vehicles - Road and Shop	228,000
Rocky Creek Road Culvert Replacement	Funded
Airport Used 2000 Model Jet Refueler	Funded
Airport Taxiway Lighting GDOT Match	103,125
Courthouse Landscape	Funded
Water Department - Equipment	85,000
Equipment - SBP	61,200
Water Department - Vehicle	47,000
Equipment - County General	25,500
Phase II Athletic Field Upgrades	4,798,388
Sheriff - New Trunking System	598,358
Water Department - Building Improvements	345,000
Airport Hangars, Taxiways, Ramps, Runways	Funded
Water Department - IT Software and PC Equipment	223,000
Airport Pavement Overlay for Driveway and Parking	Funded
Water Department - Property Improvements	100,000
Airport Construct Phase 1	Funded
Sprewell Bluff Park - Camping Sites	2,470,000
Sprewell Bluff Park - Land Improvements	1,443,000
Phase III Renovations - Civic Center	1,098,127
Water Department - Infrastructure	551,500
Sprewell Bluff Park - Building Improvements	546,000
Sprewell Bluff Park - Buildings	526,500
Sprewell Bluff Park - Camp Site Renovations	243,100
Total	\$16,429,359



Initial Capital Funding Scenario

Upson County, Georgia

Initial Capital Funding Scenario Overview



Unfunded Capital Projects			
Uses	Priority	Funding Needed	Funding Source
High Priority			
Phase I Renovations - Civic Center	High	\$1,311,461	Fund Balance
Facilities - Government Complex, including ADA	High	750,000	Fund Balance
Road and Shop - Equipment	High	490,100	Fund Balance
Sprewell Bluff Park - Maintenance Facility	High	325,000	Fund Balance
Vehicles - Road and Shop	High	228,000	Fund Balance
Airport Taxiway Lighting GDOT Match	High	103,125	Fund Balance
Water Department - Equipment	High	85,000	Fund Balance
Equipment - SBP	High	61,200	Fund Balance
Sprewell Bluff Park - Mountain Bike Trails	High	60,000	Fund Balance
Water Department - Vehicle	High	47,000	Fund Balance
Equipment - County General	High	25,500	Fund Balance
Total		\$3,486,386	
Moderate Priority			
Phase II Athletic Field Upgrades	Moderate	\$4,798,388	Debt
Sheriff - New Trunking System	Moderate	598,358	Debt
Water Department - Building Improvements	Moderate	345,000	Debt
Water Department - IT Software and PC Equipment	Moderate	223,000	Water Systems Fund Balance
Water Department - Property Improvements	Moderate	100,000	Debt
Total		\$6,064,746	
Low Priority			
Sprewell Bluff Park - Camping Sites	Low	\$2,470,000	TBD
Sprewell Bluff Park - Land Improvements	Low	1,443,000	TBD
Phase III Renovations - Civic Center	Low	1,098,127	TBD
Water Department - Infrastructure	Low	551,500	TBD
Sprewell Bluff Park - Building Improvements	Low	546,000	TBD
Sprewell Bluff Park - Buildings	Low	526,500	TBD
Sprewell Bluff Park - Camp Site Renovations	Low	243,100	TBD
Total		\$6,878,227	
Overall Total		\$16,429,359	

Funding Solution Overview		
Sources	Priority	Amount
Committed Fund Balance	High	\$987,701
Unassigned Fund Balance	High	2,498,685
Water Systems Fund Balance	Moderate	223,000
Debt	Moderate	5,841,746
Funding Total		\$9,551,132
TBD Low Priority Projects		\$6,878,227

In discussion with County Staff, Low Priority Projects have been elected to have no funding source.

Given their low priority, Davenport and the County can reevaluate how these projects can be funded at a later date.

Initial Capital Funding Scenario

Committed Fund Balance Portion

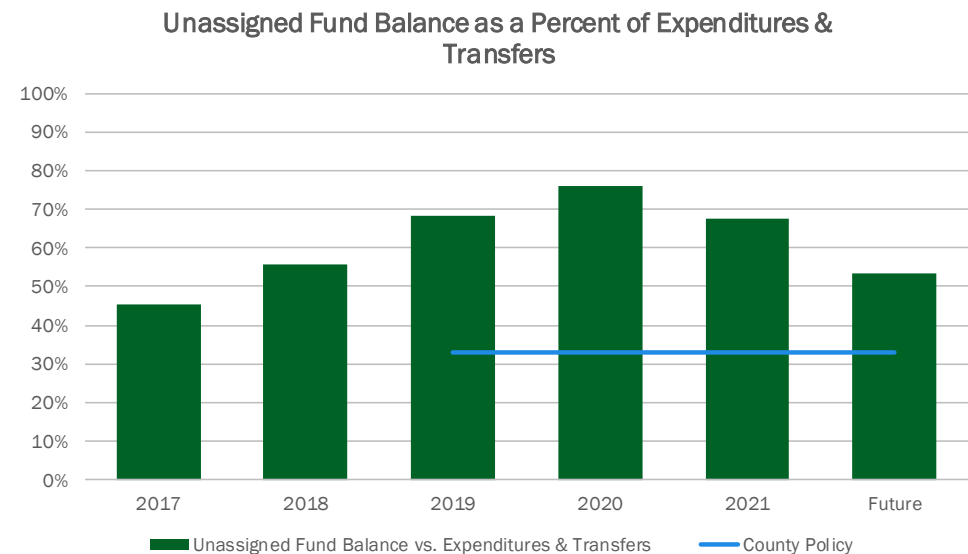
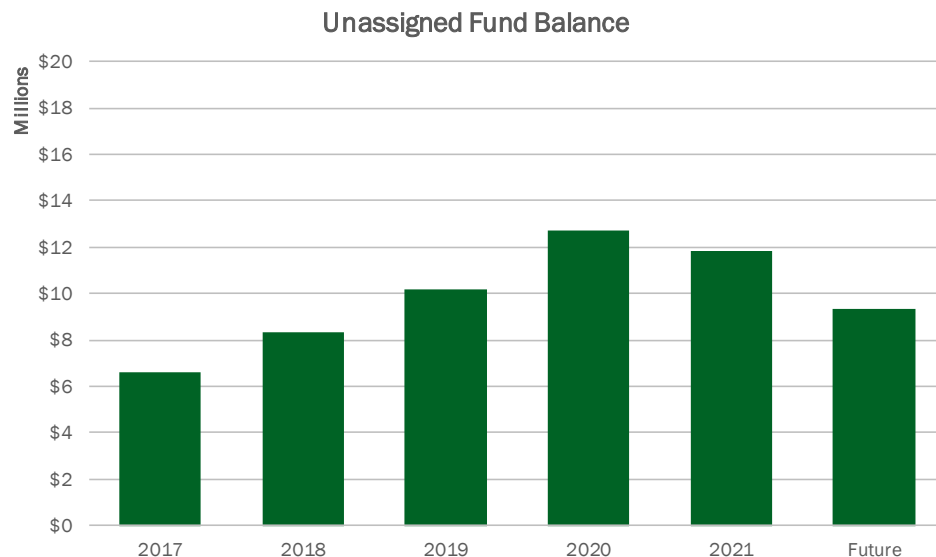


Comitted Fund Balance

Waste/Water Improvements	455,250
Capital Outlay	741,888
Total	1,197,138
Less: Committed Projects	(\$209,437)
Total Committed Fund Balance Available	\$987,701
Less: High Priority Projects	(\$987,701)
Remaining Committed Fund Balance	\$0

Initial Capital Funding Scenario

Unassigned Fund Balance Portion



Fiscal Year	Unassigned General Fund Balance	General Fund Operating Expenditures & Transfers
2017	\$6,622,261	\$14,535,081
2018	8,327,094	14,926,053
2019	10,186,077	14,910,999
2020	12,725,714	16,752,456
2021	11,841,578	17,500,666

Unassigned Fund Balance vs. Expenditures & Transfers	County Policy
45.56%	N/A
55.79%	N/A
68.31%	33.00%
75.96%	33.00%
67.66%	33.00%

By funding the County's remaining high priority projects, the County would still be roughly \$3.6 million or 20.4% over County policy.

Less	(2,498,685)	High Priority Projects
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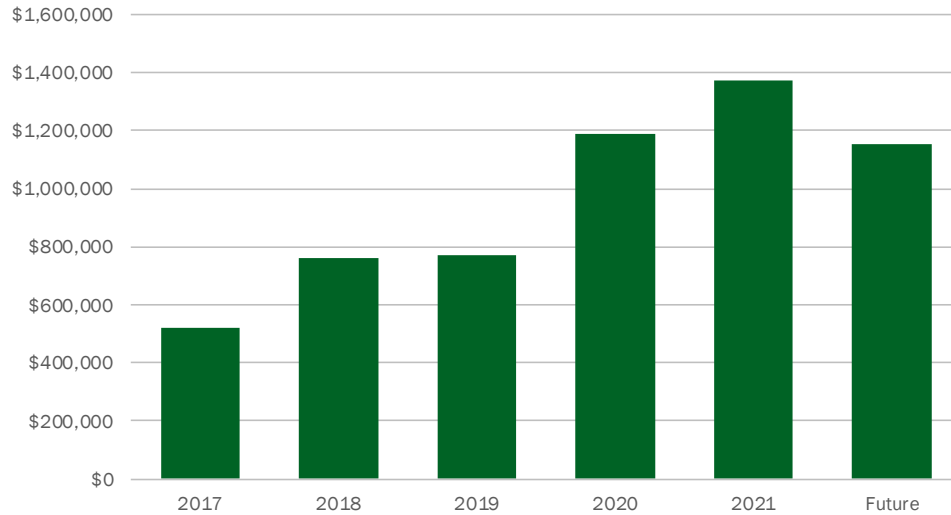
Projected Future	9,342,893	17,500,666	53.39%
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Initial Capital Funding Scenario

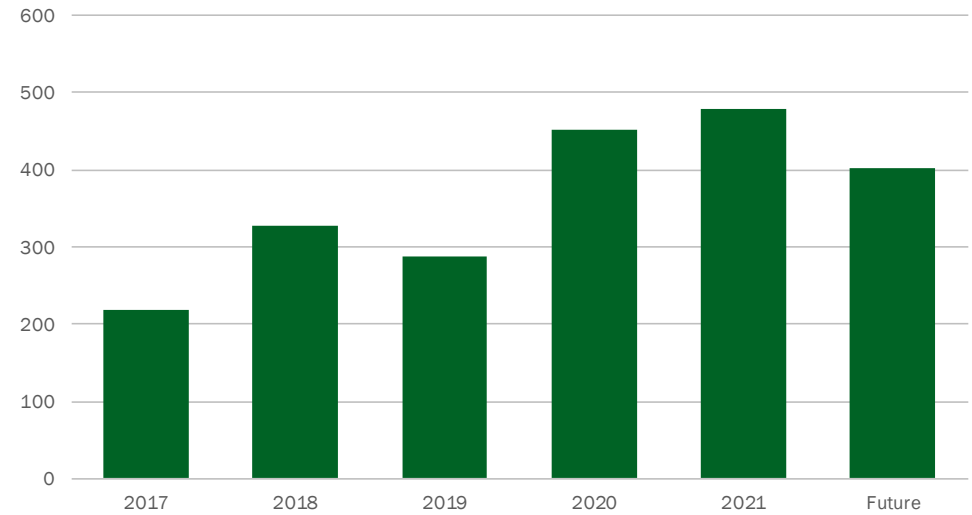
Water Systems Fund Balance Portion



Cash and Cash Equivalents



Days Cash on Hand



Fiscal Year	Unrestricted Cash, Cash Equivalents	Operating Expense Less Depreciation	Days	Cash Operating Expense Per Day	Days Cash on Hand
2017	\$520,627	\$867,437	365	\$2,377	219
2018	761,801	849,934	365	2,329	327
2019	770,326	979,712	365	2,684	287
2020	1,190,913	961,809	365	2,635	452
2021	1,374,197	1,047,014	365	2,869	479
Less (223,000) Moderate Priority Projects					
Projected Future	1,151,197	1,047,014	365	2,869	401

Initial Capital Funding Scenario

Debt Portion – Key Assumptions & Estimated Debt Service



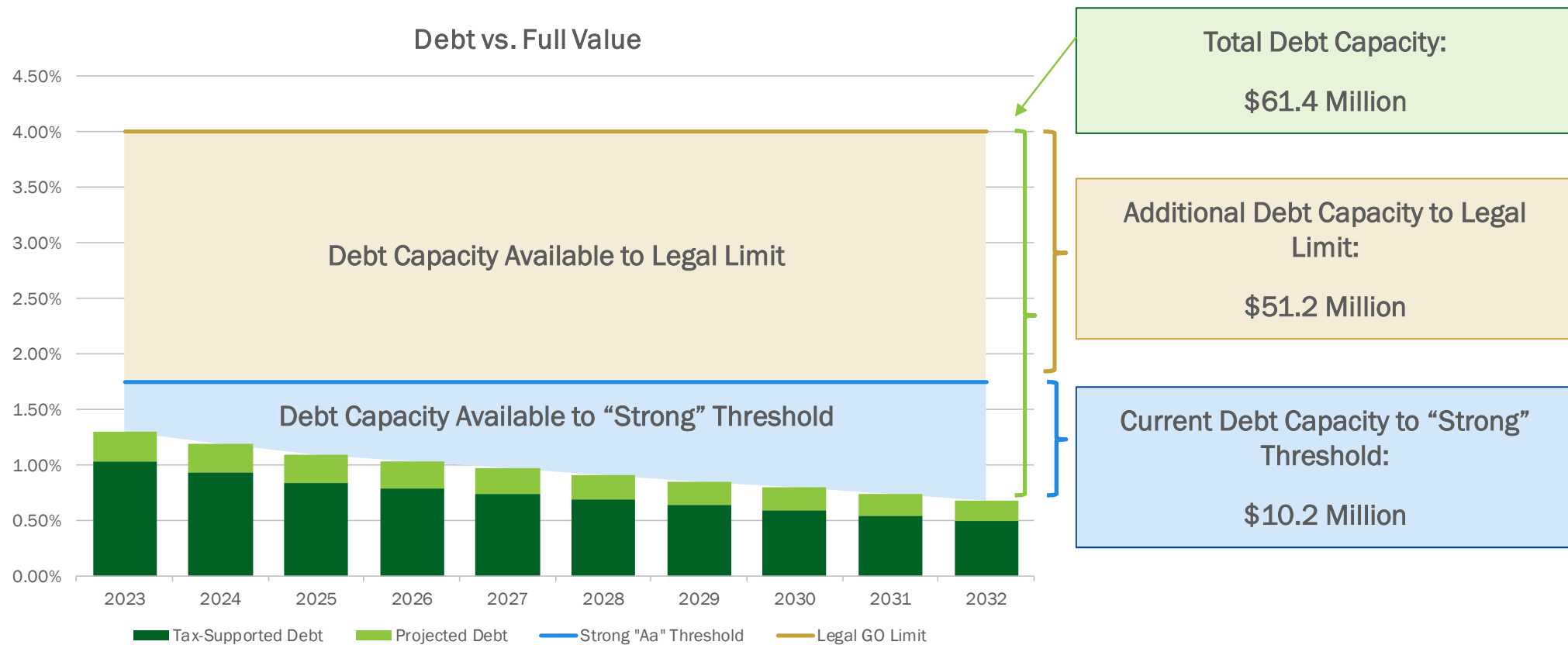
■ Davenport has assumed the following:

- \$5,841,746 Project Fund;
- Level Debt Service Structure;
- 20-Year Amortization;
- 5.00% Tax-Exempt Interest Rate;
- Closing January 1, 2024;
- First interest and principal due January 1, 2025; and,
- Inclusive of Costs of Issuance.

Estimated Debt Service			
Fiscal Year	Principal	Interest	Total
2025	\$40,000	\$452,375	\$492,375
2026	195,000	295,375	490,375
2027	205,000	285,375	490,375
2028	215,000	274,875	489,875
2029	225,000	263,875	488,875
2030	240,000	252,250	492,250
2031	250,000	240,000	490,000
2032	260,000	227,250	487,250
2033	275,000	213,875	488,875
2034	290,000	199,750	489,750
2035	305,000	184,875	489,875
2036	320,000	169,250	489,250
2037	335,000	152,875	487,875
2038	355,000	135,625	490,625
2039	370,000	117,500	487,500
2040	390,000	98,500	488,500
2041	410,000	78,500	488,500
2042	430,000	57,500	487,500
2043	455,000	35,375	490,375
2044	480,000	12,000	492,000
Total	\$6,045,000	\$3,747,000	\$9,792,000

Initial Capital Funding Scenario

Debt Portion – Debt vs. Full Value



Moody's Historic Criteria for General Obligation Credits defines categories of Debt to Full Value as:

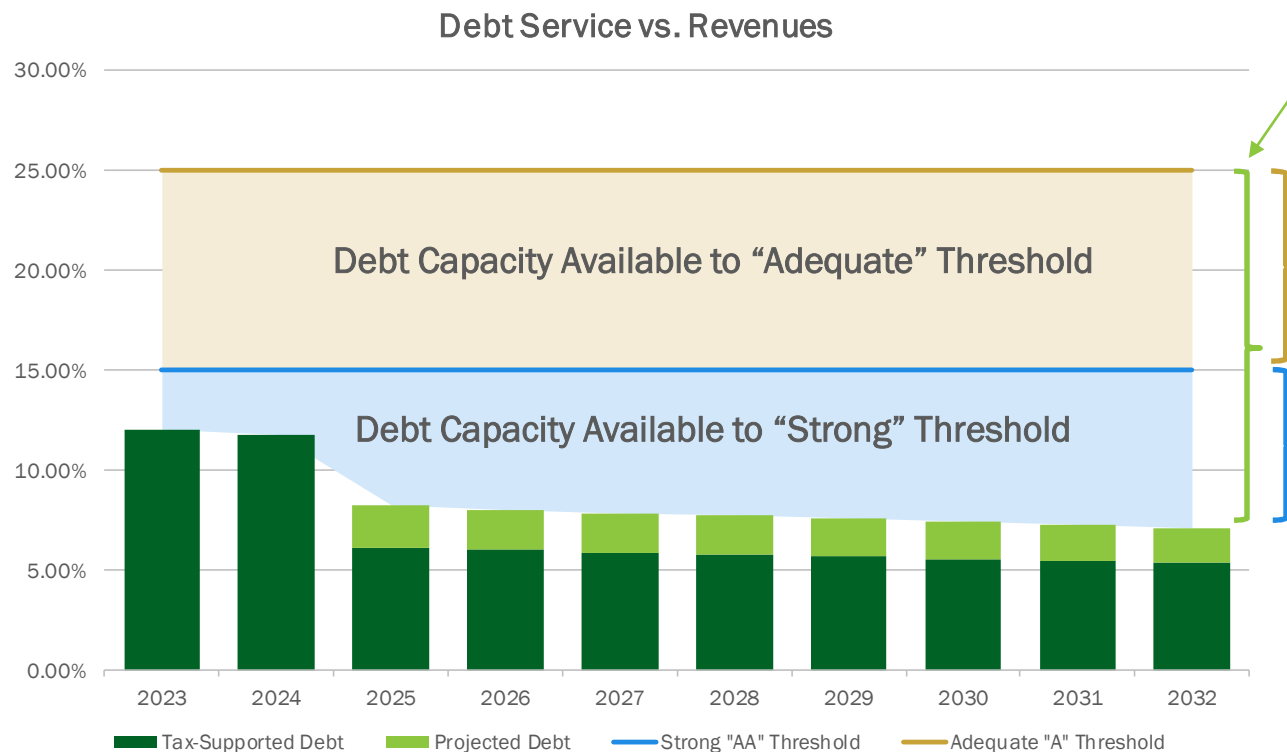
- Very Strong (Aaa): < 0.75%
- Strong (Aa): 0.75% - 1.75%
- Moderate (A): 1.75% - 4.00%
- Weak/Very Poor (Baa & below): > 4.00%

Note: Full Values are assumed to grow 2.0% annually beginning in Fiscal Year 2023.

Source: Upson County ACFRs.

Initial Capital Funding Scenario

Debt Portion – Debt Service vs. Revenues



Total Debt Capacity:

Current Capacity: \$36.9 Million

2025 Capacity: \$48.4 Million

Additional Debt Capacity to "Adequate" Threshold:

Current & 2025 Capacity: \$28.4 Million

Current Debt Capacity to "Strong" Threshold:

Current Capacity: \$8.5 Million

2025 Capacity: \$20.0 Million

■ S&P's Criteria for General Obligation Credits defines categories of Debt Service to Expenditures as:

- Very Strong: < 8%
- Strong: 8% - 15%
- Adequate: 15% - 25%
- Weak: 25% - 35%
- Very Weak: > 35%

Davenport has strategically pushed the debt service repayments on the projected debt to start coming due in Fiscal Year 2025 when the County's capacity opens up due to the maturity of the County's Series 2019 Bonds.

Note: Davenport assumed a 20 year level debt service at 5.00%.

Note: General Fund & SPLOST Revenues are assumed to grow 2.0% annually beginning in Fiscal Year 2022.

Source: Upson County ACFRs.



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