7. Long-Term Debt

A summary of long-term debt at March 31, 2024 and 2023, follows:

	2024	2023
Revenue Certificates - Series 2017A, payable in annual installments ranging from $730,000 beginning September 1, 2024 to $925,000 on September 1, 2032, with 2.99% interest paid semi-annually.	$ 7,410,000	$ 8,120,000
Total long-term debt	7,410,000	8,120,000
Less current installments of long-term debt	730,000	710,000
Long-term debt, excluding current installments	$ 6,680,000	$ 7,410,000

In March 2017, the Authority issued private placement Revenue Certificates, Series 2017A and 2017B, collectively Series 2017 Certificates, in the amount of $9,330,000 and $2,040,000, respectively. The Series 2017A Certificates were issued for the purpose of (i) refinancing certain outstanding capital indebtedness of the Authority and (ii) financing or refinancing the acquisition, renovation, and equipping of existing healthcare related facilities owned and operated by the Authority. The Series 2017B Certificates were issued for the purpose of refinancing certain outstanding operating indebtedness of the Authority.

As a result of refinancing the outstanding debt, the Authority increased its total debt service requirements by approximately $3,300,000, which resulted in an economic loss (the difference between the present value of the debt service payments on the old and new debt) of approximately $250,000.

The Series 2017 Certificates are special, limited obligations of the Authority payable from and secured by a pledge of and lien on the gross revenues of the Authority.

The Series 2017A Certificates are subject to optional redemption by the Authority on or after March 1, 2026, in whole at any time or in part on any interest payment date, in reverse order of maturities, at a redemption price equal to 100% principal amount being redeemed, plus accrued interest. The Series 2017B Certificates are not subject to optional redemption. In September 2021, the Series 2017B Certificates were paid in full.

Continued

7. Long-Term Debt, Continued

The Authority and the City of Bainbridge (City) entered into a contract in which the City agreed to pay to or for the account of the Authority amounts sufficient to pay the debt service on the Series 2017 Certificates, up to the seven mill limitation described in the Hospital Authority's Law, to the extent other forms of payment from the Authority or Decatur County, Georgia, as discussed in Note 14, are not sufficient. This agreement also grants the City a first lien on the real estate owned by the Authority as of March 1, 2017, and to the extent provided therein, a second lien on the Authority's net accounts receivable.

Under the terms of the Series 2017 Certificates, the Authority is required to maintain certain deposits with a trustee. These deposits are reported as noncurrent investments restricted by bond indenture.

The Series 2017 Certificates contain a provision that in an event of default, outstanding obligations may become immediately due and payable.

	2023 Balance	Additions	Reductions	2024 Balance	Amounts Due Within One Year
Direct borrowings/ placements:					
Revenue certificates	$ 8,120,000	$ -	$ (710,000)	$ 7,410,000	$ 730,000
Total long-term obligations	$ 8,120,000	$ -	$ (710,000)	$ 7,410,000	$ 730,000

	2022 Balance	Additions	Reductions	2023 Balance	Amounts Due Within One Year
Direct borrowings/ placements:					
Revenue certificates	$ 8,810,000	$ -	$ (690,000)	$ 8,120,000	$ 710,000
Total long-term obligations	$ 8,810,000	$ -	$ (690,000)	$ 8,120,000	$ 710,000

Continued

7. Long-Term Debt, Continued

Scheduled principal and interest repayments on long-term are as follows:

	Revenue Certificates	
Year Ending March 31:	Principal	Interest
2025	$ 730,000	$ 210,646
2026	750,000	188,520
2027	775,000	165,721
2028	795,000	142,250
2029	820,000	118,105
2030-2033	3,540,000	215,729
Total	$ 7,410,000	$ 1,040,971

8. Leases and Subscription IT Liabilities

The Authority is a lessee for noncancellable lease assets. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statements. At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the implicit interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or cannot be imputed, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Continued