8. Long-Term Debt

Long-term debt at April 30, 2019 and 2018 is summarized as follows (in thousands):

	2019	2018
Series 2018 refunding revenue anticipation certificates, bearing interest at 3.35 percent, payable semi-annually on the first day of February and August each year, maturing annually through 2034	**$ 9,120**	$ -
Series 2017 fixed rate revenue anticipation certificates, bearing interest at 4.0 percent to 5.0 percent, payable semi-annually on the first day of February and August each year, maturing annually beginning in 2039	**106,860**	106,860
Series 2015 fixed rate refunding revenue anticipation certificates, bearing interest at 3.5 percent to 5.0 percent, payable semi-annually on the first day of February and August each year, maturing annually beginning in 2019	**83,935**	83,935
Series 2008A fixed rate revenue anticipation certificates, bearing interest from 4.5 percent to 5.625 percent, payable annually, maturing annually through 2034, refunded in fiscal 2019	**-**	13,860
Series 2008B variable rate revenue anticipation certificates, bearing interest at rates that reset weekly (1.48 percent at April 30, 2019), payable monthly, maturing annually through 2038	**40,180**	40,190
Notes payable, bearing interest at rates equal to LIBOR plus .75 percent to 1.25 percent, payable in monthly installments of principal and interest, maturing annually through 2022, secured by real property	**16,117**	17,708
Capital lease obligations	**1,097**	158
	257,309	262,711
Plus unamortized issuance premiums and discounts	**16,519**	17,847
Less current maturities	**(5,963)**	(5,723)
Less unamortized issuance costs	**(1,666)**	(1,734)
Long-term debt, excluding current maturities	**$ 266,199**	$ 273,101
Notes payable to community development entities (see Note 14)	**$ 13,824**	$ 13,824

Scheduled principal repayments on long-term debt, notes payable to community development entities, and capital lease obligations for years ending April 30 are as follows (in thousands):

2020	$ 5,963
2021	6,620
2022	6,852
2023	16,772
2024	6,126
Thereafter	228,800
	$ 271,133

Pursuant to the lease and transfer agreement, the System pays the Authority amounts sufficient to pay the principal of, redemption premium and interest on any and all revenue anticipation certificates, bonded indebtedness, loans, borrowings or other debt obligations of the Authority existing at May 1, 2015.

In May 2018, the Authority issued the Refunding Revenue Anticipation Certificates (“Series 2018 Certificates”) in the amount of $9,265,000. The purpose of the issuance was to advance refund a portion of the Authority’s outstanding Series 2008A Certificates.

In December 2017, the Authority issued Fixed Rate Revenue Anticipation Certificates (“Series 2017 Certificates”) in the amount of $106,860,000. The purpose of the issuance is to fund renovations and expansion of the Brunswick Campus, including the Emergency Department and the Surgical Platform/Central Sterile Supply Area. The issuance will also fund renovations and an upgrade to the central energy plant and infrastructure.

In April 2015, the Authority issued Refunding Revenue Anticipation Certificates (“Series 2015 Certificates”) in the amount of $83,935,000. The purpose of the issuance was to advance refund a portion of the Authority’s outstanding Series 2008A Certificates, as well as to pay costs of issuance. In connection with the issuance of the Series 2015 Certificates, the master trust indenture was amended such that the obligated group consists of the Authority, Camden Campus, SGPA, and Brunswick Campus.

In September 2008, the Authority issued Fixed Rate Revenue Anticipation Certificates (“Series 2008A Certificates”) in the amount of $106,865,000 and Variable Rate Revenue Anticipation Certificates (“Series 2008B Certificates”) in the amount of $40,570,000. The variable interest rate is reset by the remarketing agent based on investor demand in weekly auctions. The purpose of the issuance was to fund the acquisition and renovation of a 200-bed skilled nursing facility contiguous to the Brunswick Campus; the construction of additional labor, delivery, recovery and postpartum patient rooms and renovation of the existing Maternity Care Center on the Brunswick Campus; the replacement of utility infrastructure within the St. Simons Tower on the Brunswick Campus; the development and build-out of an Orthopedic and Neurologic care center within the St. Simons Tower on the Brunswick Campus; certain other renovations to the Brunswick Campus and medical equipment acquisitions; and to refund the Authority’s outstanding Series 2004 Certificates.

The Authority utilized the net proceeds from the issuance of the Series 2018 and Series 2015 Certificates, plus certain debt service reserve funds on hand, to purchase U.S. government securities and deposit them into an irrevocable trust with an escrow agent in order to provide for all future debt service payments on the refunded Series 2008A Certificates. As a result, refunded certificates totaling $103,120,000 have been legally defeased as of April 30, 2019.

The outstanding revenue certificates are secured by a first and prior liens on revenues from the operations of the obligated group. Monies in debt service funds are also subject to a lien in favor of the holders of the certificates issued. The Series 2008B Certificates are supported by a letter of credit issued by TD Bank N.A. for $40,200,000 plus related accrued interest at April 30, 2019. The term of the letter of credit is through September 21, 2021.

Under the terms of the certificate indentures, the System is required to maintain certain deposits with trustees for debt service and construction purposes. Such deposits are included within assets limited as to use in the consolidated balance sheet. The certificate indentures also contain various restrictive covenants pertaining to certain measures of financial performance. The System is in compliance with these covenants.

The System maintains an open end revolving line of credit of $6,000,000 at an interest rate equal to the greater of 3.25 percent or LIBOR plus 125 basis points. The line of credit is unsecured. As of April 30, 2019 and 2018, there were no outstanding advances on the credit line.

The System has two notes payable with Branch Banking and Trust Company with an aggregate initial available amount of $20,000,000 for the purpose of constructing a medical office building located in Glynn County, Georgia and a medical office building located in Camden County, Georgia. The notes carry an interest rate equal to the sum of one-month LIBOR and 1.25 percent (3.74% and 3.15% at April 30, 2019 and 2018, respectively). Beginning

January 21, 2014, the System began making monthly principal payments on the 21st day of each month in an amount equal to 1/360th of the principal loan balance at December 21, 2012. The entire outstanding principal balance and all accrued unpaid interest under the notes shall be due and payable in full on December 21, 2021.

In October 2017, the System entered into a promissory note payable with Branch Banking and Trust Company for $5,000,000 for the purpose of acquiring medical equipment. The note carries a fixed interest rate of 2.98%. Beginning November 4, 2017, the System began making monthly principal and interest payments in an amount equal to $89,895. The last payment on the note payable will be due on October 4, 2022.

9. Commitments and Contingencies

The System is involved in litigation in the ordinary course of business related to professional liability claims. The System maintains umbrella insurance with a limit of $20,000,000 each occurrence and $20,000,000 annual aggregate for professional liability and other general liability claims exceeding self-retained limits of $2,000,000 individually and $6,000,000 collectively, on an annual basis. The System is self-insured under these limits. At April 30, 2019, malpractice and other various claimants had filed claims that are in various stages of processing, and some may ultimately be brought to trial.

The System has engaged the services of an independent actuary to perform an annual evaluation of estimated professional liability claims obligations and to determine the reserve requirements at the end of each fiscal year. The discount rate used in actuarial calculations for 2019 and 2018 was 3.5 percent. The current portion of the estimated professional liability claims obligation included in other accrued expenses totaled approximately $1,728,000 and $1,488,000 at April 30, 2019 and 2018, respectively, while the non-current obligation totaled approximately $5,183,000 and $4,462,000, respectively. Self-insured professional liability claims expense for 2019 and 2018 aggregated approximately $1,665,000 and $1,332,000, respectively. Management is of the opinion that the accrual for professional liability claims is adequate for loss contingencies, however, it is possible that actual losses may differ from management's estimates.

The System has designated non-current assets limited as to use of approximately $5,183,000 and $4,463,000 at April 30, 2019 and 2018, respectively, for self-insurance reserves.

The System is committed under various non-cancelable operating leases for equipment with expiration dates through 2024, as well as lease agreements for office space with expiration dates through 2025. Future minimum operating lease payments for years ending April 30 are as follows (in thousands):

2020	$ 2,529
2021	1,617
2022	1,060
2023	772
2024	187
Thereafter	94
	$ 6,259

The System had contractual commitments related to construction and information system projects totaling approximately $108,174,000 and $13,509,000 as of April 30, 2019 and 2018, respectively.