



**Health and Hospital Corporation
of Marion County, Indiana**

(A Component Unit of
the Consolidated City of Indianapolis - Marion County)

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

The Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of
the Consolidated City of Indianapolis - Marion County)

Comprehensive Annual Financial Report For the Year Ended December 31, 2013

Matthew R. Gutwein
President and Chief Executive Officer

Daniel E. Sellers
Treasurer and Chief Financial Officer

Prepared by: The Treasurer's Office

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2013

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(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2013

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Introductory Section (Unaudited)



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September 30, 2014

TO: The Board of Trustees
of The Health and Hospital Corporation of
Marion County, Indiana
The Mayor, City of Indianapolis
The City-County Council
The County Commissioners

The Comprehensive Annual Financial Report of the Health and Hospital Corporation of Marion County, Indiana (Corporation) (a component unit of the Consolidated City of Indianapolis - Marion County), for the fiscal year ended December 31, 2013, is submitted herewith. This report is presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and is audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Corporation has a responsibility to inform both the taxpayers of Marion County and its investors of its financial condition. We believe that this report fulfills that responsibility.

This report consists of management's representations concerning the finances of the Corporation. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Corporation has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Corporation's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Corporation's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Corporation's financial statements have been audited by BKD LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Corporation for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the Corporation's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Corporation was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Corporation’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Corporation’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Corporation’s MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CORPORATION

The Health and Hospital Corporation of Marion County, Indiana is a distinct municipal corporation created under Chapter 287 of the Acts of 1951 enacted by the General Assembly of the State of Indiana. Its duties include the administration of the Division of Public Health and the Division of Public Hospitals.

The Corporation provides a full range of preventive and curative health services for the residents of Marion County, including indigent care. The Corporation administers two statutory service divisions: the Division of Public Health doing business as the Marion County Public Health Department (MCPHD) and the Division of Public Hospitals doing business as Eskenazi Health.

MCPHD operates two service bureaus: Population Health and Environmental Health. It operates from various clinics and district health offices located throughout Marion County. Population Health provides preventive and diagnostic health programs, health education, immunization and epidemiological programs. The Bureau of Environmental Health provides environmental health regulation, code enforcement, environmental monitoring and vector control.

Eskenazi Health is comprised of the Sidney and Lois Eskenazi Hospital, a 315 bed general acute care hospital; the Eskenazi Health Outpatient Care Center, an outpatient specialty care facility co-located with the Hospital; the Eskenazi Health Center, a Federal Qualified Health Center (FQHC) that operates ten primary care centers throughout Marion County; Midtown Community Mental Health, a Community Mental Health Center (CMHC) that provides behavioral health services throughout Marion County; and Indianapolis EMS (IEMS), the county-wide emergency ambulance service. Eskenazi Health is the only public hospital in Marion County. The Hospital is fully accredited by the Joint Commission for Accreditation of Hospitals of the American Hospital Association.

The Corporation also has a long-term care (LT Care) enterprise fund, which operates 59 nursing homes throughout Indiana at the end of 2013. LT Care supports the Corporation’s mission and goal to provide quality care and services to elderly and disabled people. There have been no additional purchases in 2013.

A seven member Board of Trustees governs the Corporation. The Mayor of Indianapolis appoints three, the Commissioners of Marion County two, and the City-County Council two. Generally, Trustees serve staggered terms of four years each. The Board is bipartisan by statute. The Board levies its own taxes, adopts its own ordinances having the effect of local law governing health matters, and issues its own general obligation bonds subject to approval of the State of Indiana Department of Local Government Finance (DLGF). The City-County Council approves the final budget of the Corporation after approval by the Corporation board. Since the governing body is appointed and not elected, under Governmental Accounting Standards Board (GASB) Statement No. 14, the Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (Uni-Gov), and the financial statements of the Corporation are included in the comprehensive annual financial report of Uni-Gov. Management also considers all other units of government within Marion County to be separate from this Corporation, and they are not considered as component units within this report.

INTERNAL CONTROL STRUCTURE

In developing and evaluating the Corporation's accounting system, we have given consideration to the adequacy of the internal control structure, designing it to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Corporation's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGET

The Health and Hospital Corporation budget is introduced to the Corporation Board during the month of July of the year preceding the budget. The budget must be advertised in two local newspapers during this time. Once the Corporation Board approves the budget, it is submitted to the City-County Council for review. The Municipal Corporations Committee of the Council holds public hearings on the budget and passes it on to the City-County Council for approval. The DLGF does a final review of the budget. The DLGF can review, revise, reduce or increase a unit's budget, tax rate and tax levy. The DLGF will submit a notice to each unit notifying the unit of any revision, reduction or increase they propose in a unit's tax levy or tax rate.

ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Corporation operates.

LOCAL ECONOMY

Indianapolis is the nation's 13th largest city. According to the U.S. Census Bureau's Statistics for 2010, the estimated population of Marion County is 903,393 and 1,887,877 for the Indianapolis Metropolitan Area. Indianapolis is well-known for the multitude of cultural, educational, sporting, shopping and dining opportunities offered to its residents and visitors. Indianapolis is the home of "Hoosier Hospitality" the perfect blend of Midwest, small town welcome and big city attractions and opportunities. Employers and employees discover that a dollar goes further here. Residents and business owners alike enjoy an extremely competitive cost of living, along with a high quality of life.

The hallmarks of the Indianapolis economy have long been its diversity and steady growth, which is part of the foundation of Indy's strong performance during the past several years. Indianapolis can boast of diverse strengths in the manufacturing, distribution, retail and service sectors. Economic diversity keeps Indianapolis on a steady growth track. Additionally, Indiana's real estate availability affords a wide selection of available land, existing office space and industrial parks. Finally, many of the city's accomplishments, such as Victory Field, Bankers Life Fieldhouse, Circle Centre Mall and the Lucas Oil Stadium were all the result of successful partnerships between the private and public sectors.

The stable economy and many attractions of Indianapolis, along with its central location within the nation, make it a prominent convention and tourist center. The Indianapolis 500 Mile Race, the Red Bull Indianapolis GP, the NFL's Indianapolis Colts, the NBA's Indiana Pacers, the WNBA's Indiana Fever and the AAA Indianapolis Indians baseball team are among the city's prominent sporting attractions, not to mention countless amateur sporting events, including the NCAA® Men's and Women's Final Four Basketball Championship. In 2012, Indianapolis hosted the NFL Super Bowl®. Circle Centre Mall, the NCAA Headquarters and Hall of Champions, the Indianapolis Zoo, the Indianapolis Motor Speedway Museum, the Indiana State Museum, the Indianapolis Children's Museum, the Indianapolis Museum of Art, the Eiteljorg Museum of American Indian and Western Art, the American Cabaret Theatre, the Indiana Repertory Theatre, the Indianapolis Symphony Orchestra and the White River State Park have also become popular attractions, along with many outstanding downtown restaurants and sports bars.

LONG-TERM FINANCIAL PLANNING

Along with the changes in healthcare finance, the Corporation completed construction of a new hospital system campus. The new hospital opened on December 7, 2013. The system was renamed from Wishard Health Services to Eskenazi Health in recognition of a \$40 million capital campaign gift from Sidney and Lois Eskenazi made in the summer of 2011. More details of the opening are covered below under Eskenazi Health. Eskenazi Health is pursuing LEED Silver certification which would make it one of only ten newly constructed hospitals in America to achieve LEED certification at the level of Silver or higher, and the only one of its kind in Indiana.

To fund Eskenazi Hospital, the Corporation sought and was granted approval from the citizens of Marion County to issue up to \$703.04 million of debt. The Corporation also committed to using \$150 million of its reserves to help pay for the new hospital. A historic level of support was given to the project in a November 3, 2009 referendum election - in which an overwhelming 85 percent of Marion County voters approved the project. \$660.68 million in bonds were issued to finance the project in 2010 and \$44 million in 2013. The aggregate interest rate was 3.9% on the 30-yr fixed rate issuance.

The Affordable Care Act (ACA) has brought new opportunities and challenges to the healthcare industry. The Corporation is expanding services and building capacity to meet the needs of our community in different ways than we have historically. The ACA has brought new requirements on our Information Services and Information Technology departments in all of our divisions. MCPHD and Eskenazi are both separately charting 10-year IS/IT plans that will change the way the divisions interact internally and more importantly for the citizens of Marion County and their customers. These projects are vital to the operations of the divisions but also must be implemented to meet new ACA requirements that have both incentives for accomplishing the requirements and financial penalties for failure. The LT Care division is also investing in IS/IT projects, not to meet ACA requirements but improve care for our residents and improve communication with hospitals throughout the state. MCPHD, Eskenazi and LT Care will all be increasing their capacity to provide services in 2014 and beyond. MCPHD is working to help protect against epidemics, improve quality of life and provide better customer service in all of its departments. Eskenazi is continuing to fight the behavioral health problems in our community, to provide more access to care for those who are vulnerable anywhere in our community and to improve the service for our customers and patients. LT Care has improved its quality every year since it joined HHC in 2003, now it will also work on improving the settings for our residents by making new capital improvements that will enhance the quality of life for the residents, the employees and the communities where they are located at the same time continuing to work on improving direct healthcare quality.

MAJOR INITIATIVES FOR THE YEAR

MCPHD:

As the public health leading agency for Indianapolis, MCPHD continues to balance the ever changing and increasing demand for our services in a climate of limited financing, the impact of the Affordable Care Act, community partnership development, achieving and maintaining national standards through appropriate professional accreditation bodies such as National Public Health Department Accreditation, and removing barriers to healthcare and eliminating health disparities.

Against a backdrop of these and other influencing factors, MCPHD maintained a high-level of critical public health services that achieved a positive impact on the long-term health of Marion County residents.

MCPHD is committed to:

- Reducing infant mortality.
- Promoting the importance of immunization in infants, children and adults.
- Ensuring education and policy changes to reduce tobacco use and secondhand smoke.

- Working to reduce obesity, sedentary lifestyle and increasing understanding of good nutrition and physical activity.
- Researching, creating and implementing strategies to lower the incidence of diabetes, asthma, and cardiovascular disease.
- Reducing antibiotic resistance in our community.

Through our Community Health Assessment MCPHD better understands the needs and assets of Marion County and ensures health care resources are used toward collaborating to make measurable improvements in Marion County residents' health and well-being.

Through a comprehensive collaborative approach, MCPHD understands many of our public health challenges are interrelated and involve personal responsibility and a long-term commitment to achieve positive health outcomes.

There are equally compelling challenges on the public health landscape. These challenges include addressing the overwhelming and critical problem of dental disease in disadvantaged children, creating optimal coordination of community-based primary care services, housing inspections, lead safe and healthy home testing, analysis and case management, providing clinical and environmental public health laboratory services to protect against diseases and other health hazards and providing mental health and social services . Through our public health preparedness and public safety efforts, MCPHD continues to mitigate public health threats and emergencies by strategic and effective planning and collaboration. Aggressive efforts continue in reducing the transmission of HIV/AIDS and other sexually transmitted diseases, expanding outreach services to substance abusers and reducing the prevalence of prostate cancer.

MCPHD is committed to providing excellent health care services to emerging population groups. The growing needs in our refugee and Burmese communities led to establishing a public health presence at the Indianapolis Chin Community Center. The clinic provides much needed coordinated medical and clinical care in a trusted, welcoming environment.

Eskenazi Health:

Eskenazi Health received many awards during 2013, a sample of which includes:

- Eskenazi Health was recognized as a Gold Fit-Friendly Worksite by the American Heart Association (AHA). The recognition reflects the importance Eskenazi Health places on having a healthy workplace for employees and creating a culture of wellness by providing support to employees. Fit-Friendly Worksites are recognized by the American Heart Association as employers who go above and beyond when it comes to their employees' health.
- MDwise recognized Eskenazi Health Center Westside and Mendy Rosa, manager, with a Star Performer Award for outstanding quality and service in its network.
- Eskenazi Health Midtown Community Mental Health was honored as the winner of a Health Care Hero award by the Indianapolis Business Journal (IBJ) in the Community Achievement in Health Care category.
- Dr. Malaz Boustani, director of the Eskenazi Health Center Healthy Aging Brain Center (HABC), was named a finalist of a Health Care Hero award by the Indianapolis Business Journal (IBJ) in the Physician category.
- NUVO awarded a Cultural Vision Award to Eskenazi Health and the Sidney & Lois Eskenazi Hospital. Cultural Vision Awards go to individuals and organizations in Indianapolis who are bringing cultural innovation to the community and making it a better place for all to live.
- The Indiana Society for Healthcare Risk Management just awarded Crissy Lough, director of Eskenazi Health Quality & Risk Management, with the Glenn T. Troyer Excellence in Risk Management Award.

- St. Margaret’s Hospital Guild and Indiana Blood Center awarded Dr. Charles Miramonti, an Eskenazi Health emergency medicine physician and Jessica Barth, vice president for Eskenazi Health Legal Affairs and chief counsel, with the 2013 Achievement in Medicine (AIM) Award.
- Anna Kirkman, associate counsel, Eskenazi Health, was recognized as an “Up and Coming Lawyer” by The Indiana Lawyer.
- Dr. Lisa Harris, CEO of Eskenazi Health, selected as a recipient of the Indiana University School of Medicine Alumni Association’s Distinguished Medical Alumni Award.
- Jennifer Kitchens, clinical nurse specialist for Eskenazi Health Med/Surg and Telemetry, was awarded the Excellence in Nursing Practice Award from the Sigma Theta Tau Honor Society of Nursing, Alpha Chapter. This award recognizes members who are outstanding in nursing practice.
- Eskenazi Health received a 2013 UHC Supply Chain Performance Excellence Award. The award is meant to identify the top performers in supply chain management among UHC’s participating members. Award winners excelled in five areas: physician alignment and stewardship, evidence-based evaluations, innovative supply chain approaches, focus on distribution and utilization processes, and long-term commitment to continuous improvement.
- Eskenazi Health Perinatal Simulation Team was recognized by the Indianapolis Coalition for Patient Safety as an Indianapolis Patient Safety Hero Award winner.
- Eskenazi Health Healthy Me was awarded The Tony and Mary Hulman Health Achievement Awards for Preventive Medicine and Public Health.

In 2013, Eskenazi Health experienced one of the most remarkable years in its 155 year history. With the opening and move to the new Sidney & Lois Eskenazi Hospital and Eskenazi Health campus, Eskenazi Health provides the Indianapolis community with improved access to quality and affordable health care. The Sidney & Lois Eskenazi Hospital campus features approximately 1.3 million square feet and includes a 315-bed inpatient hospital, 21 operating rooms, 4 interventional labs, 12 labor and delivery rooms, 90-treatment room emergency department with a 16-bed clinical decision unit, more than 200 exam rooms, one of two adult Level I Trauma Centers in Indiana and the region’s only adult burn center. The outpatient care center, which links physically and operationally to the hospital, will offer 110 exam rooms in a clinical setting and serve as the point of entry to the hospital for most visitors and non-emergency patients. The Eskenazi Health campus also includes the Fifth Third Bank Building which houses offices for Eskenazi Health’s physicians, 99 percent of whom are on the IU School of Medicine Faculty, as well as administrative offices and research areas. Further, the campus features an approximately 2,700-car parking garage, central engineering facilities for utility services and open spaces including patient gardens, an open public space plaza called the Commonground (approximately the size of Monument Circle at the main entrance) and healing gardens. In addition, Eskenazi Health opened its largest and most comprehensive primary care center on West 38th Street known as Eskenazi Health West 38th Street. The facility offers comprehensive care through a range of services including prenatal care, primary care for all ages, health and wellness programs, physical therapy, radiology, and other diagnostic testing services.

LT Care:

At the end of 2013, the Corporation had 59 nursing homes and four free standing licensed residential facilities – also known as Assisted Living facilities. The total resident census was approximately 7,100 as of December 31, 2013. There were no acquisitions during 2013 as the Corporation and management focused on assuring the acquisitions made in recent years were supported to improve quality of care benchmarks and complete implementation of American Senior Communities (ASC) management systems, policies and procedures and leadership proficiencies.

Each facility is provided a substantial annual capital expenditure budget to purchase new or replacement equipment and to upgrade the physical plant. The 2013 capital expenditure budgets for routine upkeep and resident service enhancements totaled approximately \$14 million. Major building renovations are not always included in the regular capital expenditure budgets. Additional capital money was spent on several major renovation projects. The total capital outlay for 2013 was over \$32 million. The facilities selected for major renovations included some that were acquired in 2012 and in need of improvements to bring up to industry standards including elevators, life safety code equipment, etc. and to enhance the quality of life for the residents as well as the work environment for staff. Other facilities selected were some of the older facilities in need of renovations and remodeling to enhance marketability or increase service lines. Examples of the renovation projects for 2013 include: conversion of a licensed residential unit to a rehab unit with a remodeled therapy gym; garden home remodels with major kitchen and bathroom upgrades; major nursing facility redecorating projects, both public and resident areas and elevator upgrades.

Regulatory compliance is an on-going objective for the long-term care division and many facilities were successful in improving their adherence to federal and state compliance measures. Nine HHC skilled nursing facilities and three licensed residential facilities earned deficiency free surveys from the Indiana State Department of Health (ISDH) in 2013 (ISDH conducted 413 licensure and recertification surveys in 2012 and only 8.96% (37) were deficiency free). The Corporation's facilities have made tremendous improvements in their ISDH report card scores. The computed score average for Corporation facilities improved 23.8% in 2013 from a score of 167.36 to 127.53 and 31.4% in an eighteen month period (May 2012 average was 186.1). A lower score is better.

AWARDS AND ACKNOWLEDGEMENTS

The Corporation had an annual audit of its financial statements performed for 2013 by BKD LLP, Certified Public Accountants. The independent auditor's report on the Corporation's financial statements is included in the financial section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Health and Hospital Corporation of Marion County, Indiana for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2012. Health and Hospital Corporation of Marion County, Indiana has received a Certificate of Achievement for the last 29 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The President and Chief Executive Officer and the Treasurer and Chief Financial Officer alone cannot prepare the report presented herein. This CAFR was made possible by the dedicated service of the combined staffs of Hospital Finance and Corporate Accounting. Each member of these departments has our sincere appreciation for the contributions made to this report.

Respectfully submitted,



Matthew R. Gutwein
President and
Chief Executive Officer



Daniel E. Sellers
Treasurer and
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The Heath and Hospital
Corporation of Marion County
Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

Health and Hospital Corporation

Elected Officials

None of the Board of Trustees or Officers of the Corporation are Elected Officials. All are appointed to office.

Appointed Officials - Board of Trustees



James D. Miner, M.D.
Chairman
Physician



Lacy M. Johnson
Vice Chairman
Attorney, Ice Miller



David F. Canal, M.D.
Physician
IU School of Medicine



Gregory S. Fehribach
Attorney
Stark, Doninger & Smith



Deborah J. Daniels
Attorney
Krieg DeVault



Marjorie H. O'Laughlin
Retired



Robert B. Pfeifer,
C.P.A.

Health and Hospital Corporation

Officers

Name	Title
Matthew R. Gutwein	President and Chief Executive Officer
Daniel E. Sellers	Treasurer and Chief Financial Officer
Lisa E. Harris, M.D.	Chief Executive Officer, Eskenazi Health
Virginia A. Caine, M.D.	Director, Marion County Public Health Department

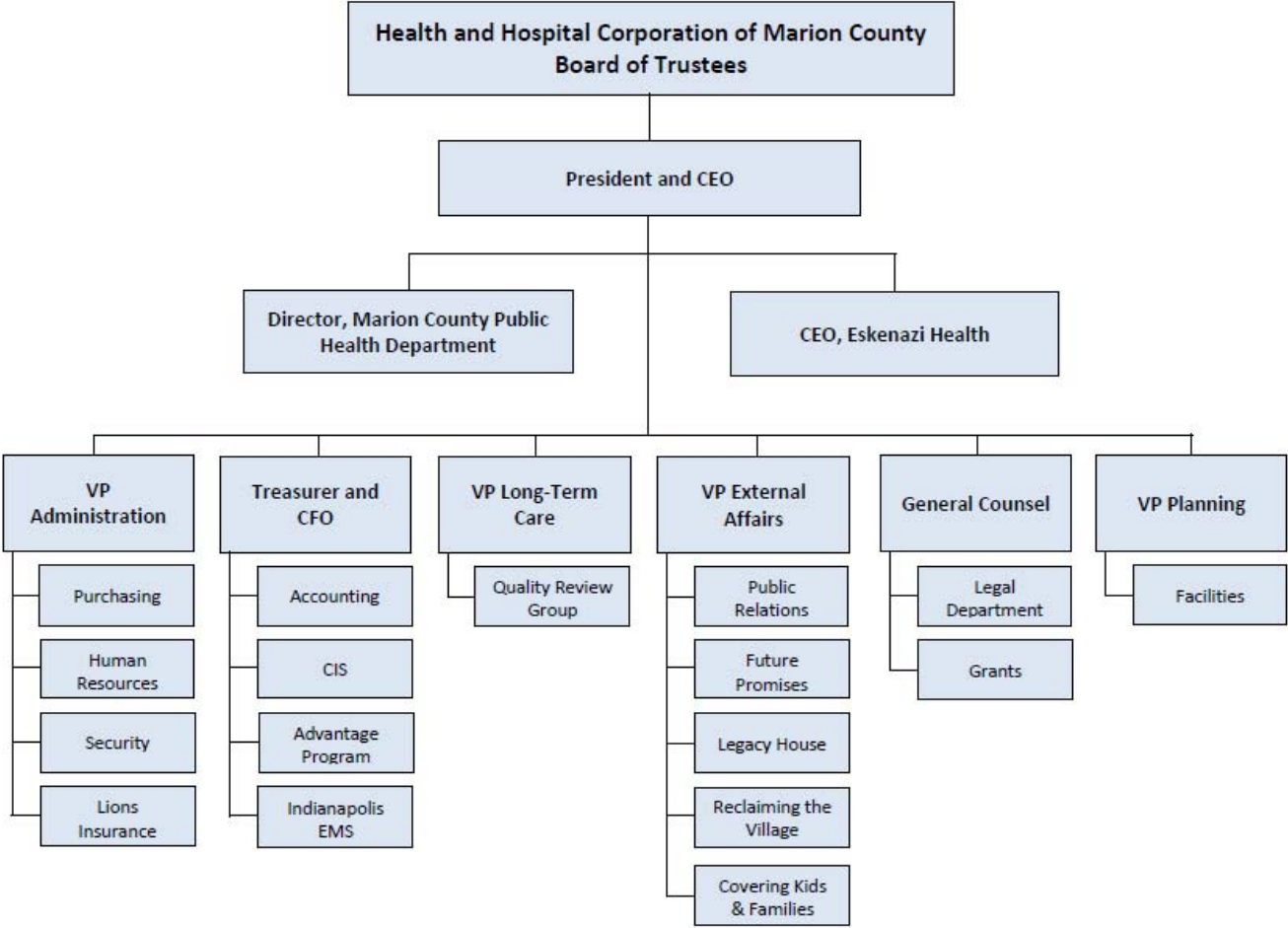
Independent Auditors

BKD, LLP

Indianapolis, Indiana



Officers of the Health and Hospital Corporation during 2013 were (left to right): Matthew R. Gutwein, President and Chief Executive Officer; Lisa E. Harris, M.D., Chief Executive Officer, Eskenazi Health; Virginia A. Caine, M.D., Director, Marion County Public Health Department; and Daniel E. Sellers, Treasurer and Chief Financial Officer.



Financial Section

Independent Auditor's Report

Board of Trustees
Health and Hospital Corporation of Marion County, Indiana

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, and each major fund of the Health and Hospital Corporation of Marion County, Indiana (a component unit of the Consolidated City of Indianapolis - Marion County) (Corporation) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Health and Hospital Corporation of Marion County, Indiana as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2013, the Corporation changed its method of accounting for debt issuance costs and the classification of certain deferred balances to deferred inflows of resources and deferred outflows of resources. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Indianapolis, Indiana
September 30, 2014

Management's Discussion and Analysis (Unaudited)

As management of the Health and Hospital Corporation of Marion County, Indiana, (Corporation), we offer readers of this Corporation's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter at the front of this report along with the financial statements, including the footnotes that follow the basic financial statements.

Financial Highlights

- The assets of the Corporation exceeded its liabilities at the close of the most recent fiscal year by \$616,957,703 (net position). Unrestricted net position at the end of 2013 is a negative \$222,576,951.
- The Corporation's total net position increased by \$33,251,059, from current year activities.
- As of the close of 2013, the Corporation's governmental funds reported combined ending fund balances of \$214,525,145, a decrease of \$107,942,178 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$178,951,711 or 97.8% of total general fund expenditures.
- The Corporation's total debt, excluding capital leases, decreased by \$11,673,643 or 5.2% during the current fiscal year. This reflects scheduled principal payments on outstanding bonds. The capital lease obligation increased by \$445,536,000 or 97.6% in 2013. The due to local government decreased by \$322,659,705 or 100% in 2013, as it moved into the capital lease category, upon completion of the hospital campus.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Health and Hospital Corporation's basic financial statements. The Corporation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Corporation's assets, deferred outflows, liabilities, and deferred inflows with the difference between these financial statement elements being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The statement of activities presents information showing how the Corporation's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Corporation that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Health and Hospital Corporation include those focused on public health: health improvement, communicable disease prevention, water quality and hazardous materials management, vector disease control, housing and neighborhood health, consumer and employee risk reduction, and administration and finance activities, including debt management. The business-type activities reflect the operations of Eskenazi Health, including a general acute care hospital, an outpatient care center, ten community health centers and the Transport Emergency Medical Services system for Marion County, Indiana (Indianapolis EMS); and the Corporation's Long-Term Care operations (LT Care), consisting of a system of long-term care facilities throughout the State of Indiana.

The government-wide financial statements include only the Health and Hospital Corporation of Marion County, Indiana (known as the primary government), which includes Lions Insurance Company, a blended component unit established in 2006. Since the Corporation's Board is appointed, not elected, under Governmental Accounting Standards Board (GASB) Statement No. 14, the Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (Uni-Gov), and the financial statements of the Corporation are included in the Comprehensive Annual Financial Report of Uni-Gov. Management also considers all other units of government within Marion County to be separate from this Corporation, and they are not considered as component units within this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Corporation maintains three governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

The Corporation adopts an annual appropriated budget for its General, Debt Service, and a portion of its Capital Projects Fund. Budgetary comparison statements have been provided for these three funds to demonstrate compliance with this budget.

Proprietary Funds - The Corporation's proprietary fund consists of two enterprise funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The Corporation uses the enterprise fund to account for its Eskenazi Health Division (including Indianapolis EMS) and its LT Care Division.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information in the form of a budgetary comparison schedule for the General Fund. Also, budgetary schedules are provided for the Debt Service Fund and the Capital Projects Fund as other supplementary information.

Financial Analysis of the Corporation as a Whole

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets and deferred outflows exceeded liabilities and deferred inflows by \$616,957,703 at December 31, 2013.

The Corporation's net position includes its investment in capital assets (e.g., land, buildings, machinery, and equipment,) plus restricted funds, less any related debt used to acquire those assets that is still outstanding. The Corporation uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Corporation's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position is a negative \$222,576,951.

The Corporation's net position increased by \$33,251,059, compared to \$178,841,025 in 2012.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 359,476,641	\$ 412,606,686	\$ 337,587,308	\$ 312,480,374	\$ 697,063,949	\$ 725,087,060
Capital assets, net of accumulated depreciation	27,150,725	496,327,163	1,247,866,641	569,966,677	1,275,017,366	1,066,293,840
Total Assets	<u>386,627,366</u>	<u>908,933,849</u>	<u>1,585,453,949</u>	<u>882,447,051</u>	<u>1,972,081,315</u>	<u>1,791,380,900</u>
Deferred Outflows of Resources						
Deferred loss on refundings	982,746	-	-	-	982,746	-
Liabilities						
Long-term liabilities	698,905,178	561,246,809	464,868,090	494,716,847	1,163,773,268	1,055,963,656
Other liabilities	76,206,215	64,994,488	116,126,875	84,884,644	192,333,090	149,879,132
Total Liabilities	<u>775,111,393</u>	<u>626,241,297</u>	<u>580,994,965</u>	<u>579,601,491</u>	<u>1,356,106,358</u>	<u>1,205,842,788</u>
Net Position						
Net investment in capital assets	12,505,823	10,475,308	825,154,250	121,146,628	837,660,073	131,621,936
Restricted	639,828	-	1,234,753	-	1,874,581	-
Unrestricted	<u>(400,646,932)</u>	<u>272,217,244</u>	<u>178,069,981</u>	<u>181,698,932</u>	<u>(222,576,951)</u>	<u>453,916,176</u>
Total Net Position	<u>\$ (387,501,281)</u>	<u>\$ 282,692,552</u>	<u>\$ 1,004,458,984</u>	<u>\$ 302,845,560</u>	<u>\$ 616,957,703</u>	<u>\$ 585,538,112</u>

Changes in Net Position

The Corporation's total revenue was \$1,369,756,010 during the current fiscal year. Taxes represent 8.3% of the Corporation's revenue. Medicaid special revenue represents 4.7% of revenue, while 80.4 % of revenue came from fees charged for services. The remaining 6.6% came from grants and contributions, interest earnings, Build America Bond subsidies, and miscellaneous revenues.

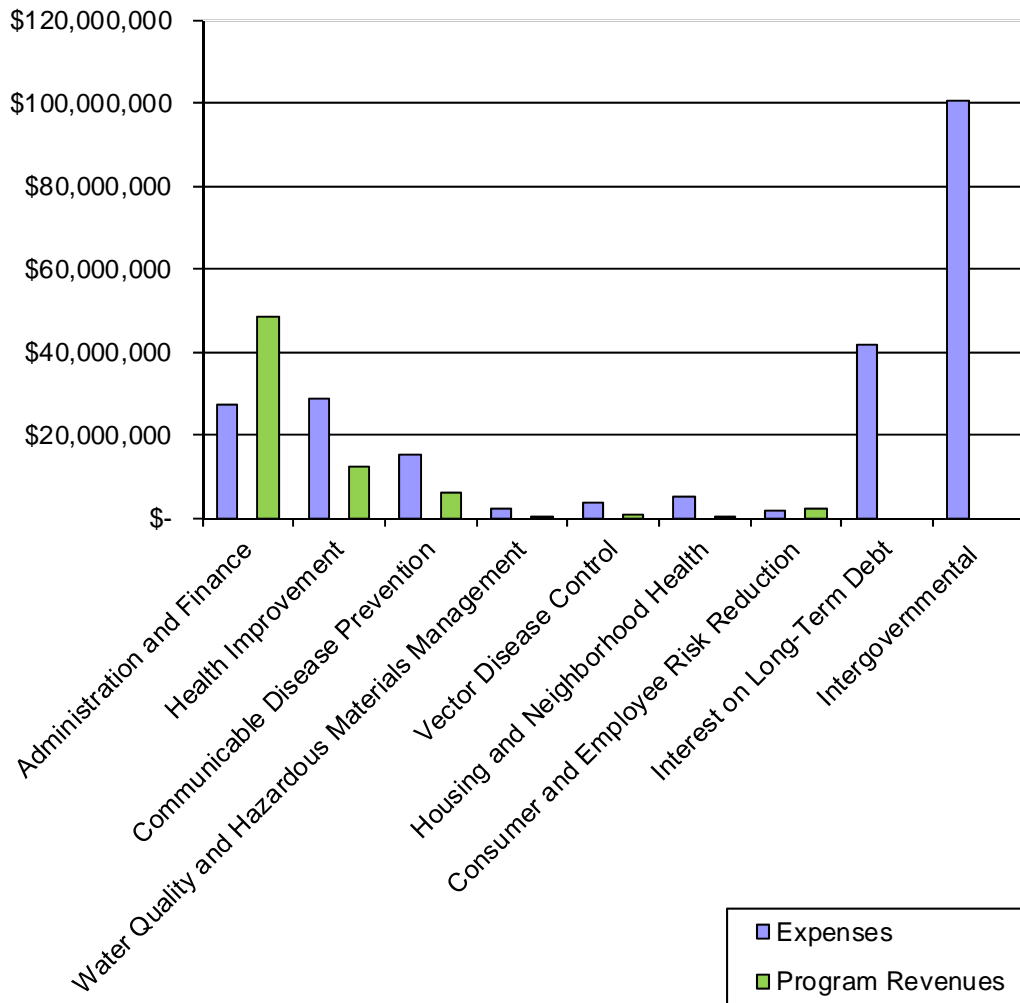
The total cost of all programs and services was \$1,336,504,951. This resulted in an increase in net position for the year of \$33,251,059.

Governmental activities - Governmental activities decreased the Corporation's net position by \$668,362,365 compared to the total \$33,251,059 increase in net position of the Corporation. Medicaid special revenue decreased for the 2013 year. Capital grants and contributions received from Eskenazi Health Foundation for the new hospital decreased in 2013. Transfers were \$700,662,007 (net), an increase of \$654,299,270 from last year. The transfer increase reflects completing the new Eskenazi Health campus and moving Capital Projects Fund CIP into the Eskenazi Health Enterprise Fund.

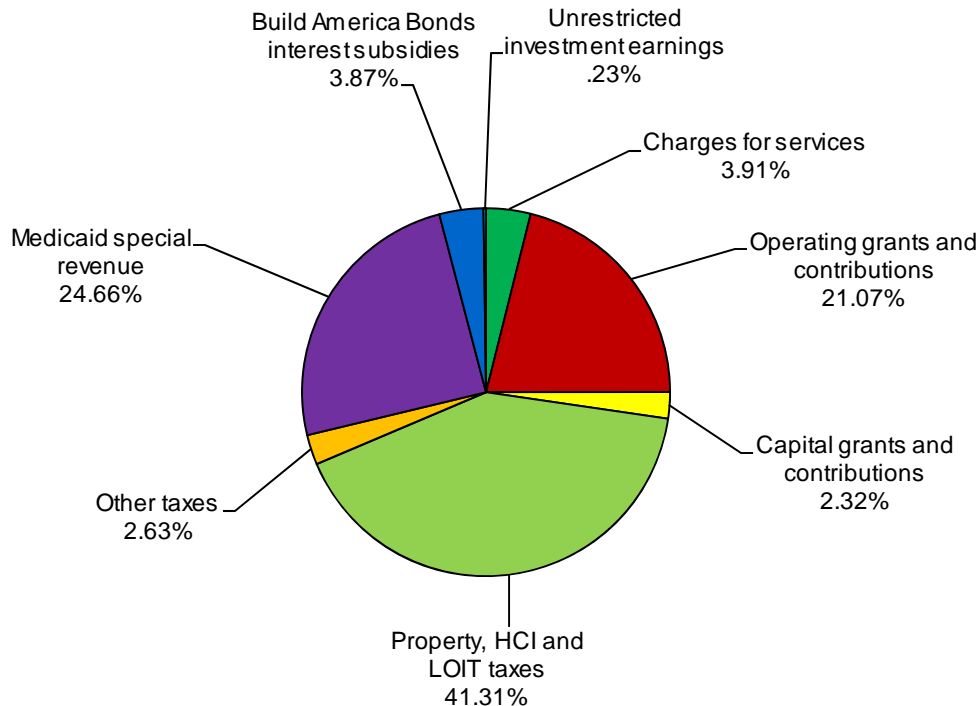
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 10,111,118	\$ 8,064,588	\$ 1,090,524,590	\$ 1,071,192,619	\$ 1,100,635,708	\$ 1,079,257,207
Operating grants and contributions	54,428,929	57,701,542	20,534,454	20,057,585	74,963,383	77,759,127
Capital grants and contributions	6,000,000	16,147,752	2,224,001	-	8,224,001	16,147,752
General revenues						
Property, HCI and local option income taxes	106,708,214	105,627,906	-	-	106,708,214	105,627,906
Other taxes	6,805,198	6,837,900	-	-	6,805,198	6,837,900
Medicaid special revenue	63,708,066	168,169,564	-	-	63,708,066	168,169,564
Build America Bonds interest subsidies	9,985,273	10,847,662	-	-	9,985,273	10,847,662
Unrestricted investment earnings (loss)	579,543	356,401	(1,853,376)	1,451,428	(1,273,833)	1,807,829
Total revenues	<u>258,326,341</u>	<u>373,753,315</u>	<u>1,111,429,669</u>	<u>1,092,701,632</u>	<u>1,369,756,010</u>	<u>1,466,454,947</u>
Expenses						
Administration and finance	27,170,818	27,704,061	-	-	27,170,818	27,704,061
Health improvement	28,527,781	29,487,312	-	-	28,527,781	29,487,312
Communicable disease prevention	15,219,997	13,909,736	-	-	15,219,997	13,909,736
Water quality and hazardous material management	2,075,886	1,984,465	-	-	2,075,886	1,984,465
Vector disease control	3,515,242	3,410,855	-	-	3,515,242	3,410,855
Housing and neighborhood health	5,224,148	6,365,433	-	-	5,224,148	6,365,433
Consumer and employee risk reduction	1,692,837	1,712,384	-	-	1,692,837	1,712,384
Interest on long-term debt	41,924,538	39,583,468	-	-	41,924,538	39,583,468
Intergovernmental	100,675,452	93,737,620	-	-	100,675,452	93,737,620
Eskenazi Health	-	-	538,714,684	520,310,998	538,714,684	520,310,998
Long-term care	-	-	571,763,568	549,407,590	571,763,568	549,407,590
Total expenses	<u>226,026,699</u>	<u>217,895,334</u>	<u>1,110,478,252</u>	<u>1,069,718,588</u>	<u>1,336,504,951</u>	<u>1,287,613,922</u>
Increase in Net Position						
Before Transfers	32,299,642	155,857,981	951,417	22,983,044	33,251,059	178,841,025
Transfers	<u>(700,662,007)</u>	<u>(46,362,737)</u>	<u>700,662,007</u>	<u>46,362,737</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	(668,362,365)	109,495,244	701,613,424	69,345,781	33,251,059	178,841,025
Net Position, Beginning of Year, Before Restatement	282,692,552	173,197,308	302,845,560	233,499,779	585,538,112	406,697,087
Adjustment for implementation of GASB 65	(1,831,468)	-	-	-	(1,831,468)	-
Net Position, Beginning of Year, After Restatement	<u>280,861,084</u>	<u>173,197,308</u>	<u>302,845,560</u>	<u>233,499,779</u>	<u>583,706,644</u>	<u>406,697,087</u>
Net Position, End of Year	<u>\$ (387,501,281)</u>	<u>\$ 282,692,552</u>	<u>\$ 1,004,458,984</u>	<u>\$ 302,845,560</u>	<u>\$ 616,957,703</u>	<u>\$ 585,538,112</u>

The following charts provide comparisons of the Corporation's governmental program revenues and expenses by function, as well as revenues by source. As shown, interest on long-term debt is the largest function in expense. General revenues such as property tax are not shown by program; but are included in the revenues by source chart to show their significance. Taxes are used to support program activities for the entire Corporation.

2013 Expenses and Program Revenues - Governmental Activities



2013 Revenues by Source - Governmental Activities



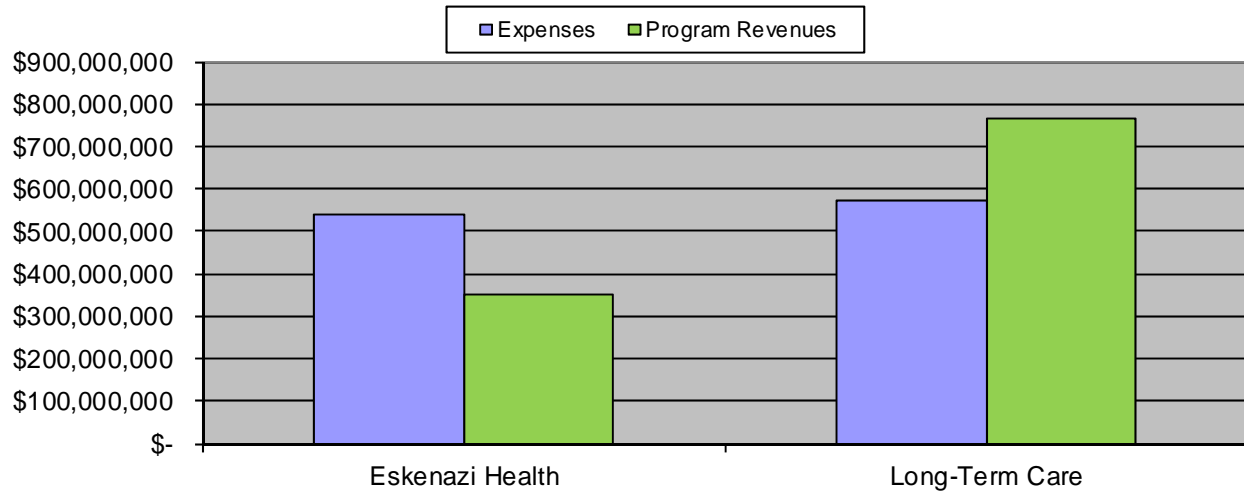
Business-type activities - Business-type activities increased the Corporation's net position by \$701,613,424 compared to an increase of \$69,345,781 in 2012.

Eskenazi Health's net position increased by \$689,061,626 in the current year. Net position invested in capital assets increased by \$704,677,378; increases in fixed assets totaled \$745,073,302, which was offset by depreciation of \$40,395,924. Current year depreciation included accelerated depreciation of \$14,200,000 to write off assets in accordance with the remaining useful life of the former Wishard facility. Eskenazi Health's unrestricted net position decreased by \$16,850,505. Operating revenues decreased by \$54,032,273 due to a \$61,590,894 decrease in net patient services revenue offset by a \$42,000,000 increase in support and a \$7,558,621 increase in other revenue. Operating expenses increased \$18,400,000 due to cost inflation, staffing changes, increased cost of employee health insurance coverage, increased cost of the PERF retirement program, increased medical and professional fees and the increased depreciation expense noted above. Eskenazi Health incurred an operating loss of \$211,882,965, which was offset by approximately \$153,500,000 in transfers from the General Fund and approximately \$20,534,454 in mental health grants from various agencies.

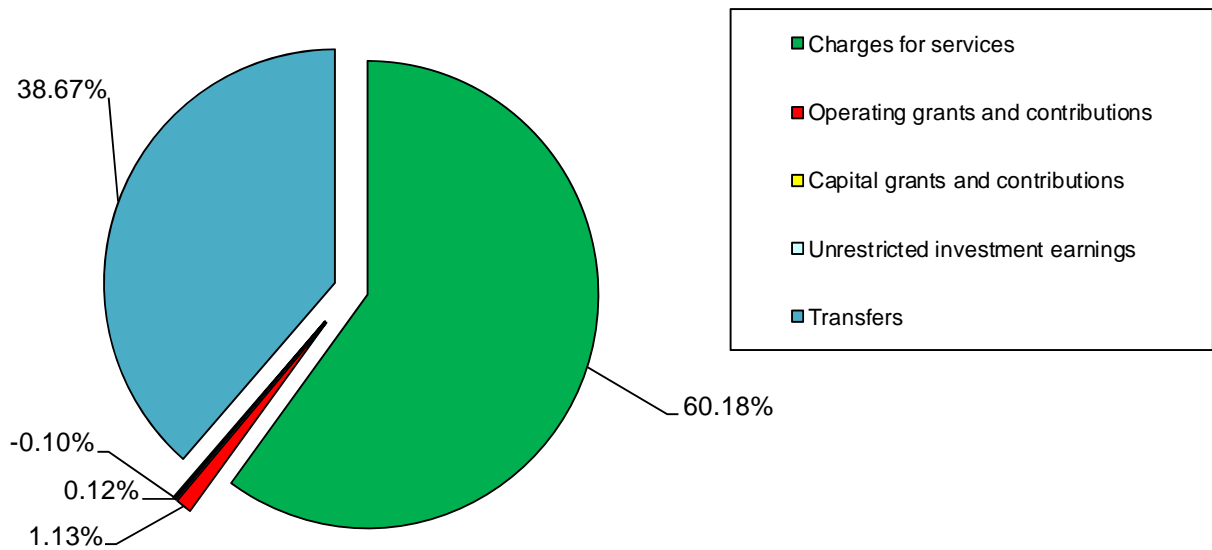
LT Care net position was \$163,460,262, which was an increase of \$12,551,798 over 2012. Operating revenues increased \$73,364,244 due to increased Medicaid reimbursements and an increase in Medicaid special revenue. Operating expenses increased \$25,898,683. This was primarily due to an increase in resident days from 2012 to 2013. LT Care has \$3,815,951 in net investment in capital assets. All 59 facilities are recorded as capital leases under noncurrent assets.

The following charts provide a comparison of revenues and expenses, and revenues by source for the Corporation's business activities.

2013 Expenses and Program Revenues - Business-Type Activities



2013 Revenues by Source - Business-Type Activities



Financial Analysis of the Corporation's Funds

As noted earlier, the Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Corporation's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Corporation's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Corporation's governmental funds reported combined ending fund balances of \$214,525,145, a decrease of \$107,942,178 in comparison with the prior year. Approximately 16.4% of this total amount, \$35,172,762 constitutes restricted and assigned fund balance, which is related to capital outlays for the new hospital and money set aside for debt service. Approximately 83.4% of the total amount, or \$178,951,711 is unassigned fund balance. The remaining .2% of fund balance is nonspendable.

The General Fund is the chief operating fund of the Corporation. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$178,951,711, while the total fund balance decreased to \$180,302,716. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 97.8% of total general fund expenditures, while total fund balance represents 98.5% of that same amount.

The fund balance of the Corporation's General Fund decreased by \$49,923,877 during the current fiscal year, in comparison to a \$94,697,368 increase in 2012.

Intergovernmental revenue decreased as fewer medical education fees were received in 2013 vs. 2012. Medicaid special revenue decreased as a majority of 2013 settlement payments related to amounts accrued in the prior year. Expenses decreased as there were decreased capital expenditures and decreased grant expenditures. Transfers out reflect an increase in support to Eskenazi of \$42,000,000 and an increase of \$30,000,000 from prior year to cover new debt service payments and dollars transferred to the capital projects fund for the new hospital.

Debt Service Fund - The Debt Service Fund has a fund balance of \$16,828,020 compared to a fund balance of \$16,047,207 in the prior year. The net increase in fund balance during the current year was \$780,813. This increase reflects higher property tax revenues.

Capital Projects Fund - The Capital Projects Fund has a total fund balance of \$17,394,409. The net decrease in fund balance during the current year was \$58,799,114 due to capital outlays related to the new hospital.

Proprietary Funds - The Corporation's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of Eskenazi Health at the end of the year amounted to \$18,425,670. Total net position for Eskenazi Health increased by \$689,061,626. Other factors concerning the finances of Eskenazi Health have already been addressed in the discussion of the Corporation's business-type activities.

Unrestricted net position of LT Care at the end of the year was \$159,644,311. The increase in net position was \$12,551,798. Other information on LT Care operations can be found in the discussion of the Corporation's business-type activities.

General Fund Budgetary Highlights

The original budget of \$317,957,800 was increased during 2013 to \$346,657,800. Personal services and supplies were increased while other charges and services were decreased. The final General Fund budget of \$346,657,800 included \$94,587,800 in expenditures and approximately \$142,070,000 in transfers. Actual expenditures and transfers out were \$340,194,134. Of the total underspending, \$1,300,000 related to personal services, \$1,300,000 to supplies, \$2,800,000 to contractual services, and \$1,200,000 to capital outlays. Underspending for all reflects potential year-end initiatives that did not occur. General revenues and other resources were estimated at \$175,630,132 and actual was \$205,092,417. Taxes collected were \$3,600,000 over budget due to property and LOIT increase collections being higher than expected. Medicaid special revenue was \$10,000,000 over budget as DSH final settlements of prior years offset increased in intergovernmental transfers for physician faculty and nursing facilities were larger than anticipated. Miscellaneous revenue was \$13,000,000 over budget due to increased medical education revenue from IU Health.

Capital Asset and Debt Administration

Capital Assets - The Corporation's capital assets for its governmental and business-type activities as of December 31, 2013, amounts to \$1,275,017,366 (net of accumulated depreciation), compared to \$1,066,293,840 at the end of 2012. This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, and construction in progress.

Major capital asset events during 2013 included the opening of the new Eskenazi Health Campus.

Additional information on the Corporation's capital assets can be found below and in Note 7 to the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 4,114,896	\$ 4,114,896	\$ 9,709,778	\$ 1,189,878	\$ 13,824,674	\$ 5,304,774
Land improvements	-	-	77,222,519	3,880,814	77,222,519	3,880,814
Buildings and improvements	15,966,362	17,115,876	1,013,413,556	493,671,162	1,029,379,918	510,787,038
Equipment	6,679,659	7,352,140	118,058,674	50,205,352	124,738,333	57,557,492
Vehicles	349,360	420,572	975,141	1,423,622	1,324,501	1,844,194
Construction in progress	40,448	467,323,679	28,486,973	19,595,849	28,527,421	486,919,528
Total assets	\$ 27,150,725	\$ 496,327,163	\$ 1,247,866,641	\$ 569,966,677	\$ 1,275,017,366	\$ 1,066,293,840

Long-Term Debt - At the end of 2013, the Corporation had total general obligation debt outstanding of \$212,855,330. Moody's Investors Service rates the Corporation's general obligation debt "Aa1".

State statutes limit the amount of general obligation debt a governmental entity may issue to 0.67% of its total assessed valuation. The current debt limitation for the Corporation is \$228,057,328. Outstanding debt at December 31, 2013 represents 93% of this limit.

Additional information on the Corporation's long-term debt can be found in Note 9 of this report.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
1988 renovation bonds	\$ 11,075,000	\$ 12,495,000	\$ -	\$ -	\$ 11,075,000	\$ 12,495,000
2005 general obligation bonds	19,955,000	21,295,000	-	-	19,955,000	21,295,000
2010 general obligation bonds	177,835,000	186,565,000	-	-	177,835,000	186,565,000
Unamortized bond premiums	3,990,330	4,173,973	-	-	3,990,330	4,173,973
Due to local government	-	322,659,705	-	-	-	322,659,705
Capital leases	479,131,290	7,487,632	422,712,391	448,820,049	901,843,681	456,307,681
Total long-term debt	\$ 691,986,620	\$ 554,676,310	\$ 422,712,391	\$ 448,820,049	\$ 1,114,699,011	\$ 1,003,496,359

Economic Factors and Next Year's Budgets and Rates

The 2014 original budget for all annually budgeted funds is \$376,035,934. No revisions have been made through September 2014. The 2014 General fund budget is \$297,944,000 a 14% decrease from the 2013 final General fund budget of \$346,657,800. The 2014 General fund expenditure budget is lower than 2013 which reflects lower funding required for the transfers to the capital projects fund for the new hospital project. The budget for the Corporation will continue to be challenged by increasing expenditures and declining revenue in the form of property tax caps.

Requests for Information

This financial report is designed to provide a general overview of the Health and Hospital Corporation's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, 3838 N. Rural, Indianapolis, Indiana, 46205.

Basic Financial Statements

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 242,377,716	\$ 125,282,295	\$ 367,660,011
Investments	-	1,790,375	1,790,375
Receivables, net:			
Patient services	-	87,308,914	87,308,914
Medicaid special revenue	29,913,037	49,378,733	79,291,770
Grants	4,954,484	6,702,463	11,656,947
Interest	1,326	9,211	10,537
Other	12,267,555	13,384,534	25,652,089
Internal balances	10,296,274	(10,296,274)	-
Inventories	-	4,907,704	4,907,704
Estimated Medicare/Medicaid settlements	-	1,212,214	1,212,214
Prepaid costs and other assets	400,672	8,558,746	8,959,418
Restricted cash and cash equivalents	9,294,972	-	9,294,972
Restricted investments	12,467,710	-	12,467,710
Lease acquisition costs (net of accumulated amortization)	-	28,255,513	28,255,513
Joint venture investments	37,502,895	16,329,885	53,832,780
Other long-term assets	-	4,762,995	4,762,995
Capital assets (net of accumulated depreciation):			
Land	4,114,896	9,709,778	13,824,674
Land improvements	-	77,222,519	77,222,519
Buildings and improvements	15,966,362	1,013,413,556	1,029,379,918
Equipment	6,679,659	118,058,674	124,738,333
Vehicles	349,360	975,141	1,324,501
Construction in progress	40,448	28,486,973	28,527,421
Total assets	<u>386,627,366</u>	<u>1,585,453,949</u>	<u>1,972,081,315</u>
Deferred Outflow of Resources			
Deferred loss on refundings	982,746	-	982,746
Liabilities			
Accounts payable	20,591,732	83,241,824	103,833,556
Restricted accounts payable	53,387,806	-	53,387,806
Accrued liabilities	1,418,266	27,990,472	29,408,738
Unearned revenue	808,411	1,234,753	2,043,164
Estimated Medicare/Medicaid settlements	-	150,077	150,077
Medical claims incurred but not reported	-	3,509,749	3,509,749
Long-term liabilities			
Due within one year	20,716,235	57,990,605	78,706,840
Due in more than one year	678,188,943	406,877,485	1,085,066,428
Total liabilities	<u>775,111,393</u>	<u>580,994,965</u>	<u>1,356,106,358</u>
Net Position			
Net investment in capital assets	12,505,823	825,154,250	837,660,073
Restricted for:			
Health services	639,828	1,234,753	1,874,581
Unrestricted	(400,646,932)	178,069,981	(222,576,951)
Total net position	<u>\$ (387,501,281)</u>	<u>\$ 1,004,458,984</u>	<u>\$ 616,957,703</u>

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Statement of Activities For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administration and finance	\$ 27,170,818	\$ 3,601,993	\$ 38,900,000	\$ 6,000,000	\$ 21,331,175	\$ -	\$ 21,331,175
Health improvement	28,527,781	2,388,775	10,055,021	-	(16,083,985)	-	(16,083,985)
Communicable disease prevention	15,219,997	663,260	5,360,763	-	(9,195,974)	-	(9,195,974)
Water quality and hazardous materials management	2,075,886	356,682	83,453	-	(1,635,751)	-	(1,635,751)
Vector disease control	3,515,242	499,977	-	-	(3,015,265)	-	(3,015,265)
Housing and neighborhood health	5,224,148	417,448	29,692	-	(4,777,008)	-	(4,777,008)
Consumer and employee risk reduction	1,692,837	2,182,983	-	-	490,146	-	490,146
Interest on long-term debt	41,924,538	-	-	-	(41,924,538)	-	(41,924,538)
Intergovernmental	100,675,452	-	-	-	(100,675,452)	-	(100,675,452)
Total governmental activities	<u>226,026,699</u>	<u>10,111,118</u>	<u>54,428,929</u>	<u>6,000,000</u>	<u>(155,486,652)</u>	<u>-</u>	<u>(155,486,652)</u>
Business-Type Activities							
Eskenazi Health	538,714,684	326,831,719	20,534,454	2,224,001	-	(189,124,510)	(189,124,510)
LT Care	571,763,568	763,692,871	-	-	-	191,929,303	191,929,303
Total business-type activities	<u>1,110,478,252</u>	<u>1,090,524,590</u>	<u>20,534,454</u>	<u>2,224,001</u>	<u>-</u>	<u>2,804,793</u>	<u>2,804,793</u>
Total	<u>\$ 1,336,504,951</u>	<u>\$ 1,100,635,708</u>	<u>\$ 74,963,383</u>	<u>\$ 8,224,001</u>	<u>(155,486,652)</u>	<u>2,804,793</u>	<u>(152,681,859)</u>
General revenues:							
Property and local option income taxes					68,708,214	-	68,708,214
HCI taxes from State of Indiana					38,000,000	-	38,000,000
Excise taxes					5,518,410	-	5,518,410
Financial institution taxes					1,286,788	-	1,286,788
Medicaid special revenue (unrestricted)					63,708,066	-	63,708,066
Build America Bonds interest subsidies					9,985,273	-	9,985,273
Unrestricted investment earnings					579,543	(1,853,376)	(1,273,833)
Transfers					(700,662,007)	700,662,007	-
Total general revenues and transfers					<u>(512,875,713)</u>	<u>698,808,631</u>	<u>185,932,918</u>
Change in net position					(668,362,365)	701,613,424	33,251,059
Net position, beginning of year, before restatement					282,692,552	302,845,560	585,538,112
Adjustment for implementation of GASB 65					(1,831,468)	-	(1,831,468)
Net position - beginning of year, after restatement					<u>280,861,084</u>	<u>302,845,560</u>	<u>583,706,644</u>
Net position - end of year					<u>\$ (387,501,281)</u>	<u>\$ 1,004,458,984</u>	<u>\$ 616,957,703</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet - Governmental Funds
December 31, 2013

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 178,572,210	\$ 708,964	\$ 63,096,542	\$ 242,377,716
Restricted cash and cash equivalents	-	4,409,234	4,885,738	9,294,972
Restricted investments	-	11,709,822	757,888	12,467,710
Receivables (net of allowance for uncollectibles)				
Grants	5,005,555	-	-	5,005,555
Medicaid special revenue	29,913,037	-	-	29,913,037
Other	5,194,484	5,033,315	2,041,082	12,268,881
Due from other funds	16,417,979	-	965	16,418,944
Prepaid costs and other assets	400,672	-	-	400,672
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 235,503,937</u>	<u>\$ 21,861,335</u>	<u>\$ 70,782,215</u>	<u>\$ 328,147,487</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 20,591,732	\$ -	\$ 53,387,806	\$ 73,979,538
Salaries and related benefits	1,418,266	-	-	1,418,266
Unearned revenue	808,411	-	-	808,411
Due to other funds	1,140,426	5,033,315	-	6,173,741
Accrued self-insurance claims	412,085	-	-	412,085
Total liabilities	<u>24,370,920</u>	<u>5,033,315</u>	<u>53,387,806</u>	<u>82,792,041</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>30,830,301</u>	<u>-</u>	<u>-</u>	<u>30,830,301</u>
Fund Balances				
Nonspendable	400,672	-	-	400,672
Restricted for debt service	-	16,119,056	-	16,119,056
Restricted for construction	-	-	844,731	844,731
Assigned	950,333	708,964	16,549,678	18,208,975
Unassigned	178,951,711	-	-	178,951,711
Total fund balances	<u>180,302,716</u>	<u>16,828,020</u>	<u>17,394,409</u>	<u>214,525,145</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 235,503,937</u>	<u>\$ 21,861,335</u>	<u>\$ 70,782,215</u>	<u>\$ 328,147,487</u>

Amounts reported for governmental activities in the statement of net position are different because:

Net capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the fund statements	27,150,725
Joint venture investments are not financial resources and, therefore, are not reported in the fund statements	37,502,895
Deferred inflows of resources not meeting availability criteria in fund statements are not in the statement of net position	30,830,301
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund statements	<u>(697,510,347)</u>
Net position of governmental activities	<u>\$ (387,501,281)</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2013

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Taxes	\$ 107,935,184	\$ 5,382,501	\$ 195,727	\$ 113,513,412
Licenses and permits	4,112,157	-	-	4,112,157
Intergovernmental	53,466,529	-	-	53,466,529
Charges for services	1,313,598	-	-	1,313,598
Medicaid special revenue	37,142,046	-	-	37,142,046
Investment income	75,830	(1,307)	95,020	169,543
Build America Bonds interest subsidies	-	9,985,273	-	9,985,273
Contributions	-	-	6,000,000	6,000,000
Miscellaneous	1,648,746	-	750,000	2,398,746
Total revenues	<u>205,694,090</u>	<u>15,366,467</u>	<u>7,040,747</u>	<u>228,101,304</u>
Expenditures				
Current:				
Administrative	25,135,125	-	-	25,135,125
Population health	24,776,381	-	-	24,776,381
Environmental health	12,332,885	-	-	12,332,885
Health center program	965,321	-	-	965,321
Data processing	3,555,788	-	-	3,555,788
Grant programs	14,697,183	-	-	14,697,183
Capital outlays	909,118	-	274,458,397	275,367,515
Debt service:				
Principal	-	13,810,000	-	13,810,000
Interest and fiscal charges	-	41,924,538	-	41,924,538
Intergovernmental	100,675,452	-	-	100,675,452
Total expenditures	<u>183,047,253</u>	<u>55,734,538</u>	<u>274,458,397</u>	<u>513,240,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>22,646,837</u>	<u>(40,368,071)</u>	<u>(267,417,650)</u>	<u>(285,138,884)</u>
Other Financing Sources (Uses)				
Transfers in	179,392,756	41,148,884	57,314,586	277,856,226
Transfers out	(251,963,470)	-	-	(251,963,470)
Other debt issued	-	-	151,303,950	151,303,950
Total other financing sources and uses	<u>(72,570,714)</u>	<u>41,148,884</u>	<u>208,618,536</u>	<u>177,196,706</u>
Net change in fund balances	(49,923,877)	780,813	(58,799,114)	(107,942,178)
Fund balances - beginning of year	<u>230,226,593</u>	<u>16,047,207</u>	<u>76,193,523</u>	<u>322,467,323</u>
Fund balances - end of year	<u>\$ 180,302,716</u>	<u>\$ 16,828,020</u>	<u>\$ 17,394,409</u>	<u>\$ 214,525,145</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities - Governmental Activities
For the Year Ended December 31, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (107,942,178)
Depreciation expense is not reported in the fund statements, but is reported as a decrease in net position in the statement of activities	(2,831,564)
Capital outlays are reported as expenditures in the fund statements, but are reported as additions to capital assets in the statement of net position	260,168,237
Changes in joint venture investment are reported in the statement of net position but are not reported in the fund statements	15,137,619
Transfers of capital assets from governmental activities to the business type activities not shown in the fund statements	(726,554,763)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements	30,245,032
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences (as applicable) in the treatment of long-term debt and related items	(137,452,302)
Compensated absences that do not require the use of current financial resources are not reported as expenditures in the fund statements	(165,823)
Asserted and unasserted self-insurance claims that do not require the use of current financial resources are not reported as expenditures in the fund statements	147,041
The increase in the net pension obligation is not reported in the fund statements, but is reported as a decrease in net position in the statement of activities	886,336
Change in net position of governmental activities	\$ (668,362,365)

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position - Proprietary Funds
December 31, 2013

	Eskenazi Health	LT Care	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 53,348,278	\$ 71,934,017	\$ 125,282,295
Investments	1,790,375	-	1,790,375
Receivables (net of allowance for uncollectibles):			
Patient services	33,394,427	53,914,487	87,308,914
Medicaid special revenue	-	49,378,733	49,378,733
Grants	6,651,392	-	6,651,392
Interest	9,211	-	9,211
Other	13,384,534	-	13,384,534
Inventories	4,907,704	-	4,907,704
Estimated Medicare/Medicaid settlements	1,212,214	-	1,212,214
Due from other funds	1,140,426	-	1,140,426
Prepaid costs and other assets	6,149,150	2,409,596	8,558,746
Total current assets	<u>121,987,711</u>	<u>177,636,833</u>	<u>299,624,544</u>
Noncurrent assets:			
Lease acquisition cost (net of accumulated amortization)	-	28,255,513	28,255,513
Joint venture investments	16,329,885	-	16,329,885
Other long-term assets	-	4,762,995	4,762,995
Capital assets (net of accumulated depreciation)			
Land	9,709,778	-	9,709,778
Land improvements	74,139,161	3,083,358	77,222,519
Building and improvements	621,651,130	391,762,426	1,013,413,556
Equipment	87,909,130	30,149,544	118,058,674
Vehicles	973,767	1,374	975,141
Construction in progress	26,955,333	1,531,640	28,486,973
Total capital assets (net accumulated depreciation)	<u>821,338,299</u>	<u>426,528,342</u>	<u>1,247,866,641</u>
Total noncurrent assets	<u>837,668,184</u>	<u>459,546,850</u>	<u>1,297,215,034</u>
Total assets	<u>959,655,895</u>	<u>637,183,683</u>	<u>1,596,839,578</u>
Liabilities			
Current liabilities:			
Accounts payable	59,435,793	23,806,031	83,241,824
Accrued liabilities	11,568,550	16,421,922	27,990,472
Due to other funds	11,385,629	-	11,385,629
Capital lease obligation - current	-	30,809,258	30,809,258
Estimated Medicare/Medicaid settlements	-	150,077	150,077
Unearned revenue	1,234,753	-	1,234,753
Medical claims incurred but not reported	3,509,749	-	3,509,749
Accrued compensated absences - current	19,236,465	-	19,236,465
Asserted and unasserted self-insurance claims - current	4,857,660	3,087,222	7,944,882
Total current liabilities	<u>111,228,599</u>	<u>74,274,510</u>	<u>185,503,109</u>
Noncurrent liabilities:			
Asserted and unasserted self-insurance claims	3,953,215	7,545,778	11,498,993
Accrued compensated absences	2,623,154	-	2,623,154
Net pension liability	852,205	-	852,205
Capital lease payable	-	391,903,133	391,903,133
Total noncurrent liabilities	<u>7,428,574</u>	<u>399,448,911</u>	<u>406,877,485</u>
Total liabilities	<u>118,657,173</u>	<u>473,723,421</u>	<u>592,380,594</u>
Net Position			
Net investment in capital assets	821,338,299	3,815,951	825,154,250
Restricted for health services	1,234,753	-	1,234,753
Unrestricted	18,425,670	159,644,311	178,069,981
Total net position	<u>\$ 840,998,722</u>	<u>\$ 163,460,262</u>	<u>\$ 1,004,458,984</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds
For the Year Ended December 31, 2013

	Eskenazi		
	Health	LT Care	Total
Operating revenues:			
Net patient service revenue	\$ 301,210,198	\$ 563,194,830	\$ 864,405,028
Medicaid special revenue	-	198,664,337	198,664,337
Other revenue	25,621,521	1,833,704	27,455,225
Total operating revenues	<u>326,831,719</u>	<u>763,692,871</u>	<u>1,090,524,590</u>
Operating expenses:			
Salaries	205,700,914	-	205,700,914
Employee benefits	61,386,589	-	61,386,589
Contract labor	1,029,942	290,266,327	291,296,269
Medical and professional fees	80,140,278	29,218,763	109,359,041
Purchased services	31,894,655	39,273,804	71,168,459
Supplies	47,235,273	42,250,420	89,485,693
Pharmaceuticals	36,145,734	25,296,805	61,442,539
Repairs and maintenance	5,164,408	3,282,262	8,446,670
Utilities	10,150,748	12,826,904	22,977,652
Equipment rental	5,084,345	4,880,304	9,964,649
Depreciation and amortization	40,395,924	59,678,764	100,074,688
Hospital assessment fee	6,180,714	-	6,180,714
Other	8,205,160	27,058,818	35,263,978
Total operating expenses	<u>538,714,684</u>	<u>534,033,171</u>	<u>1,072,747,855</u>
Operating income (loss)	<u>(211,882,965)</u>	<u>229,659,700</u>	<u>17,776,735</u>
Nonoperating revenue (expenses):			
Noncapital gifts and grants	20,534,454	-	20,534,454
Loss on termination of lease	-	(512,731)	(512,731)
Investment income (loss)	(1,868,627)	15,251	(1,853,376)
Interest expense	-	(37,217,666)	(37,217,666)
Total nonoperating revenue (expense)	<u>18,665,827</u>	<u>(37,715,146)</u>	<u>(19,049,319)</u>
Income (loss) before capital contributions and transfers	(193,217,138)	191,944,554	(1,272,584)
Capital contributions	728,778,764	-	728,778,764
Transfers - General Fund	153,500,000	(179,392,756)	(25,892,756)
Changes in net position	689,061,626	12,551,798	701,613,424
Total net position at beginning of year	<u>151,937,096</u>	<u>150,908,464</u>	<u>302,845,560</u>
Total net position at end of the year	<u>\$ 840,998,722</u>	<u>\$ 163,460,262</u>	<u>\$ 1,004,458,984</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2013

	Eskenazi		
	Health	LT Care	Total
Cash Flows From Operating Activities			
Receipts from patient services	\$ 302,525,462	\$ 558,043,042	\$ 860,568,504
Receipts from other operations	14,159,800	1,833,704	15,993,504
Medicaid special revenue	-	184,999,782	184,999,782
Payments to suppliers	(205,558,867)	(107,837,053)	(313,395,920)
Payments to employees and contract labor	(261,318,927)	(360,216,191)	(621,535,118)
Net cash provided by (used in) operating activities	<u>(150,192,532)</u>	<u>276,823,284</u>	<u>126,630,752</u>
Cash Flows From Noncapital Financing Activities			
Cash receipts from noncapital gifts and grants	19,173,257	-	19,173,257
Transfers to the General Fund	-	(179,392,756)	(179,392,756)
Transfers from the General Fund	153,500,000	-	153,500,000
Net cash provided by (used in) noncapital financing activities	<u>172,673,257</u>	<u>(179,392,756)</u>	<u>(6,719,499)</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(18,518,538)	(27,995,208)	(46,513,746)
Deposits paid	-	(1,150,000)	(1,150,000)
Deposits returned	-	9,392,167	9,392,167
Lease acquisition cost payments	-	-	-
Lease termination costs	-	(512,731)	(512,731)
Payment of capital lease obligations	-	(27,259,011)	(27,259,011)
Contributions restricted for fixed asset purchase	2,224,000	-	2,224,000
Interest expense payments	-	(37,217,666)	(37,217,666)
Net cash used in capital and related financing activities	<u>(16,294,538)</u>	<u>(84,742,449)</u>	<u>(101,036,987)</u>
Cash Flows From Investing Activities			
Proceeds from sale and maturities of investments	2,934,032	-	2,934,032
Purchases of investments	(247,268)	-	(247,268)
Interest and dividends received	60,901	15,251	76,152
Net cash provided by investing activities	<u>2,747,665</u>	<u>15,251</u>	<u>2,762,916</u>
Net Increase in Cash and Cash Equivalents	8,933,852	12,703,330	21,637,182
Cash and Cash Equivalents (Including Restricted), January 1	44,414,426	59,230,687	103,645,113
Cash and Cash Equivalents (Including Restricted), December 31	\$ 53,348,278	\$ 71,934,017	\$ 125,282,295
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (211,882,965)	\$ 229,659,700	\$ 17,776,735
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	40,395,924	59,678,764	100,074,688
Changes in operating assets and liabilities:			
Patient service receivables	4,896,369	(6,665,144)	(1,768,775)
Other receivables	(11,461,722)	(13,664,555)	(25,126,277)
Inventories	(1,059,992)	-	(1,059,992)
Prepaid costs and other assets	9,220	(16,401)	(7,181)
Net pension asset/liability	(4,327,407)	-	(4,327,407)
Accounts payable	24,682,607	990,702	25,673,309
Accrued liabilities and compensation absences	11,075,283	5,500,778	16,576,061
Estimated Medicare/Medicaid settlements	(1,958,726)	1,513,356	(445,370)
Asserted and unasserted self-insurance claims	(819,103)	(173,916)	(993,019)
Medical claims incurred but not reported	257,980	-	257,980
Total adjustments	<u>61,690,433</u>	<u>47,163,584</u>	<u>108,854,017</u>
Net cash provided by (used in) operating activities	<u>\$ (150,192,532)</u>	<u>\$ 276,823,284</u>	<u>\$ 126,630,752</u>
Noncash investing, capital and financing activities:			
Lease acquisition costs included in accounts payable	\$ -	\$ 468,000	\$ 468,000
Purchase of assets held under capital lease, including lease revisions	-	1,151,353	1,151,353
Transfer of capital assets from the General Fund	726,554,764	-	726,554,764
Decrease in carrying value of joint venture investment	1,817,868	-	1,817,868
Unrealized loss on investment, net	111,660	-	111,660

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Financial Reporting Entity

The Health and Hospital Corporation of Marion County, Indiana (Corporation) was created under Chapter 287 of the Acts of 1951 enacted by the General Assembly of the State of Indiana. The Corporation is a municipal corporation and a political subdivision of the State of Indiana under Indiana Code §16-22-8-6, §6-1.1-1-12 and §36-1-2-23.

The Corporation's duties include the administration of the Divisions of Public Health and Public Hospitals. The Division of Public Health does business as the Marion County Public Health Department (MCPHD), and the Division of Public Hospitals does business as Eskenazi Health (formerly, Wishard Health Services). Overall, the Corporation operates three service divisions: MCPHD, Eskenazi Health and a Long-Term Care (LT Care) operation.

The MCPHD operates two service bureaus, which provide preventive and diagnostic health programs, health education, immunization and epidemiological programs, environmental health regulation, and code enforcement. The MCPHD division is accounted for using governmental funds.

Eskenazi Health is comprised of the Sidney and Lois Eskenazi Hospital, a 315 bed general acute care hospital; the Eskenazi Health Outpatient Care Center, an outpatient specialty care facility co-located with the Hospital; the Eskenazi Health Center, a Federal Qualified Health Center (FQHC) that operates ten primary care centers throughout Marion County; Midtown Community Mental Health, a Community Mental Health Center (CMHC) that provides behavioral health services throughout Marion County; and Indianapolis EMS (IEMS), the county-wide emergency ambulance service. Eskenazi Health is the only public hospital in Marion County. The Hospital is fully accredited by the Joint Commission for Accreditation of Hospitals of the American Hospital Association.

On December 26, 2010, the Corporation entered into an interlocal agreement with the Department of Public Safety for the City of Indianapolis to own, manage and operate the Transport Emergency Medical Services system for Marion County, Indiana (Indianapolis EMS). The activities of Indianapolis EMS are therefore included in the Eskenazi Health division. For purposes of financial reporting, the Eskenazi Health division is accounted for as a separate enterprise fund.

The Corporation operates 59 long-term care facilities through capital leases. The homes are operated as part of the LT Care operations. LT Care supports the Corporation's mission and goal to provide quality care and services to elderly and disabled people. For purposes of financial reporting, the LT Care division is accounted for as a separate enterprise fund.

The Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (Uni-Gov). Accordingly, the financial statements of the Corporation are required to be included in the comprehensive annual financial report of Uni-Gov.

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2013

The Corporation is governed by a seven-member Board of Trustees, appointed by the Mayor of Indianapolis (3), Commissioners of Marion County (2) and City-County Council (2). Of those members appointed by the City-County Council, one serves a two-year term, and one serves a four-year term. All other appointments serve a term of four years. The Board of Trustees is bi-partisan by statute. The Corporation is responsible for all of its fiscal matters including budget (subject to the final authority of the City-County Council and the State of Indiana Department of Local Government Finance (DLGF), operating deficits and debt. The Corporation's executive and legislative powers include the power to levy taxes and incur debt. The Corporation's ordinances have the effect of local law governing health matters.

Component Unit

The Corporation has established a nonprofit entity, Lions Insurance Company, Inc. (Lions), which is legally separate from the Corporation and whose purpose is to provide insurance covering the professional (malpractice) and general liability exposures of the nursing homes operated by the Corporation. Lions is considered a blended component unit and is therefore reported as if it is a part of the LT Care Enterprise Fund because its primary purpose is to provide services solely to the LT Care Enterprise Fund. Complete financial statements for Lions may be obtained from Health and Hospital Corporation at 3838 N. Rural Street, Indianapolis, Indiana 46205.

Financial Statement Presentation, Measurement Focus and Basis of Accounting

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Corporation. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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Following the government-wide financial statements are separate financial statements for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Corporation has determined that all governmental funds are considered major funds. The total fund balances for all governmental funds are reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balances for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide statements. As mentioned previously, the Corporation has two enterprise funds (business-type activities), Eskenazi Health and LT Care, which are also considered major funds.

The fund financial statements of the Corporation are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net position, revenues, and expenditures or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by fund type in the basic financial statements. The following fund types are used by the Corporation:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The Corporation reports the following governmental funds:

The following are the Corporation's major governmental funds:

The General Fund is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation, including grants, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed or assigned to expenditure for principal, interest and related costs on outstanding general obligation bond and other long-term debt of the Corporation's governmental activities. Debt service requirements are generally funded from other operating revenues and ad valorem taxes.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Such resources are derived principally from general obligation bonds, capital lease obligations and ad valorem taxes.

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those found in the private sector.

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As mentioned previously, the Corporation has two enterprise funds: (1) the Eskenazi Health Enterprise Fund, which accounts for the activities of Eskenazi Health (including Indianapolis EMS) and (2) the LT Care Enterprise Fund, which accounts for the activities of the 59 leased long-term care facilities that receive no funding from ad valorem taxes. An enterprise fund is used to account for operations that are financed and operated in a similar manner to a private business - where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Certain administrative expenses of Eskenazi Health and LT Care are accounted for by the General Fund. Because the capital outlay for Eskenazi Health is funded through ad valorem taxes, long-term debt interest expense relating to Eskenazi Health is accounted for by the Debt Service Fund and is not allocated to the Eskenazi Health Enterprise Fund. Only debt intended to be repaid by operations of Eskenazi Health are included in the Eskenazi Enterprise Fund. At December 31, 2013, no such debt existed. At December 31, 2013, the LT Care Enterprise Fund had capital leases, which are to be repaid from revenues from operations, and are therefore shown as long-term debt in the LT Care Enterprise Fund.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year the levy and tax rates are certified. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers property taxes to be available if they are collected and distributed within 60 days of the end of the current fiscal period. For all other revenue items, the Corporation considers revenue to be available if collected within 90 days of the end of the current fiscal period. Significant revenues susceptible to accrual include property and other taxes, grants and interest. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*, (GASB 33), groups nonexchange transactions into four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government-mandated nonexchange transactions, and voluntary nonexchange transactions.

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In the governmental fund statements, the Corporation recognizes assets from derived tax revenue transactions in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred in the fund financial statement. Resources received in advance are reported as unearned revenues until the period of the exchange in both the government-wide and fund financial statements.

The Corporation recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The Corporation recognizes revenues from property taxes, net of estimated refunds and uncollectible amounts, in the period in which the tax levy and rates are certified. Imposed nonexchange revenues also include permits.

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units and Build America Bonds interest subsidies, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as unearned revenues.

Government-mandated nonexchange transactions are accounted for in the same manner as voluntary nonexchange transactions.

Charges for services in the governmental funds, which are exchange transactions and are therefore not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

Under the accrual basis of accounting for proprietary fund types, revenues are recognized in the period earned and expenses are recognized in the period incurred. Patient services accounts receivable and revenue are recorded at standard billing rates, net of contractual adjustments, when patient services are performed. Eskenazi Health and LT Care provide services under the Medicare and Medicaid programs for which they may be reimbursed at amounts different from the standard billing rates. Amounts reimbursed or estimated to be reimbursed by these programs are generally determined in accordance with a prospective price-per-case payment system or under the provisions of cost-reimbursement formulas. In addition, Eskenazi Health and LT Care provide services in accordance with various contractual agreements entered into with state and local governmental agencies and other third-party health insurance companies.

The differences between standard billing rates and the amount reimbursed or estimated to be reimbursed by Medicare, Medicaid and other contractual payers are included in the financial statements as contractual adjustments. Patient accounts receivable for services provided under contractual arrangements are also adjusted to reflect these differences.

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All transactions deemed by management to be ongoing, major, or central to the provision of healthcare services for Eskenazi Health and LT Care are considered to be operating activities and are reported as operating revenue and operating expenses. Intergovernmental revenues, investment income, interest expense, and peripheral or incidental transactions are reported as nonoperating revenue and expenses. Other changes in net position that are excluded from operating income (loss) principally consist of contributions of capital assets funded by governmental activities, grantors and donors.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash, Cash Equivalents and Investments

The Corporation's cash and cash equivalents (including those that are restricted) are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of purchase.

Investments for the Corporation are reported at fair value. The Corporation also invests in an external investment pool held by the State of Indiana. Consistent with the provisions of a 2a-7 like pool as defined by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, the portfolio securities are valued at amortized cost, which approximates fair value. The amortized cost valuation methods involve initially valuing a security at its cost on the date of purchase and thereafter accreting to maturity and discount or amortizing to maturity any premium. The Corporation records its investment in the external pool at its share value. The Indiana Treasurer of State has been designated by State statute as the administrator of the pool and has general oversight over the daily operation of the pool.

Receivables and Payables

In the fund financial statements, all outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All receivables are shown, net of an allowance, if any, for uncollectible balances.

Inventories

Purchases of materials and supplies in the governmental fund types are charged to expenditures as incurred. Amounts of inventories in such governmental funds are immaterial. For the enterprise fund type, pharmaceutical inventories of the Eskenazi Health Enterprise Fund are determined by physical count of items on hand and are priced at weighted-average cost or at fair value, whichever is less. Inventory in the LT Care Fund is immaterial.

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Prepaid Costs and Other Assets

Prepaid costs and other assets for the governmental funds include prepaid insurance, and other miscellaneous assets. Prepaid costs and other assets of the proprietary fund consist of prepaid insurance, prepaid service contracts, prepaid rent and other miscellaneous assets.

Capital Assets

Capital assets, which include buildings, improvements, equipment, and vehicles are reported in the applicable governmental or business-type activities column in the government-wide financial statements and within the proprietary fund financial statements. Capital assets are defined by the Corporation as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Purchased or constructed assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the estimated useful life of the asset are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. Assets held under capital leases and leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.

Estimated useful lives used to compute depreciation are as follows:

	Years
Building and improvements	10 - 50
Equipment	5 - 20
Vehicles	4

Capitalization of Interest

Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental fund types. During 2013, there was no interest capitalized.

Other Long-Term Assets

Other long-term assets consist of deposits made related to the leasing of nursing homes. The deposits will be returned in full if the leased buildings are returned in an acceptable condition by the holder of the deposit at the end of the respective lease terms.

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Deferred Outflows and Inflows of Resources

The Corporation defers recognition of losses incurred on bond refundings and reports such losses as deferred outflows of resources in the government-wide statement of net position. Deferred losses on refundings are amortized using the effective interest method over the lesser of the remaining life of the original bonds or the life of the new bonds.

Deferred inflows of resources are reported in the fund financial statements for receivables that are not considered available at year-end or for which eligibility requirements have not been met.

Unearned Revenue

Unearned revenue is reported in the government-wide financial and enterprise fund statements. The availability period does not apply; however, amounts may not be earned due to eligibility requirements or other reasons.

Accrued Compensated Absences

Corporation employees are paid for vacation and other absences by prescribed formulas based primarily on length of service and staff classification. In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and other absences are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. A liability for the cost of accumulated earned but unused vacation and other absences is recognized in the government-wide statements and in the statement of net position of the proprietary funds. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums are recorded as an addition to the associated debt obligation and are amortized over the term of the respective bonds using the straight-line method.

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In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Payments to an escrow agent to defease debt are reported as other financing uses, while issuance costs, whether or not withheld from the actual debt proceeds received, and repayments of principal and interest are reported as debt service expenditures.

Lease Acquisition Costs

The Corporation allocates the purchase price of properties acquired under capital leases to net tangible and identified intangible assets based on their respective fair values. The allocation to tangible assets (primarily equipment) is based upon management's determination of the value of the property. The remaining purchase price is allocated to lease acquisition costs. These costs are amortized over the life of the related lease.

Interfund Transactions

In the fund financial statements, the Corporation has the following types of transactions among funds:

Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Contribution of Capital Assets

The General and Capital Project Funds make contributions of capital assets to the Eskenazi Health Enterprise Fund from time to time. The enterprise fund reports these transactions as capital contributions; however, the General or Capital Project Funds do not report the event because there has been no flow of current financial resources for the governmental fund statements other than the expenditures incurred during the year on capital outlay. In the government-wide statement of activities, both sides of the capital asset transfer are reported as transfers.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures or expenses if they involved organizations external to the Corporation.

Within the statement of activities, direct expenses are not eliminated from the various functional categories. However, indirect expenses are eliminated from the various functional categories.

Certain internal payments are treated as a reduction of expense, such as reimbursements. Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

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Net Position/Fund Balances

The government-wide and proprietary fund financial statements utilize a net position presentation. The components of net position are categorized as follows:

- *Net investment in capital assets* - This category groups all capital assets into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. Governmental activities debt related to business-type activities is not recorded in this category; rather, this debt is included in unrestricted net position.
- *Restricted* - This category represents resources that have external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - This category represents resources of the Corporation not restricted for any project or other purpose.

In the governmental fund financial statements, fund balance classifications reflect a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Corporation's fund balances include the following:

- **Nonspendable fund balances** include amounts that cannot be spent because they are either (a) not in spendable form (such as inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact.
- **Restricted fund balances** are reported when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balances** represent resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the Corporation's Board of Trustees, whereby such constraints can only be modified through formal action (by ordinance) of the Board of Trustees.
- **Assigned fund balances** include resources for which it is the intent of the Corporation, through action of the President or Treasurer/CFO, that they be used for specific purposes. The Board of Trustees has by ordinance authorized such individuals to assign fund balances. Such constraints can be modified or rescinded without formal action of the Board of Trustees as long as they do not result in an additional budgetary appropriation.
- **Unassigned fund balances** represent the residual portion of the General Fund that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

The Corporation's policy is to apply expenditures to restricted resources first, then committed, then assigned, and finally to unassigned, as applicable.

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Indigent Care Services

Under Indiana Code (§16-22-8-39), the services provided by Eskenazi Health are for the benefit of the residents of Marion County, Indiana and for every person falling sick or being injured or maimed within its limits. Certain services to patients are classified as indigent care based on established policies of Eskenazi Health. Because Eskenazi Health does not expect amounts determined to qualify as indigent care to result in cash collections, they are not reported as net patient service revenue.

Eskenazi Health maintains records to identify and monitor the level of indigent care it provides. These records include the amount of charges forgone for services and supplies furnished under its indigent care policy.

Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payers, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as amounts are no longer subject to such audits and reviews.

New Accounting Standards

During 2013, the Corporation adopted GASB No. 61, *The Financial Reporting Entity: Omnibus— an amendment of GASB Statements No. 14 and No. 34*. This statement had no impact on the Corporation's net position, changes in net position or financial reporting disclosures.

Also during 2013, the Corporation adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities to deferred outflows of resources and deferred inflows of resources and recognizes as expenses and revenues certain items that were previously reported as assets and liabilities. In addition, this statement changes the method of accounting for debt issuance costs. Prior to 2013, the Corporation reported debt issuance costs as deferred charges, which were capitalized and amortized over the life of the related debt. Under GASB Statement No. 65, debt issuance costs are to be expensed in the period incurred. Implementation of GASB Statement No. 65 resulted in the reduction of previously reported net position by \$1,831,468 for the retrospective removal of these debt issuance costs. Additionally, the deferred loss on refunding of \$982,746 was reclassified from liabilities to deferred outflows of resources in the statement of net position and \$30,830,301 of deferred revenues were reclassified to deferred inflows of resources in the governmental funds balance sheet.

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Note 2: Deposits and Investments

As of December 31, 2013, the Corporation had the following cash deposits and investments:

Cash deposits	\$ 276,329,872
Negotiable certificates of deposit	1,212,536
Repurchase agreements	11,040,788
State external investment pool	79,769,907
U.S. Government-sponsored enterprises	12,172,617
Money market mutual funds	<u>10,687,348</u>
	<u><u>\$ 391,213,068</u></u>

Deposits and investment securities included in the statement of net position are classified as follows:

	2013
Carrying value	
Deposits	\$ 276,329,872
Investments	<u>114,883,196</u>
	<u><u>\$ 391,213,068</u></u>
Cash and cash equivalents	
Unrestricted	\$ 367,660,011
Restricted	<u>9,294,972</u>
	376,954,983
Investments	
Unrestricted	1,790,375
Restricted	<u>12,467,710</u>
	<u><u>\$ 391,213,068</u></u>

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. The Corporation's deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes.

The Corporation's cash deposits are insured up to \$250,000 at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the \$250,000 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

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Investments

Indiana statutes authorize the Corporation to invest in United States obligations and issues of federal agencies, Indiana municipal securities, secured repurchase agreements fully collateralized by U.S. Treasury or U.S. agency obligations, certificates of deposit and open-end money market mutual funds.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation is limited to investing in securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code, Section 5-13-9-5.6. The Corporation's investment policy for interest rate risk requires investments to be invested in a prudent manner to achieve maximum yield return available from approved government obligations with due regard to the specific purpose for which the funds are intended and needed. The Corporation's self-insurance trust for general and professional liability and workers' compensation is not subject to such limitations.

Below is a table of segmented time distribution for the Corporation's debt investments at December 31, 2013:

	Fair Value	Investment Activities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Repurchase agreements	\$ 11,040,788	\$ 11,040,788	\$ -	\$ -	\$ -
State external investment pool	79,769,907	79,769,907	-	-	-
U.S. Government-sponsored enterprises	12,172,617	3,806,182	8,184,579	104,302	77,554
Money market mutual funds	10,687,348	10,687,348	-	-	-
	<u>\$ 113,670,660</u>	<u>\$ 105,304,225</u>	<u>\$ 8,184,579</u>	<u>\$ 104,302</u>	<u>\$ 77,554</u>

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Corporation's investment policy for credit risk requires compliance with the provisions of Indiana statutes. Further, Indiana Code Section 5-13-9-2.5 requires that if the Corporation invests in money market mutual funds that the underlying securities be rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service.

At December 31, 2013, the Corporation's investments were rated by Standard & Poor's or Moody's as follows:

	Fair Value	AAA/Aaa	Aa	A	Not Rated
Repurchase agreements	\$ 11,040,788	\$ 11,040,788	\$ -	\$ -	\$ -
State external investment pool	79,769,907	-	-	-	79,769,907
U.S. Government-sponsored enterprises	12,172,617	9,382,951	2,789,666	-	-
Money market mutual funds	10,687,348	10,687,348	-	-	-
	<u>\$ 113,670,660</u>	<u>\$ 31,111,087</u>	<u>\$ 2,789,666</u>	<u>\$ -</u>	<u>\$ 79,769,907</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Corporation will not be able to recover the value of its investments or collateral that are in the possession of an outside party. At December 31, 2013, all of the Corporation's investments in U.S. Government-sponsored enterprises were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent but not in the Corporation's name. The Corporation's investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2013, as their existence is not evidenced by securities that exist in physical book entry form. The Corporation's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

Concentration of Credit Risk

The Corporation places no limit on the amount that may be invested in any one issuer. At December 31, 2013, 5% or more of the Corporation's investments are in repurchase agreements with PNC Bank and Federal Home Loan Mortgage Corporation securities. These investments represent 5.7% and 8.7%, respectively, of the Corporation's total investments.

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Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Corporation's investment policy prohibits investments in foreign investments.

Investment Income (Loss)

Investment income (loss) for the year ended December 31, 2013 consisted of:

	Governmental Fund-Types	Proprietary Fund-Types
Interest income	\$ 848,997	\$ 76,152
Increase (decrease) in value of joint venture investment	410,000	(1,817,868)
Unrealized loss on investments, net	(679,454)	(111,660)
Investment income (loss)	\$ 579,543	\$ (1,853,376)

Note 3: Property Taxes

Property taxes levied for all governmental entities located within Marion County are collected by the Marion County Treasurer. On or before August 1 each year, the Marion County Auditor must submit to each underlying taxing unit a statement of (i) the estimated assessed value of the taxing unit as of March 1 of that year, and (ii) an estimate of the taxes to be distributed to the taxing unit during the last six months of the current budget year. The estimated value is based on property tax lists delivered to the Marion County Auditor by the Marion County Assessor on or before July 1.

The estimated value is used when the Corporation's Board meets to establish its budget for the next fiscal year (January 1 through December 31), and to set tax rates and levies. The budget, tax rates and levy must be adopted no later than November 1. The budget, tax levy and tax rate are subject to review and revision by the Indiana Department of Local Government Finance (the "DLGF") which, under certain circumstances, may revise, reduce or increase the budget, tax rate, or levy of the Corporation. The DLGF may increase the tax rate and levy if the tax rate and levy proposed by the Corporation is not sufficient to make its debt service or lease rental payments. The DLGF must complete its actions on or before February 15 of the year following the property tax assessment.

Taxes are distributed by the Marion County Auditor to the Corporation by June 30 and December 31 of each year. The Corporation can request advances of its share of collected taxes from the Marion County Treasurer once the levy and tax rates are certified by the DLGF.

As noted above, the assessment (or lien) date for Indiana property taxes is March 1 of each year; however, the Corporation does not recognize a receivable on the assessment date since the amount of property taxes to be collected cannot be measured until the levy and tax rates are certified in the subsequent year.

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Typically, property tax bills are mailed in April and October of each year and are due and payable by the property owners in May (spring) and November (fall), respectively. Property tax billings are considered delinquent if they are not paid by the respective due date, at which time the applicable property is subject to lien, and penalties and interest are assessed. Appeals may be filed within 45 days following the date the bills are mailed.

Changes in assessed values of real property occur periodically as a result of general reassessments required by the State legislature, as well as when changes occur in the property value due to new construction or demolition of improvements.

The Corporation allocates property tax revenues, as considered necessary, to fund public health programs and provide care for the indigent.

Note 4: Patient Services Receivables

Net patient services receivables consist of the following as of December 31, 2013:

	Eskenazi Health	LT Care	Total
Gross patient services receivables	\$ 217,953,057	\$ 59,547,518	\$ 277,500,575
Allowance for estimated contractual adjustment	(116,899,347)	-	(116,899,347)
Allowance for uncollectible accounts	<u>(67,659,283)</u>	<u>(5,633,031)</u>	<u>(73,292,314)</u>
Net patient services receivables	<u>\$ 33,394,427</u>	<u>\$ 53,914,487</u>	<u>\$ 87,308,914</u>

Note 5: Interfund Balances and Transfers

Individual due to/from other funds as of December 31, 2013 are as follows:

Interfund Receivables	Interfund Payables	Amount
General Fund	Debt Service Fund	\$ 5,033,315
General Fund	Eskenazi Health Fund	11,385,629
Eskenazi Health Fund	General Fund	1,140,426
Capital Projects Fund	General Fund	965

These interfund balances are due to the time lag between the dates that reimbursable expenditures occur and payments between funds are made, as well as pass-through grant activity. The interfund balances are expected to be repaid during the fiscal year ending December 31, 2014.

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Interfund transfers for the year ended December 31, 2013 on the fund statements consisted of the following:

	Transfer In:				Total
	General Fund	Debt Service Fund	Cap Projects Fund	Enterprise Fund - Eskenazi Health	
Transfer out:					
General Fund	\$ -	\$ 41,148,884	\$ 57,314,586	\$ 153,500,000	\$ 251,963,470
LT Care Fund	179,392,756	-	-	-	179,392,756
Total	<u>\$ 179,392,756</u>	<u>\$ 41,148,884</u>	<u>\$ 57,314,586</u>	<u>\$ 153,500,000</u>	<u>\$ 431,356,226</u>

Interfund transfers were generally used for the following: 1) to move revenues from the funds that are required by ordinance or budget to collect them to the funds that will ultimately expend them or 2) to cover deficits of other funds. For the government-wide statements, capital contributions received by the Eskenazi Health Enterprise Fund from other funds (if any) are reported as transfers; however, for the fund statements, such transfers are shown as capital contributions since they represent the actual transfer of capital assets. During 2013, the Eskenazi Health Hospital complex was completed and placed in service, resulting in a transfer from the General Fund and capital contributions to the Eskenazi Health Enterprise Fund of \$726,554,763.

Note 6: Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period or for which eligibility requirements have not been met. Governmental funds also record unearned revenue in connection with resources that have been received but not yet earned. At December 31, 2013, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows	Unearned
Grant advances prior to meeting all eligibility requirements	\$ -	\$ 639,828
Rental revenue received in advance	-	168,583
Grant reimbursements not received within 90 days	389,656	-
Other revenues not received within 90 days	30,440,645	-
Total General Fund	<u>\$ 30,830,301</u>	<u>\$ 808,411</u>

In addition, the Eskenazi Health Enterprise Fund had \$1,234,753 of unearned revenue recorded at December 31, 2013 of which \$590,740 related to the Healthy Indiana Plan and \$644,013 related to both fee for service grants and advances received on Federal grants that had not met eligibility requirements.

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Note 7: Capital Assets

Following is a summary of the changes in capital assets - governmental activities for the year ended December 31, 2013:

	January 1, 2013	Transfers/ Additions	Transfers/ Disposals	December 31, 2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,114,896	\$ -	\$ -	\$ 4,114,896
Construction in progress	467,323,679	259,271,532	(726,554,763)	40,448
Total capital assets not being depreciated	<u>471,438,575</u>	<u>259,271,532</u>	<u>(726,554,763)</u>	<u>4,155,344</u>
Capital assets being depreciated:				
Buildings and improvements	29,658,343	194,860	-	29,853,203
Equipment	22,581,532	603,882	(37,839)	23,147,575
Vehicles	5,100,850	159,619	(58,006)	5,202,463
Total capital assets being depreciated	<u>57,340,725</u>	<u>958,361</u>	<u>(95,845)</u>	<u>58,203,241</u>
Less accumulated depreciation for:				
Buildings and improvements	12,562,471	1,324,370	-	13,886,841
Equipment	15,229,392	1,276,363	(37,839)	16,467,916
Vehicles	4,680,278	230,831	(58,006)	4,853,103
Total accumulated depreciation	<u>32,472,141</u>	<u>2,831,564</u>	<u>(95,845)</u>	<u>35,207,860</u>
Total capital assets being depreciated, net	<u>24,868,584</u>	<u>(1,873,203)</u>	<u>-</u>	<u>22,995,381</u>
Governmental activities capital assets, net	<u>\$ 496,307,159</u>	<u>\$ 257,398,329</u>	<u>\$ (726,554,763)</u>	<u>\$ 27,150,725</u>

The following is a summary of changes in capital assets - business-type activities for the year ended December 31, 2013:

	January 1, 2013	Transfers/ Additions	Transfers/ Disposals	December 31, 2013
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,189,878	\$ 8,519,900	\$ -	\$ 9,709,778
Construction in progress	19,595,849	32,854,587	(23,963,463)	28,486,973
Total capital assets not being depreciated	<u>20,785,727</u>	<u>41,374,487</u>	<u>(23,963,463)</u>	<u>38,196,751</u>
Capital assets being depreciated:				
Land improvements	10,469,450	74,437,210	-	84,906,660
Buildings and improvements	898,612,449	589,591,587	-	1,488,204,036
Equipment	246,714,057	92,690,551	-	339,404,608
Vehicles	7,943,253	89,500	-	8,032,753
Total capital assets being depreciated	<u>1,163,739,209</u>	<u>756,808,848</u>	<u>-</u>	<u>1,920,548,057</u>
Less accumulated depreciation for:				
Land improvements	6,588,636	1,095,505	-	7,684,141
Buildings and improvements	404,941,287	69,849,194	-	474,790,481
Equipment	196,508,705	24,837,229	-	221,345,934
Vehicles	6,519,631	537,980	-	7,057,611
Total accumulated depreciation	<u>614,558,259</u>	<u>96,319,908</u>	<u>-</u>	<u>710,878,167</u>
Total capital assets being depreciated, net	<u>549,180,950</u>	<u>660,488,940</u>	<u>-</u>	<u>1,209,669,890</u>
Business-type activities capital assets, net	<u>\$ 569,966,677</u>	<u>\$ 701,863,427</u>	<u>\$ (23,963,463)</u>	<u>\$ 1,247,866,641</u>

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The following is a summary of changes in capital assets - Eskenazi Health Enterprise Fund for the year ended December 31, 2013:

	January 1, 2013	Transfers/ Additions	Transfers/ Disposals	December 31, 2013
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,189,878	\$ 8,519,900	\$ -	\$ 9,709,778
Construction in progress	13,202,095	13,843,498	(90,260)	26,955,333
Total capital assets not being depreciated	<u>14,391,973</u>	<u>22,363,398</u>	<u>(90,260)</u>	<u>36,665,111</u>
Capital assets being depreciated:				
Land improvements	6,690,032	73,659,720	-	80,349,752
Buildings and improvements	296,752,658	565,290,601	-	862,043,259
Equipment	179,838,500	83,760,343	-	263,598,843
Vehicles	7,780,490	89,500	-	7,869,990
Total capital assets being depreciated	<u>491,061,680</u>	<u>722,800,164</u>	<u>-</u>	<u>1,213,861,844</u>
Less accumulated depreciation for:				
Land improvements	5,508,943	701,648	-	6,210,591
Buildings and improvements	215,266,598	25,125,531	-	240,392,129
Equipment	161,658,338	14,031,375	-	175,689,713
Vehicles	6,358,853	537,370	-	6,896,223
Total accumulated depreciation	<u>388,792,732</u>	<u>40,395,924</u>	<u>-</u>	<u>429,188,656</u>
Total capital assets being depreciated, net	<u>102,268,948</u>	<u>682,404,240</u>	<u>-</u>	<u>784,673,188</u>
Business-type activities capital assets, net	<u>\$ 116,660,921</u>	<u>\$ 704,767,638</u>	<u>\$ (90,260)</u>	<u>\$ 821,338,299</u>

The following is a summary of changes in capital assets - LT Care Enterprise Fund for the year ended December 31, 2013:

	January 1, 2013	Transfers/ Additions	Transfers/ Disposals	December 31, 2013
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 6,393,754	\$ 19,011,089	\$ (23,873,203)	\$ 1,531,640
Total capital assets not being depreciated	<u>6,393,754</u>	<u>19,011,089</u>	<u>(23,873,203)</u>	<u>1,531,640</u>
Capital assets being depreciated:				
Land improvements	3,779,418	777,490	-	4,556,908
Buildings and improvements	601,859,791	24,300,986	-	626,160,777
Equipment	66,875,557	8,930,208	-	75,805,765
Vehicles	162,763	-	-	162,763
Total capital assets being depreciated	<u>672,677,529</u>	<u>34,008,684</u>	<u>-</u>	<u>706,686,213</u>
Less accumulated depreciation for:				
Land improvements	1,079,693	393,857	-	1,473,550
Buildings and improvements	189,674,689	44,723,663	-	234,398,352
Equipment	34,850,367	10,805,854	-	45,656,221
Vehicles	160,778	610	-	161,388
Total accumulated depreciation	<u>225,765,527</u>	<u>55,923,984</u>	<u>-</u>	<u>281,689,511</u>
Total capital assets being depreciated, net	<u>446,912,002</u>	<u>(21,915,300)</u>	<u>-</u>	<u>424,996,702</u>
Business-type activities capital assets, net	<u>\$ 453,305,756</u>	<u>\$ (2,904,211)</u>	<u>\$ (23,873,203)</u>	<u>\$ 426,528,342</u>

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Within the statement of activities, depreciation expense is charged to functions of the Corporation as follows:

Governmental Activities:	
Administration and finance	\$ 1,980,695
Health improvements	408,178
Communicable disease prevention	243,255
Water quality and hazardous material management	20,680
Vector disease control	157,306
Housing and neighborhood health	19,322
Consumer and employee risk reduction	<u>2,128</u>
Total depreciation expense, governmental activities	<u><u>\$ 2,831,564</u></u>
Business-Type Activities:	
Eskenazi Health	\$ 40,395,924
LT Care	<u>55,923,984</u>
Total depreciation expense, business-type activities	<u><u>\$ 96,319,908</u></u>

Included in the LT Care Fund depreciation expense in the proprietary fund statements is \$3,754,780 of amortization expense related to lease acquisition costs.

In connection with the construction of the Eskenazi Health Hospital complex, the Corporation reevaluated the service utility of the assets associated with the current hospital campus that was closed at the end of 2013. This resulted in the acceleration of depreciation on certain assets relating to the latter. The Eskenazi Health Enterprise Fund recorded approximately \$14,200,000 of additional depreciation as a result of the reevaluation, which is included in total Eskenazi Health depreciation expense above.

Note 8: Estimated Medicare and Medicaid Settlements and Net Patient Service Revenue

Estimated Medicare and Medicaid settlements reflect differences between interim reimbursement and reimbursement as determined by cost reports filed or to be filed with federal and state governments after the end of each year. In addition, such settlement amounts reflect, if applicable, any differences determined to be owed to or from Eskenazi Health after an audit of such reports. Changes to any previous years' estimated settlements are reflected in the period such changes are identified. At December 31, 2013, the Medicare and Medicaid cost reports for Eskenazi Health have been audited by the fiscal intermediaries through December 31, 2009.

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Eskenazi Health and LT Care have agreements with third-party payers that provide for payments to Eskenazi Health and LT Care at amounts different from their established rates. Estimated contractual adjustments under third-party reimbursement programs represent the differences between billings at established rates and amounts reimbursed by third-party payers. Estimated contractual adjustments also include any differences between estimated third-party reimbursement settlements for prior year services under third-party payer agreements and subsequent final settlements. A summary of the payment arrangements with major third-party payers follows.

Medicare

Under the Medicare program, Eskenazi Health receives reimbursement under a prospective payment system (PPS) for inpatient services. Under the hospital inpatient PPS, fixed payment amounts per inpatient discharge are established based on the patient's assigned diagnosis related group. When the estimated cost of treatment for certain patients is higher than the average, providers typically will receive additional "outlier" payments. Outpatient services provided to Medicare patients are reimbursed to Eskenazi Health based on service groups called ambulatory payment classifications.

Under the Medicare program, LT Care primarily receives reimbursement for services provided at its skilled nursing facilities (SNF) under PPS on a per diem basis based on each resident's health at admission (RUG Rate). Medicare reimburses LT Care for 100 days of SNF care subject to certain eligibility requirements.

Medicaid

Eskenazi Health is paid for inpatient acute care services rendered to Medicaid beneficiaries under the lower of charges or prospectively determined rates-per-discharge and on a per diem basis for psychiatric and burn unit services, classified based on clinical, diagnostic and other factors. Reimbursement for Medicaid outpatient services is based on prospective rates per visit. Eskenazi Health also participates in a Medicaid risk-based managed care program in which Eskenazi Health receives interim reimbursement rates with a settlement adjustment at year-end.

LT Care is reimbursed for services rendered to Medicaid beneficiaries on a per diem basis.

Medicaid Special Revenue

The Corporation qualifies for certain special Medicaid payments through various sections of the State of Indiana Medicaid Plan and the Indiana Code. Medicaid special revenue includes revenue from various sources including the State of Indiana Disproportionate Share Hospital Payment Program (DSH - established to reimburse hospitals that serve a disproportionate share of indigent patients) the Upper Payment Limit (UPL - established to pay qualifying health care providers the difference between what Medicare would have paid and what Medicaid actually paid) and other contractual revenues. The money received from the Medicaid special revenues can be utilized by the Corporation without restriction.

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During 2012, the State of Indiana established a Hospital Assessment Fee (HAF), which was effective from July 1, 2011 through June 30, 2013. The HAF increased reimbursement for the state Medicaid fee for service program and the Medicaid managed care programs by approximately \$51 million in 2013; such revenue is reported as net patient service revenue in the Eskenazi Health Enterprise Fund. Eskenazi Health was assessed a fee under the HAF program of approximately \$6.2 million for 2013 and is reported as an operating expense in the Eskenazi Health Enterprise Fund. Fees assessed by the State of Indiana fund the UPL and DSH programs for Indiana hospitals (these programs were historically funded through an intergovernmental transfer program). There is no assurance the HAF program will continue to be implemented in the future, and as of December 31, 2013, this provider assessment program was awaiting federal approval to be continued past June 30, 2013. As a result, no estimate has been recorded for this program for possible additional revenue and expense that could be applicable to the Hospital for the period beginning July 1, 2013. Extension of this program received federal approval in March 2014, with a retroactive applicable date of July 1, 2013.

Medicaid special revenue associated with indigent services provided at Eskenazi Health is comprised of DSH payments, which are all recorded in the Corporation's General Fund. Such payments are limited to a Hospital Specific Limit, which is defined by the State of Indiana Office of Medicaid Planning and Policy and are codified in the Indiana State Medicaid Plan and IC 12-15-15. Methodologies supporting such payments are complex and the timing and levels of payment may vary materially from year to year, often times resulting in material recoupment of the net receipts previously made to the Corporation. The Corporation often times does not have access to reasonable information to estimate levels of DSH payments and therefore cannot reasonably estimate levels of revenue by state fiscal (or their own fiscal) year. Management records the DSH portion of the Medicaid special revenue on a cash basis, unless actual amounts are known subsequent to year end.

Medicaid special revenue pertaining to LT Care and the physician access to care program is distributed through an intergovernmental transfer (IGT) arrangement. The basis for payment is derived from services rendered to patients through activities of the LT Care Funds and Eskenazi Health (for the physician access to care program). The Indiana Office of Medicaid Policy and Planning determines the level of UPL funds available for distribution and initiates a transaction with the Corporation to facilitate the IGT. The Corporation is responsible for funding the IGT for the services rendered on behalf of the LT Care Funds and Eskenazi Health and such transactions are reported in the General Fund statement of revenues, expenditures and changes in fund balances while LT Care reports revenue associated with its UPL at gross in the statement of revenue, expenses and changes in fund net position.

Medicaid special revenue associated with LT Care is based upon UPL payments, which is more predictable than the payments related to Eskenazi Health. Accordingly, management recognizes such payments on an accrual basis at the LT Care Fund level.

Beginning in 2013, the Corporation is participating in the Indiana Medicaid Governmental Ambulance Transportation Payment program that reimburses eligible ambulance transportation providers a federal reimbursement percentage of allowable costs. Revenue earned under this program are reported in the General fund statement of revenues, expenditures and changes in fund balances.

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The General Fund recognized \$37,142,046 in Medicaid special revenue and a receivable of \$29,913,037 at December 31, 2013. The intergovernmental transfers made by the Corporation in 2013 under these programs totaled \$100,675,452. The LT Care Fund recognized revenue of \$198,664,337 and a receivable of \$49,378,733 at December 31, 2013.

Other Payers

Eskenazi Health and LT Care have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to Eskenazi Health and LT Care under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Following is a summary of total patient service revenue, contractual adjustments, and charity and indigent care for the year ended December 31, 2013:

	Eskenazi Health	LT Care	Total	Percentage
Patient service revenue:				
Inpatient	\$ 481,343,200	\$ -	\$ 481,343,200	26%
Outpatient	743,219,300	-	743,219,300	41%
Long-term care	-	598,036,991	598,036,991	33%
Gross patient service less:	1,224,562,500	598,036,991	1,822,599,491	100%
Contractual adjustments	524,449,253	22,841,569	547,290,822	30%
Charity and indigent care	356,145,013	-	356,145,013	20%
Provision for uncollectible accounts	42,758,036	12,000,592	54,758,628	3%
Net patient service revenue	<u>\$ 301,210,198</u>	<u>\$ 563,194,830</u>	<u>\$ 864,405,028</u>	<u>47%</u>

Revenue from the Medicare and Medicaid programs accounted for approximately 34% and 50%, respectively, of net patient service revenue for the year ended 2013. These percentages exclude Medicaid special revenue received and recognized in the General Fund. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

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Note 9: Long-Term Liabilities

Renovation Bonds of 1988

During 1988, the Corporation issued \$28,000,000 of Renovation Bonds, the proceeds of which were used to renovate the clinical, patient care and administrative areas of the Corporation's former hospital complex (the predecessor facilities to Eskenazi Health) and acquire, construct, renovate and equip the Corporation's public health and administrative facilities. The Renovation Bonds of 1988 are general obligation bonds payable from an unlimited ad valorem property tax levied on all taxable property in the Corporation, which is coterminous with Marion County, Indiana. The Renovation Bonds of 1988 that remain outstanding at December 31, 2013 bear interest at 7.40%, with principal and interest payments due June 30 and December 30 through 2019.

General Obligation Bonds of 2005

During 2005, the Corporation issued \$28,960,000 of General Obligation Refunding Bonds, Series 2005 (the 2005 GO Bonds), the proceeds of which were used to refund the outstanding principal of the Corporation's General Obligation Bonds, Series 2000 A (the 2000 A GO Bonds). The 2005 GO Bonds are payable from an unlimited ad valorem property tax levied on all taxable property in the Corporation, which is coterminous with Marion County, Indiana. The 2005 GO Bonds that remain outstanding at December 31, 2013 bear interest at 4.35% to 5.25%, with principal and interest payments due January 1 and July 1 through January 1, 2025. The 2005 GO Bonds are subject to redemption from mandatory sinking fund payments during 2016 to 2024.

General Obligation Bonds of 2010

During 2010, the Corporation issued \$195,000,000 of General Obligation Bonds, Series 2010 A-1 and 2010 A-2 (the 2010 A-1 and 2010 A-2 GO Bonds, or collectively, the 2010 A GO Bonds), the proceeds of which were used to finance a portion of the Eskenazi Health hospital complex, including the hospital and outpatient clinic facilities. The 2010 A GO Bonds are payable from ad valorem property taxes to be levied on all taxable property within Marion County, to the extent other revenues of the Corporation are not sufficient to cover the annual debt service. The 2010 A GO Bonds that remain outstanding at December 31, 2013 bear interest at 3.00% to 6.004%, with principal and interest payments due January 15 and July 15 through January 15, 2040. The 2010 A GO Bonds are subject to redemption from mandatory sinking fund payments during 2023 to 2040.

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The 2010A GO Bonds were acquired in their entirety with proceeds from the issuance of The Indianapolis Local Public Improvement Bond Bank (the Bond Bank) Bonds, Series 2010 A-1 and 2010 A-2 (the 2010 A-1 and 2010 A-2 Bond Bank Bonds). The 2010 A-2 Bond Bank Bonds were issued as Build America Bonds (BABs) and, as such, will be eligible to receive a credit (BAB Subsidy) equal to 35% of the interest payable on such bonds. The benefit of such credit will be passed on to the Corporation at each interest payment date, thus effectively reducing the Corporation's cost of financing. As a result of the automatic spending cuts imposed under the Budget Control Act of 2011, the Corporation's BAB Subsidies in 2013 were reduced by approximately 8.6% (the BAB Sequester). Due to the extension of the BAB Sequester, BAB Subsidies in 2014 are to be reduced by 7.2%. It is too soon to predict by what percentage, if any, BAB Subsidies will be cut in 2015 and thereafter or if the United States Congress will rescind or alter such cuts in the future.

Due to Local Government

Financing for a portion of Eskenazi Health hospital complex is also being provided through a lease financing arrangement with the Indianapolis-Marion County Building Authority (Authority). The Authority was created pursuant to Indiana Code 36-9-13, as amended for the purpose of financing, acquiring, improving, constructing, reconstructing, renovating, equipping, operating, maintaining and managing governmental buildings for public or governmental purposes for the benefit of eligible governmental entities within the boundaries of the County of Marion, Indiana.

Pursuant to a Loan Agreement, dated March 1, 2010, the Authority received a loan of bond proceeds in connection with the issuance of \$465,580,000 in The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010 B-1 and Series 2010 B-2 (the 2010 B-1 and 2010 B-2 Bond Bank Bonds), for the purposes of financing a portion of the costs of Eskenazi Health hospital complex.

Pursuant to a Loan Agreement dated April 1, 2013, the Authority received an additional loan of bond proceeds in connection with the issuance of \$42,460,000 in The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2013 A (the 2013 A Bond Bank Bonds), for the purposes of financing additional costs of the Eskenazi Health hospital complex.

Pursuant to its Master Lease Agreement and related Addendums with the Authority, the Corporation is leasing certain real estate underlying the Eskenazi Health hospital complex and portions of the improvements related thereto. Under the Master Lease Agreement, the Corporation has the option to purchase the leased facilities at a price equal to the amount required to enable the Authority to pay or redeem all related outstanding debt obligations and costs of transferring the premises. Also, the Corporation is obligated to pay certain expenses and all costs to operate, insure and maintain the leased facilities. The rentals under this lease are payable from ad valorem property taxes to be levied on all taxable property within Marion County, to the extent other revenues of the Corporation are not sufficient to cover the rentals and, accordingly, the principal and interest on the 2010 B-1, 2010 B-2 and 2013 A Bond Bank Bonds.

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As financing proceeds were spent on costs of Eskenazi Health hospital complex, the Corporation recorded such activity in capital assets with an offsetting entry to a noncurrent liability account (due to local government). During 2013, upon completion of the Eskenazi Health campus, the noncurrent liability account balance was reclassified as a capital lease obligation.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2013:

	January 1, 2013	Additions	Reductions	December 31, 2013	Due Within One Year
Governmental Activities:					
General obligation bonds payable:					
Renovation Bonds of 1988 (\$28,000,000 original amount), 6.00% to 7.40%, due January 1, 2020	\$ 12,495,000	\$ -	\$ (1,420,000)	\$ 11,075,000	\$ 1,530,000
Refunding Bonds of 2005 (\$28,960,000 original amount), 3.50% to 5.25%, due January 1, 2025	21,295,000	-	(1,340,000)	19,955,000	1,410,000
General Obligation Bonds of 2010 - Series A-1, A-2 (\$195,000,000 original amount), 3.00% to 6.00%, due January 15, 2040	186,565,000	-	(8,730,000)	177,835,000	9,050,000
Plus: bond premium	4,173,973	-	(183,643)	3,990,330	183,643
Total bonds payable	224,528,973	-	(11,673,643)	212,855,330	12,173,643
Due to local government	322,659,705	151,313,612	(473,973,317)	-	-
Capital lease payable	7,487,632	473,963,658	(2,320,000)	479,131,290	3,128,729
Asserted and unasserted self-insurance claims	740,164	6,432,437	(6,488,607)	683,994	412,085
Accrued compensated absences	6,121,901	4,876,164	(4,710,341)	6,287,724	5,001,778
Net pension liability	833,176	3,435,089	(4,321,425)	(53,160)	-
Governmental activities long-term liabilities	<u>\$ 562,371,551</u>	<u>\$ 640,020,960</u>	<u>\$ (503,487,333)</u>	<u>\$ 698,905,178</u>	<u>\$ 20,716,235</u>
Business-Type Activities:					
Eskenazi Health:					
Asserted and unasserted self-insurance claims	\$ 9,629,978	\$ 26,668,353	\$ (27,487,456)	\$ 8,810,875	\$ 4,857,660
Accrued compensated absences	20,280,292	18,118,209	(16,538,882)	21,859,619	19,236,465
Net pension liability	5,179,612	16,771,314	(21,098,721)	852,205	-
LT Care:					
Capital leases	448,820,049	1,151,353	(27,259,011)	422,712,391	30,809,258
Asserted and unasserted self-insurance claims	10,806,916	1,289,163	(1,463,079)	10,633,000	3,087,222
Business-type activities long-term liabilities	<u>\$ 494,716,847</u>	<u>\$ 63,998,392</u>	<u>\$ (93,847,149)</u>	<u>\$ 464,868,090</u>	<u>\$ 57,990,605</u>

The above bond and capital lease obligations relating to governmental activities are to be repaid from ad valorem taxes levied to the extent necessary by the Corporation against all taxable property within Marion County, Indiana. Long-term liabilities for the governmental activities are generally liquidated by the General Fund. The business-type capital leases will be repaid through LT Care nursing home operating revenue.

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The governmental activities debt service requirements, including interest, on bonds and related future BAB subsidies as of December 31, 2013 are as follows:

Bonds:	Principal	Interest	BAB Subsidies
2014	\$ 11,990,000	\$ 12,161,759	\$ 2,981,889
2015	4,350,000	11,630,278	2,981,889
2016	4,595,000	11,226,063	2,981,889
2017	4,885,000	10,936,009	2,981,889
2018	3,430,000	10,027,644	2,981,889
2019 - 2023	25,540,000	48,892,868	14,828,638
2024 - 2028	43,260,000	40,667,530	12,904,821
2029 - 2033	44,645,000	28,097,430	9,126,045
2034 - 2038	54,060,000	13,620,974	4,424,092
2039 - 2040	12,110,000	727,084	236,157
	<u>\$ 208,865,000</u>	<u>\$ 187,987,639</u>	<u>\$ 56,429,198</u>

The above future BAB Subsidies reflect an adjustment for the BAB Sequester in effect for 2014.

The Corporation has a legal debt limit of 0.67% of the assessed values of Marion County Property as certified by the DLGF. A computation of the Corporation's legal debt margin as of December 31, 2013, is as follows:

Net assessed value - 2013	\$ 34,038,407,113
	<u>0.67%</u>
Debt limit	228,057,328
Debt applicable to debt limit:	
Bonded debt	<u>208,865,000</u>
Legal debt margin	<u>\$ 19,192,328</u>

As mentioned previously, in 2005, the Corporation refunded its 2000 A GO Bonds with the issuance of the 2005 GO Bonds. The 2000 A GO Bonds are considered to have been defeased and have been removed from the basic financial statements. At December 31, 2013, \$18,680,000 of these defeased bonds remain outstanding.

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Note 10: Leases

Operating

The Corporation leases certain facilities and equipment under operating leases. Most of the facility leases include renewal options and some provide for escalation of rent based on changes in operating costs.

The following is a summary of the future minimum payments of all significant noncancelable operating leases with initial or remaining terms of one year or more at December 31, 2013 for the governmental activities:

2014	\$ 7,030,902
2015	6,845,197
2016	6,752,077
2017	6,613,003
2018	5,916,118
2019 - 2023	31,547,958
2024 - 2028	33,992,925
2029 - 2033	36,627,376
2034 - 2038	39,465,998
2039 - 2043	41,001,206
	<u>41,001,206</u>
Total future minimum payments	<u><u>\$ 215,792,760</u></u>

Lease expenditures of \$2,160,547 were reported in the governmental activities for the year ended December 31, 2013.

The following is a summary of the future minimum payments (including those relating to the HHC/Duke Realty Development LLC joint venture discussed later in these notes) of all significant noncancelable operating leases with initial or remaining terms of one year or more at December 31, 2013 for the business-type activities:

2014	\$ 3,802,400
2015	3,005,265
2016	1,912,451
2017	1,621,186
2018	1,537,273
2019 - 2023	7,898,846
2024 - 2028	8,293,789
2029 - 2033	8,708,478
2034 - 2038	9,143,902
2039 - 2043	9,098,297
	<u>9,098,297</u>
Total future minimum payments	<u><u>\$ 55,021,887</u></u>

The Corporation reported \$6,303,219 of lease expense in the business-type activities for the year ended December 31, 2013.

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Capital

The Corporation's governmental activities include capital leases for a data center reported in the governmental activities and the Eskenazi Health hospital complex reported in the Eskenazi Health Enterprise Fund. At December 31, 2013, the gross amount of building improvements, equipment and related accumulated amortization recorded under these capital leases was as follows:

Building and land improvements	\$ 278,890,622
Equipment	204,830,668
Less: accumulated amortization	<u>(3,736,297)</u>
	<u><u>\$ 479,984,993</u></u>

Future minimum capital lease payments for the Corporation's governmental activities as of December 31, 2013 are:

2014	\$ 34,334,905
2015	42,896,056
2016	39,936,000
2017	39,939,000
2018	39,939,000
2019 - 2023	199,688,000
2024 - 2028	194,650,000
2029 - 2033	184,898,000
2034 - 2038	172,867,000
2039	<u>32,914,000</u>
Total minimum lease payments	982,061,961
Less amount representing interest (2.34% - 6.45%)	<u>502,930,671</u>
Present value of net minimum capital lease payment	479,131,290
Less current installments of obligations under capital leases	<u>3,128,729</u>
	<u><u>\$ 476,002,561</u></u>

For business-type activities, including the LT Care Enterprise Fund, the Corporation is obligated under capital leases covering 59 nursing homes. At December 31, 2013, the gross amount of buildings and related accumulated amortization recorded under capital leases was as follows:

Buildings	\$ 540,412,183
Less: accumulated amortization	<u>(210,775,216)</u>
	<u><u>\$ 329,636,967</u></u>

Amortization expense of assets held under capital leases is included in depreciation expense for the Corporation's governmental activities and business type activities.

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Future minimum capital lease payments for the Corporation's business-type activities as of December 31, 2013 are:

2014	\$ 65,730,558
2015	66,998,401
2016	68,134,600
2017	69,037,404
2018	70,372,674
2019 - 2023	263,471,218
2024 - 2028	2,986,000
Total minimum lease payments	606,730,855
Less amount representing interest (at rates ranging from 4.58% to 11.74%)	184,018,464
Present value of net minimum capital lease payment	422,712,391
Less current installments of obligations under capital leases	30,809,258
Obligations under capital lease, excluding current installments	\$ 391,903,133

Note 11: Risk Management

Insurance Coverage

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and patients; and natural disasters. The Corporation is self-insured for workers' compensation, general liability and medical malpractice claims to defined limits. With respect to general liability, the Corporation is protected by the Indiana Tort Claims Act, under IC 34-13-3-4, which limits the tort liability for all Indiana governmental entities, in aggregate, to \$700,000 per person and \$5,000,000 per occurrence. The Corporation also purchases commercial insurance policies for certain other risks of loss with deductibles that range from \$10,000 to \$500,000. Settled claims have not exceeded coverage for the past three years.

Eskenazi Health participates in the Indiana Medical Malpractice Act, which limits the maximum recovery for medical malpractice claims to \$1,250,000 per occurrence, \$250,000 of which would be paid by the Corporation, with the balance paid by the State of Indiana Patient Compensation Fund.

As mentioned previously in these notes, the Corporation established a nonprofit entity, Lions Insurance Company, Inc., which is legally separate from the Corporation and whose purpose is to provide insurance covering the professional (malpractice) and general liability exposures of the nursing homes operated by the Corporation. As with Eskenazi Health, Lions is protected by the Indiana Tort Claims Act, participates in the Indiana Medical Malpractice Act and has professional liability coverage from the Indiana Patient Compensation Fund. In addition, Lions has protection for general liability coverage in excess of \$1,000,000 annually and in the aggregate.

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The Corporation's workers' compensation program retains the first \$500,000 liability on any one claim or incident and purchases an excess workers' compensation policy to extend limits from \$500,000 without an aggregate amount applicable as it applies to any one claim or incident.

The Corporation has accrued for reported claims and claims incurred but not reported (IBNR) for workers' compensation, general liability and medical malpractice. Loss estimates have included the nature of each claim or incident and relevant trend factors as determined by legal counsel and an independent consulting actuary.

The following is a summary of the changes in asserted and unasserted workers' compensation, general liability, and medical malpractice claims for the past two years, as recorded within the business-type activities and proprietary fund financial statements:

Balance at January 1, 2012	\$ 17,495,605
Change in incurred claims (including IBNRs), net	1,817,806
Claim payments	<u>(2,146,683)</u>
Balance at January 1, 2013	17,166,728
Change in incurred claims (including IBNRs), net	2,293,678
Claim payments	<u>(3,194,691)</u>
 Balance at December 31, 2013	 <u><u>\$ 16,265,715</u></u>

Medical Claims Incurred But Not Reported

Eskenazi Health has entered into an agreement with MDwise, a related party, to provide risk-based health care services, including, but not limited to inpatient, outpatient and physician services, to qualified Medicaid participants.

Effective January 1, 2008, this program was expanded to include the provisions of the Healthy Indiana Plan (HIP). Eskenazi Health receives payments for the care of these Medicaid beneficiaries under a capitated payment methodology from MDwise and disburses payments through a third-party administrator based upon processed claims.

Medical claims incurred but not reported represents an estimate of the ultimate net cost to Eskenazi Health for amounts that are unpaid at December 31, 2013. The liability is based on claim factors determined by an actuary using projections and the historical loss experience of Eskenazi Health and gives effect to estimates of trends in claim severity and frequency. Although management believes that the estimates of the liability for claims incurred but not reported is reasonable in the circumstances, it is possible that the actual incurred claims will not conform to the assumptions inherent in the estimation of future claims due to an absence of a significant amount of historical experience on which to base projections and the inherent variability with respect to the significant assumptions utilized. Accordingly, the ultimate settlement of claims may vary significantly from the liability for unpaid claims included in the Eskenazi Health Enterprise Fund. Historically, the majority of these claims are paid within one year following year-end, so the entire balance is being reflected in current liabilities in the statement of net position.

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The following is a summary of changes in the medical claims incurred but not reported for the past two years, as recorded within the business-type activities and proprietary fund financial statements:

Balance at January 1, 2012	\$ 5,776,548
Change in incurred claims (including IBNRs), net	25,186,419
Claim payments	<u>(27,711,198)</u>
Balance at January 1, 2013	3,251,769
Change in incurred claims (including IBNRs), net	31,662,125
Claim payments	<u>(31,404,145)</u>
 Balance at December 31, 2013	 <u><u>\$ 3,509,749</u></u>

Health Insurance Coverage

The Corporation began in 2001 to provide self-insurance to its employees for healthcare and prescription usage. Asserted and unasserted self-insurance claims in the governmental and business-type activities of the government-wide statements represents an estimate of the ultimate net cost to the Corporation for amounts that are unpaid at December 31, 2013. The liability is based on claim factors determined by an actuary using projections and the historical loss experience of the Corporation and gives effect to estimates of trends in claim severity and frequency. Although the Corporation's management believes that the estimates of the liability for claims incurred but not reported is reasonable in the circumstances, it is possible that the actual incurred claims will not conform to the assumptions inherent in the estimation of future claims due to an absence of a significant amount of historical experience on which to base projections and the inherent variability with respect to the significant assumption utilized. Accordingly, the ultimate settlement of claims may vary significantly from the liability for asserted and unasserted self-insurance claims.

The following is a summary of the changes in the Corporation's health insurance liability for the past two years, as recorded in the governmental activities of the statement of net position:

Balance at January 1, 2012	\$ 1,250,098
Change in incurred claims (including IBNRs), net	5,116,472
Claim payments	<u>(5,626,406)</u>
Balance at January 1, 2013	740,164
Change in incurred claims (including IBNRs), net	6,432,437
Claim payments	<u>(6,488,607)</u>
 Balance at December 31, 2013	 <u><u>\$ 683,994</u></u>

The amount recorded as a liability in the General Fund at December 31, 2013 is \$412,085 and represents the claims, which are matured and due as of year-end.

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The following is a summary of the changes in the Corporation's health insurance liability for the past two years, as recorded in the business-type activities of the statement of net position:

Balance at January 1, 2012	\$ 3,543,247
Change in incurred claims (including IBNRs), net	28,569,347
Claim payments	<u>(28,842,428)</u>
Balance at January 1, 2013	3,270,166
Change in incurred claims (including IBNRs), net	25,663,838
Claim payments	<u>(25,755,844)</u>
Balance at December 31, 2013	<u><u>\$ 3,178,160</u></u>

Note 12: Retirement Plan

Plan Description

The Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), established in accordance with Indiana Code (§5-10.2 and §5-10.3). PERF is an agent multiple-employer retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. The plan is a benefit plan with components of both a defined-benefit and defined-contribution plan. The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly. However, obligations to contribute to the plan are determined by the board of PERF in accordance with actuarial methods. Substantially all full-time employees of the Corporation are covered by the plan. The following disclosures represent the most current and available information on the plan through the June 30, 2012 actuarial valuation.

Retirement benefits vest after 10 years of service. Normal retirement is defined as the earliest of: (1) age 65 with 10 years of creditable service; (2) age 60 with 15 years of creditable service; or (3) the sum of age and creditable service equal to 85, but not earlier than age 55. A reduced benefit will be received if an employee takes early retirement between ages 50 and 65 and has had 15 or more years of creditable service. Employees may either elect to receive a lump-sum distribution of their annuity savings account balance upon retirement or receive an annuity amount as a monthly supplement to the retirement benefits described above. PERF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees have two choices regarding their annuity savings account. They may elect to receive the contributions and accumulated earnings in a lump sum at retirement, or, they may choose to receive the annuity amount as a monthly supplement to their employer-provided pension described in the paragraph above. An employee who leaves employment before qualifying for benefits receives a refund of his or her savings account.

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PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687.

Funding Policy

The Corporation's employees are required to contribute 3.0% of their annual salaries to an annuity savings account that may be withdrawn at any time should an employee terminate employment. The Corporation has elected to pay the required employee contribution. In addition, the Corporation is required by state statute to contribute at an actuarially determined rate (8.5% for calendar year 2013) of annual covered payroll. Therefore, the total employer contribution rate for 2013 was 11.5%. The contribution requirements of plan members are determined by PERF's Board of Directors as authorized by Indiana state statute. The Corporation-financed pension benefits are classified as defined-benefits and the employee-financed pension benefits are classified as defined-contributions.

Annual Pension Cost and Net Pension Obligation

The PERF funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The required contributions were determined as part of the June 30, 2013 actuarial valuation using the entry age normal level percent of payroll. The actuarial assumptions used for the June 30, 2013 actuarial valuation included: (a) a rate of return on investment of present and future assets of 6.75% per year, compounded annually; (b) future salary increases of 3.25 - 4.50% per year, based on PERF experience from 2005 to 2010; (c) inflation of 3% per year; and (d) a cost of living increase of 1% (compounded) that is applied to pension benefit each year following retirement, with no increase assumed to be applied to the PERF annuity benefit. The actuarial value of the plan's assets is determined by taking the previous year's actuarial value, adding contributions, subtracting pension payments and plan expenses and adding expected earnings at the valuation rate of interest, based on a mid-year weighted-average fund. The result is multiplied by a four-year smoothing of gains/losses on market value. PERF uses the level percentage of payroll method to amortize the unfunded liability over an open 30-year period.

The following is a schedule of the net pension liability for the Corporation at December 31, 2013:

Annual required contributions (ARC)	\$ 20,272,976
Interest on net pension asset	405,863
Adjustment to ARC	(472,436)
Annual pension cost	20,206,403
Actual contributions made	25,420,146
Change in net pension liability	(5,213,743)
Net pension liability, beginning of year	6,012,788
Net pension liability, end of year	\$ 799,045

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Historical Trend Information

Historical trend information about the Corporation's participation in PERF is presented below to help readers assess the plan's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Liability)
2013	\$ 20,206,403	126%	\$ (799,045)
2012	20,595,315	86%	(6,012,788)
2011	19,339,518	81%	(3,043,887)

Required Supplemental Information - Schedule of Funding Progress

Valuation Date	(A) Actuarial Value of Assets	(B) Entry Age Actuarial Liability (AAL)	(B - A) Excess of Assets Over (Unfunded) AAL	(A / B) Funded Ratio	(C) Anticipated Covered Payroll	[(B - A) / C] Excess/ Unfunded AAL as a % of Covered Payroll
June 30, 2013	\$ 161,483,123	\$ 269,830,173	\$ (108,347,050)	60%	\$ 227,597,695	48%
June 30, 2012	139,163,674	275,186,152	(136,022,478)	51%	241,715,205	56%
June 30, 2011	148,061,020	249,233,595	(101,172,575)	59%	225,695,409	45%

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 13: Deferred Compensation Plan

Employees of the Corporation are eligible to participate in a deferred compensation plan (Plan) adopted under the provisions of Internal Revenue Code (IRC) Section 457. The deferred compensation plan is available to substantially all employees of the Corporation. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. The plan assets are held in trust for the exclusive benefits of participants and their beneficiaries.

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Note 14: Hospital Management Agreement

An agreement between the Corporation and the Indiana University (University) was signed in February 2007. During 2013, the Corporation primarily paid for physician services under a relative value unit basis. The Corporation continued to rely on the University to supply several leadership positions for Eskenazi Health, but the operations of Eskenazi Health remains the direct responsibility of the Corporation. Eskenazi Health incurred fees for professional, management, and resident physician services of approximately \$49.5 million during the year (recorded in medical and professional fees on the statement of revenues, expenses and changes in fund net position - proprietary funds). The University also rents office space from Eskenazi Health, which resulted in revenue to Eskenazi Health of \$1,189,099 in 2013.

Note 15: Agreement With Eskenazi Medical Group

The Eskenazi Medical Group (EMG) is a related party of the Corporation through joint control. Under its agreements with Eskenazi Health, EMG provides physician services to Eskenazi Health and its Community Health Centers.

Total 2013 expense recognized in the Eskenazi Health Enterprise Fund to EMG totaled approximately \$26,100,000.

Note 16: LT Care Management Agreement

The Corporation has entered into a management agreement with American Senior Communities, LLC (ASC) to manage the 59 nursing homes, which are accounted for in the LT Care Fund. The term of the management agreement extends until August 2022 with the Corporation having the right to extend the term for an additional period of ten years if written notice is given to ASC at least 60 days prior to the expiration of the initial term. During 2013, the Corporation incurred approximately \$30,553,000 in management fees to ASC for LT Care operations.

ASC has contracted with EagleCare, LLC (EagleCare) to provide the personnel required to operate each of the respective facilities. EagleCare and ASC are related parties in that the persons who own 100% of EagleCare also own 95% of ASC. ASC also provides management services to EagleCare in connection with its operations.

The Corporation currently leases 8 of the nursing homes from entities related to ASC through common ownership. During 2013, the Corporation paid approximately \$18,911,000 to this organization in associated lease costs from LT Care operating revenue.

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At December 31, 2013, the LT Care Fund had a payable to EagleCare of approximately \$12,857,000 primarily for accrued labor and related benefits. The LT Care Fund also had a payable to ASC at December 31, 2013 of approximately \$5,633,000 for outstanding management services rendered to be paid from operations.

Note 17: Nursing Home Leases

The Corporation has entered into various transactions with entities related to ASC and unrelated third parties involving the leasing of buildings and purchasing of equipment for the operation of nursing homes throughout the state of Indiana with terms through March 2026. These transactions require the Corporation to make monthly lease payments, ranging from \$19,000 to \$198,000 per home. Certain transactions require the lease payments to increase by the greater of the Consumer Price Index (CPI) or a set percentage as defined in each agreement, which is typically 2% to 3%. Additionally, many of the leases have optional extensions available to the Corporation in five-year increments.

The Corporation is required to make various capital improvements for many of these facilities, ranging from \$32,000 to \$230,000 annually per home. In the same way as the lease payments above, these amounts increase annually. The Corporation expects to fund the capital improvements from cash flows generated from the operations of each nursing home.

The Corporation is required to provide security deposits for 28 of the nursing homes. As a result, an irrevocable standby letter of credit in the amount of \$7,374,337 exists to provide the required security.

An unrelated third party serves as the landlord for 33 of the Corporation's nursing facilities. Lease payments to this third party in 2013 approximated \$18,900,000.

Note 18: Related Parties

During the year, the Corporation had transactions with the City of Indianapolis (the City) and Marion County (the County) that were conducted in the normal course of business. The County collects and distributes taxes and other special assessment fees on behalf of the Corporation. For the year ended December 31, 2013, the Corporation received \$113,513,412 in tax cash receipts and \$977,370 in special assessment fees cash receipts from the County for the "Clean and Lien" program to clean up vacant lots and for unsafe building enforcement. At December 31, 2013, the Corporation had a receivable for - due from the State of Indiana. The Corporation paid the County \$468,284 in 2013 for autopsy and death reports, vital records, coroner fees and other matters. In addition, the Corporation acted as a subrecipient or a pass-through agent for various state and federal grant programs with the City and County during 2013.

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Note 19: Joint Ventures

The Corporation is a 50% member in MDwise. MDwise is a not-for-profit corporation that contracts with the State of Indiana through the Office of Medicaid Policy and Planning and the Office of Children’s Health Insurance Program, to arrange for and administer a risk-based managed care program for certain Indiana Medicaid enrollees. The investment is recorded in the Eskenazi Health Enterprise Fund and accounted for under the equity method. The carrying value of this joint venture at December 31, 2013 was \$16,329,885. Complete financial statements for MDwise can be obtained from the MDwise administrative offices at 1099 North Meridian, Suite 320, Indianapolis, Indiana 46204.

The Corporation is a 50% partner in the HHC/Duke Realty Development LLC (LLC). LLC is a limited liability corporation established by the Corporation and Duke Realty to jointly develop and construct an office building located on the Eskenazi Health Campus. The office building is owned by the LLC. The Corporation owns the land under the building and has leased the land to the LLC for 50 years. The Corporation is expected be the sole primary lessee of the building for the next 30 years but does have the authority to sublet as it wishes. The lease entered into by the Corporation was effective November 1, 2013 and has an escalation rate of 7.75% every five years. Future minimum lease payments required to be paid under the lease are included within the governmental activities of Note 10. During 2013, expense recognized under this lease by the Corporation totaled approximately \$1,400,000. The Corporation, as a partner in the LLC, also receives a return on its equity investment equal to 8.25% over the life of the lease. The LLC will continue to own the building at the end of the 30 year lease. However, the Corporation may purchase the building at market value or continue to lease the building from the LLC at the end of the original lease period. The investment in the LLC is recorded in the governmental activities of the statement of net position and is accounted for under the equity method. The carrying value of this joint venture at December 31, 2013 was \$37,502,895. Complete financials for the LLC can be obtained from the Duke Realty administrative offices at 510 E. 96th Street, Suite 250, Indianapolis, IN 46240.

Note 20: Concentrations of Credit Risk

Eskenazi Health and LT Care grant credit without collateral to their patients, most of whom are generally insured under third-party agreements. The mix of receivables from patients and third-party payers at December 31, 2013 is as follows:

Commercial insurance	12%
Medicare	28%
Medicaid	27%
Self-pay	21%
Other	12%
	100%

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Note 21: Commitments and Contingencies

Litigation

In addition to pending medical malpractice claims, the Corporation has various other litigation pending against it. It is the opinion of management that loss, if any, from pending litigation will not have a material adverse effect on its financial position, results of operations or liquidity.

Government Grants

The Corporation participates in a number of federal financial assistance programs. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although, the Corporation expects such amounts, if any, to be immaterial.

Commitments

The Corporation has entered into certain commitments related to the construction of the Eskenazi Health hospital complex of approximately \$12,756,401 at December 31, 2013. Additionally, the General Fund has outstanding encumbrances aggregating \$950,333 at December 31, 2013.

Note 22: Subsequent Events

In August 2014, the Corporation entered into transactions with independent third-parties involving the lease of two additional nursing homes expiring in 2024 and 2022. Annual base lease payments begin at approximately \$960,000 per year for both.

**Required Supplementary Information
(Other Than MD&A) (Unaudited)**

Health and Hospital Corporation of Marion County, Indiana
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Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 104,342,236	\$ 104,342,236	\$ 107,935,184	\$ 3,592,948
Licenses and permits	4,024,100	4,024,100	4,112,158	88,058
Intergovernmental	865,000	865,000	977,370	112,370
Charges for services	1,319,400	1,319,400	1,313,599	(5,801)
Medicaid special revenue	12,760,396	12,760,396	22,802,712	10,042,316
Interest	175,000	175,000	75,830	(99,170)
Grants	17,744,000	17,744,000	20,473,395	2,729,395
Miscellaneous	34,400,000	34,400,000	47,402,169	13,002,169
Total revenues	175,630,132	175,630,132	205,092,417	29,462,285
Expenditures				
Personal services	54,588,500	55,588,500	54,318,430	1,270,070
Supplies	5,267,000	5,967,000	4,682,644	1,284,356
Other charges and services	34,851,185	31,034,300	28,233,201	2,801,099
Capital outlays	1,998,000	1,998,000	779,239	1,218,761
Total expenditures	96,704,685	94,587,800	88,013,514	6,574,286
Other Financing Uses				
Transfers in	110,000,000	110,000,000	179,392,756	69,392,756
Transfers out	(221,253,115)	(252,070,000)	(252,180,620)	(110,620)
Total other financing uses	(111,253,115)	(142,070,000)	(72,787,864)	69,282,136
Net change in fund balances	(32,327,668)	(61,027,668)	44,291,039	105,318,707
Fund balances - beginning of year	95,250,865	95,250,865	129,007,760	33,756,895
Fund balances - end of year	\$ 62,923,197	\$ 34,223,197	\$ 173,298,799	\$ 139,075,602

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to the Required Supplementary Information
December 31, 2013

Budgets and Budgetary Accounting

The Corporation is required by state statute to prepare a budget each calendar year. The budget is prepared for the General, Debt Service and Capital Projects, but is not required for certain activities of the Capital Projects Funds since they are controlled by bond indentures. The Corporation's annual budget is subjected to review by the Corporation's Board of Trustees and the City-County Council, and approved by the State of Indiana Department of Local Government Finance (DLGF). Any additional appropriations that increase the total expenditures require approval by the Corporation's Board of Trustees and the DLGF. Any decreases to total appropriated expenditures require the approval by the Corporation's Board of Trustees but not the DLGF. Budgetary control is exercised at the object of expenditure level. Management may amend department and cost center budgets without seeking Board approval, as long as the total appropriation by Division, and by object of expenditure, remains unchanged.

The General, Capital Projects, and Debt Service Funds budgets are adopted on a basis not consistent with GAAP for revenue as it is a mix of accrual and cash basis. Encumbrances are treated as expenditures for the year in which the commitment to purchase is incurred for budgetary purposes.

Encumbrance Accounting

For accounting purposes, purchase orders, contracts and other anticipated obligations to expend monies are recorded as encumbrances in governmental fund types in order to reserve that portion of the applicable appropriation. Encumbrances and their underlining appropriations do not lapse with the expiration of the budget period.

Reconciliation of Budgetary Basis Actual to GAAP Basis Actual

The schedule of revenues, expenditures, and changes in fund balances - budget and actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because the budgetary and GAAP presentations of actual data differ for the General Fund expenditures, a reconciliation of the two presentations is presented below for the General Fund.

Net change in fund balance - GAAP basis	\$ (49,923,877)
Add (Deduct)	
Change in encumbrances	(1,301,978)
Change in prepaid expenditures	(77,692)
Change in accounts receivable	93,879,050
Change in accounts payable	3,904,823
Change in self-insurance claims	207,920
Change in accrued expense	(2,397,207)
	\$ 44,291,039
Net change in fund balance - Budgetary Basis	\$ 44,291,039

Other Supplementary Information

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,165,914	\$ 6,165,914	\$ 5,382,501	\$ (783,413)
Interest	1,000	1,000	(1,307)	(2,307)
Miscellaneous	10,847,662	10,847,662	9,985,273	(862,389)
Total revenues	17,014,576	17,014,576	15,366,467	(1,648,109)
Expenditures				
Principal retirement	11,490,000	11,490,000	13,810,000	2,320,000
Interest and fiscal charges	41,396,573	44,244,573	41,924,538	(2,320,035)
Total expenditures	52,886,573	55,734,573	55,734,538	(35)
Excess of revenues over expenditures	(35,871,997)	(38,719,997)	(40,368,071)	(1,648,074)
Other Financing Sources				
Transfers in	37,353,115	41,170,000	41,148,884	(21,116)
Total other financing sources	37,353,115	41,170,000	41,148,884	(21,116)
Net change in fund balances	1,481,118	2,450,003	780,813	(1,669,190)
Fund balances - beginning of year	(89,018,786)	(89,018,786)	2,471,880	91,490,666
Fund balances - end of year	\$ (87,537,668)	\$ (86,568,783)	\$ 3,252,693	\$ 89,821,476

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 224,215	\$ 224,215	\$ 195,727	\$ (28,488)
Interest	-	-	45,046	45,046
Miscellaneous	9,000,000	9,000,000	4,750,000	(4,250,000)
Total revenues	9,224,215	9,224,215	4,990,773	(4,233,442)
Expenditures				
Capital outlays	65,401,879	85,401,879	71,957,592	13,444,287
Total expenditures	65,401,879	85,401,879	71,957,592	13,444,287
Excess of revenues over expenditures	(56,177,664)	(76,177,664)	(66,966,819)	9,210,845
Other Financing Sources				
Transfers in	57,400,000	57,400,000	57,400,000	-
Total other financing sources	57,400,000	57,400,000	57,400,000	-
Net change in fund balances	1,222,336	(18,777,664)	(9,566,819)	9,210,845
Fund Balances - beginning of year	(34,443,017)	(34,443,017)	36,593,469	71,036,486
Fund balances - end of year	\$ (33,220,681)	\$ (53,220,681)	\$ 27,026,650	\$ 80,247,331

Statistical Section (Unaudited)

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Statistical Section (Unaudited)

Table of Contents

The statistical section of this report presents detailed information in order to understand what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Financial Trends

Tables I-IV contain trend information to help the reader understand how the Corporation's financial performance and well-being have changed over time.

Revenue Capacity

Tables V-VIII contain information to help the reader assess one of the Corporation's most significant sources of revenue, property taxes.

Debt Capacity

Tables IX-XII present information to help the reader assess the affordability of the Corporation's current levels of outstanding debt and the Corporation's ability to issue additional debt in the future.

Demographic and Economic Information

Tables XIII and Table XIV offer demographic and economic indicators to help the reader understand the environment within which the Corporation's financial activities take place.

Operating Information

Tables XV-XVII contain service and infrastructure data to help the reader understand how the information in the Corporation's financial report relates to the services the Corporation provides and the activities it performs.

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table I
Net Position by Component - Accrual Basis of Accounting
Last Ten Fiscal Years

	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Primary Government										
Governmental activities										
Net investment in capital assets	\$ 12,505,823	\$ 10,475,308	\$ 19,442,084	\$ (823,835)	\$ (25,570,275)	\$ (17,518,906)	\$ 7,784,239	\$ 7,134,802	\$ 7,971,335	\$ 5,855,427
Restricted	639,828	-	-	6,980,523	-	-	-	-	-	-
Unrestricted	(400,646,932)	272,217,244	153,755,224	184,367,974	239,170,613	237,622,474	194,610,049	164,480,042	128,068,721	53,513,426
Total governmental activities net position	<u>\$ (387,501,281)</u>	<u>\$ 282,692,552</u>	<u>\$ 173,197,308</u>	<u>\$ 190,524,662</u>	<u>\$ 213,600,338</u>	<u>\$ 220,103,568</u>	<u>\$ 202,394,288</u>	<u>\$ 171,614,844</u>	<u>\$ 136,040,056</u>	<u>\$ 59,368,853</u>
Business-type activities										
Net investment in capital assets	\$ 825,154,250	\$ 121,146,628	\$ 98,753,758	\$ 120,295,667	\$ 154,871,843	\$ 124,917,253	\$ 106,358,255	\$ 136,595,394	\$ 147,262,474	\$ 157,761,870
Restricted	1,234,753	-	-	171,034	699,698	732,481	1,261,455	639,351	596,789	570,811
Unrestricted	178,069,981	181,698,932	134,746,021	114,974,047	88,436,326	99,749,222	123,084,696	108,974,494	108,828,175	97,261,260
Total business-type activities net position	<u>\$ 1,004,458,984</u>	<u>\$ 302,845,560</u>	<u>\$ 233,499,779</u>	<u>\$ 235,440,748</u>	<u>\$ 244,007,867</u>	<u>\$ 225,398,956</u>	<u>\$ 230,704,406</u>	<u>\$ 246,209,239</u>	<u>\$ 256,687,438</u>	<u>\$ 255,593,941</u>
Primary Government										
Net investment in capital assets	\$ 837,660,073	\$ 131,621,936	\$ 118,195,842	\$ 119,471,832	\$ 129,301,568	\$ 107,398,347	\$ 114,142,494	\$ 143,730,196	\$ 155,233,809	\$ 163,617,297
Restricted	1,874,581	-	-	7,151,557	699,698	732,481	1,261,455	639,351	596,789	570,811
Unrestricted	(222,576,951)	453,916,176	288,501,245	299,342,021	327,606,939	337,371,696	317,694,745	273,454,536	236,896,896	150,774,686
Total primary government net position	<u>\$ 616,957,703</u>	<u>\$ 585,538,112</u>	<u>\$ 406,697,087</u>	<u>\$ 425,965,410</u>	<u>\$ 457,608,205</u>	<u>\$ 445,502,524</u>	<u>\$ 433,098,694</u>	<u>\$ 417,824,083</u>	<u>\$ 392,727,494</u>	<u>\$ 314,962,794</u>

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table II

Schedule of Changes in Net Position - Accrual Basis of Accounting

Last Ten Fiscal Years

	Years Ended December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities										
Administration and finance	\$ 27,170,818	\$ 27,704,061	\$ 23,045,390	\$ 28,400,818	\$ 24,180,194	\$ 27,873,858	\$ 20,163,477	\$ 17,551,946	\$ 14,166,259	\$ 9,612,142
Health improvement	28,527,781	29,487,312	28,917,502	28,146,044	27,632,587	25,527,724	24,159,226	24,145,228	24,399,358	25,275,328
Communicable disease prevention	15,219,997	13,909,736	14,388,516	14,696,779	14,706,663	12,223,308	11,352,654	9,215,253	10,379,233	9,425,318
Water quality and hazardous materials management	2,075,886	1,984,465	2,005,942	1,918,932	1,910,477	1,839,289	1,935,157	1,825,826	1,734,696	1,703,637
Vector disease control	3,515,242	3,410,855	3,954,524	3,905,768	3,871,946	3,804,382	3,940,890	3,509,809	2,977,009	2,965,406
Housing and neighborhood health	5,224,148	6,365,433	6,986,843	6,992,305	6,967,410	6,143,281	5,269,185	5,035,571	4,184,358	4,117,488
Consumer and employee risk reduction	1,692,837	1,712,384	1,795,884	1,916,259	1,694,473	1,580,062	1,579,658	1,557,309	1,546,218	1,581,187
Interest on long-term debt	41,924,538	39,583,468	49,636,823	2,359,635	2,519,440	2,652,816	2,690,760	2,898,454	2,532,873	3,260,807
Intergovernmental	100,675,452	93,737,620	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>226,026,699</u>	<u>217,895,334</u>	<u>130,731,424</u>	<u>88,336,540</u>	<u>83,483,190</u>	<u>81,644,720</u>	<u>71,091,007</u>	<u>65,739,396</u>	<u>61,920,004</u>	<u>57,941,313</u>
Business-type activities										
Eskenazi Health	538,714,684	520,310,998	519,774,867	487,807,076	459,732,722	457,457,787	424,232,288	400,293,483	384,487,424	368,212,850
LT Care	571,763,568	549,407,590	426,846,568	366,852,811	310,478,515	240,118,586	212,410,072	171,792,272	157,656,712	139,064,331
Total business-type activities expenses	<u>1,110,478,252</u>	<u>1,069,718,588</u>	<u>946,621,435</u>	<u>854,659,887</u>	<u>770,211,237</u>	<u>697,576,373</u>	<u>636,642,360</u>	<u>572,085,755</u>	<u>542,144,136</u>	<u>507,277,181</u>
Total primary government expenses	<u>\$ 1,336,504,951</u>	<u>\$ 1,287,613,922</u>	<u>\$ 1,077,352,859</u>	<u>\$ 942,996,427</u>	<u>\$ 853,694,427</u>	<u>\$ 779,221,093</u>	<u>\$ 707,733,367</u>	<u>\$ 637,825,151</u>	<u>\$ 604,064,140</u>	<u>\$ 565,218,494</u>
Program Revenues										
Governmental activities										
Charges for services										
Administration and finance (1)	\$ 3,601,993	\$ 982,203	\$ 3,375,608	\$ 583,185	\$ 11,553,387	\$ 24,835,565	\$ 29,516,097	\$ 32,198,505	\$ 12,042,413	\$ 323,299
Health improvement	2,388,775	3,055,130	2,259,188	2,420,983	2,343,511	2,324,464	2,382,740	2,036,999	2,094,473	1,979,376
Communicable disease prevention	663,260	556,999	559,475	631,281	571,655	533,564	363,533	358,954	395,412	323,576
Water quality and hazardous materials management	356,682	356,262	353,215	352,972	356,886	352,902	367,016	360,957	354,111	358,022
Vector disease control	499,977	551,975	563,276	752,623	687,121	614,797	1,261,037	898,812	125,523	102,741
Housing and neighborhood health	417,448	413,012	468,733	317,965	416,541	435,687	469,407	633,456	85,501	92,722
Consumer and employee risk reduction	2,182,983	2,149,007	2,177,656	2,109,083	2,022,930	1,905,944	2,355,841	2,087,249	1,898,597	1,757,581
Operating grants and contributions (1)	54,428,929	57,701,542	47,974,400	44,126,964	18,304,481	15,513,792	13,955,419	12,108,583	16,573,583	17,488,087
Capital grants and contributions	6,000,000	16,147,752	1,532,905	3,104,698	3,123,848	1,527,403	1,217,110	3,575,826	1,702,901	-
Total governmental activities program revenues	<u>70,540,047</u>	<u>81,913,882</u>	<u>59,264,456</u>	<u>54,399,754</u>	<u>39,380,360</u>	<u>48,044,118</u>	<u>51,888,200</u>	<u>54,259,341</u>	<u>35,272,514</u>	<u>22,425,404</u>

(1) Certain intergovernmental revenues have been reclassified in 2010-2012; amounts in prior year have not been revised.

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table II - Continued
Schedule of Changes in Net Position - Accrual Basis of Accounting
Last Ten Fiscal Years

	Years Ended December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-type activities										
Charges for services										
Eskenazi Health	\$ 326,831,719	\$ 380,863,992	\$ 261,819,236	\$ 252,468,219	\$ 250,657,243	\$ 235,271,501	\$ 239,779,417	\$ 222,001,734	\$ 224,633,684	\$ 199,864,995
LT Care	763,692,871	690,328,627	574,233,417	429,785,305	381,662,295	288,984,754	210,548,466	167,574,919	167,009,420	134,559,380
Operating grants and contributions	20,534,454	20,057,585	20,460,189	18,703,315	21,668,536	16,646,528	9,308,853	7,680,805	8,414,943	10,038,960
Capital grants and contributions	2,224,001	-	-	769,000	-	-	314,400	-	-	-
Total business-type activities program revenue	<u>1,113,283,045</u>	<u>1,091,250,204</u>	<u>856,512,842</u>	<u>701,725,839</u>	<u>653,988,074</u>	<u>540,902,783</u>	<u>459,951,136</u>	<u>397,257,458</u>	<u>400,058,047</u>	<u>344,463,335</u>
Total primary government program revenues	<u>\$ 1,183,823,092</u>	<u>\$ 1,173,164,086</u>	<u>\$ 915,777,298</u>	<u>\$ 756,125,593</u>	<u>\$ 693,368,434</u>	<u>\$ 588,946,901</u>	<u>\$ 511,839,336</u>	<u>\$ 451,516,799</u>	<u>\$ 435,330,561</u>	<u>\$ 366,888,739</u>
Net program (expense)/revenue										
Governmental activities	\$ (155,486,652)	\$ (42,243,832)	\$ (71,466,968)	\$ (33,936,786)	\$ (44,102,830)	\$ (33,600,602)	\$ (19,202,807)	\$ (11,480,055)	\$ (26,647,490)	\$ (35,515,909)
Business-type activities	<u>2,804,793</u>	<u>21,531,616</u>	<u>(90,108,593)</u>	<u>(152,934,048)</u>	<u>(116,233,163)</u>	<u>(156,673,590)</u>	<u>(176,691,224)</u>	<u>(173,111,652)</u>	<u>(142,086,089)</u>	<u>(162,813,846)</u>
Total primary government net expense	<u>\$ (152,681,859)</u>	<u>\$ (20,712,216)</u>	<u>\$ (161,575,561)</u>	<u>\$ (186,870,834)</u>	<u>\$ (160,335,993)</u>	<u>\$ (190,274,192)</u>	<u>\$ (195,894,031)</u>	<u>\$ (184,591,707)</u>	<u>\$ (168,733,579)</u>	<u>\$ (198,329,755)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property and HCI taxes	\$ 106,708,214	\$ 105,627,906	\$ 104,742,264	\$ 105,792,726	\$ 99,656,899	\$ 97,126,269	\$ 89,583,638	\$ 89,435,326	\$ 87,980,567	\$ 88,498,342
Excise taxes	5,518,410	5,551,960	5,269,274	5,252,268	5,278,006	6,927,280	6,831,647	7,270,595	7,507,089	7,889,045
Financial institution taxes	1,286,788	1,285,940	1,319,008	1,275,274	1,477,986	1,284,278	1,268,115	1,260,083	1,268,250	1,269,040
Medicaid special revenue	63,708,066	168,169,564	14,374,161	39,048,278	61,819,896	87,227,322	102,956,478	101,186,941	143,381,951	137,474,685
Build America Bonds interest subsidies	9,985,273	10,847,662	13,775,283	-	-	-	-	-	-	-
Unrestricted investment earnings	579,543	356,401	1,316,116	2,482,149	795,022	4,056,678	7,077,243	6,521,273	3,614,043	978,823
Transfers	<u>(700,662,007)</u>	<u>(46,362,737)</u>	<u>(86,656,492)</u>	<u>(142,989,585)</u>	<u>(131,428,209)</u>	<u>(145,311,945)</u>	<u>(157,734,870)</u>	<u>(158,619,375)</u>	<u>(140,433,207)</u>	<u>(162,790,490)</u>
Total governmental activities	<u>(512,875,713)</u>	<u>245,476,696</u>	<u>54,139,614</u>	<u>10,861,110</u>	<u>37,599,600</u>	<u>51,309,882</u>	<u>49,982,251</u>	<u>47,054,843</u>	<u>103,318,693</u>	<u>73,319,445</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table II - Continued
Schedule of Changes in Net Position - Accrual Basis of Accounting
Last Ten Fiscal Years

	2013	2012	2011	2010	Years Ended December 31		2007	2006	2005	2004
					2009	2008				
Business-type activities										
Unrestricted investment earnings	\$ (1,853,376)	\$ 1,451,428	\$ 1,511,132	\$ 1,377,344	\$ 3,403,865	\$ 6,056,195	\$ 3,451,521	\$ 4,014,078	\$ 2,746,379	\$ 1,220,966
Transfers	700,662,007	46,362,737	86,656,492	142,989,585	131,428,209	145,311,945	157,734,870	158,619,375	140,433,207	162,790,490
Total business-type activities	<u>698,808,631</u>	<u>47,814,165</u>	<u>88,167,624</u>	<u>144,366,929</u>	<u>134,832,074</u>	<u>151,368,140</u>	<u>161,186,391</u>	<u>162,633,453</u>	<u>143,179,586</u>	<u>164,011,456</u>
Total primary government	<u>\$ 185,932,918</u>	<u>\$ 293,290,861</u>	<u>\$ 142,307,238</u>	<u>\$ 155,228,039</u>	<u>\$ 172,431,674</u>	<u>\$ 202,678,022</u>	<u>\$ 211,168,642</u>	<u>\$ 209,688,296</u>	<u>\$ 246,498,279</u>	<u>\$ 237,330,901</u>
Change in Net Position										
Governmental activities	\$ (668,362,365)	\$ 109,495,244	\$ (17,327,354)	\$ (23,075,676)	\$ (6,503,230)	\$ 17,709,280	\$ 30,779,444	\$ 35,574,788	\$ 76,671,203	\$ 37,803,536
Business-type activities	<u>701,613,424</u>	<u>69,345,781</u>	<u>(1,940,969)</u>	<u>(8,567,119)</u>	<u>18,608,911</u>	<u>(5,305,450)</u>	<u>(15,504,833)</u>	<u>(10,478,199)</u>	<u>1,093,497</u>	<u>1,197,610</u>
Total primary government	<u>\$ 33,251,059</u>	<u>\$ 178,841,025</u>	<u>\$ (19,268,323)</u>	<u>\$ (31,642,795)</u>	<u>\$ 12,105,681</u>	<u>\$ 12,403,830</u>	<u>\$ 15,274,611</u>	<u>\$ 25,096,589</u>	<u>\$ 77,764,700</u>	<u>\$ 39,001,146</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table III

Fund Balances, Governmental Funds - Modified Accrual Basis of Accounting
Last Ten Fiscal Years ⁽¹⁾

	December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 4,120,202	\$ 2,985,130	\$ 6,268,915	\$ 7,046,198	\$ 8,407,286	\$ 3,640,918	\$ 5,214,233
Unreserved	-	-	-	149,037,699	158,561,111	146,844,353	122,752,504	110,958,027	111,837,016	37,286,974
Nonspendable	400,672	478,369	417,843	-	-	-	-	-	-	-
Assigned	950,333	2,252,310	3,174,846	-	-	-	-	-	-	-
Unassigned	178,951,711	227,495,914	131,936,536	-	-	-	-	-	-	-
Total general fund	<u>\$ 180,302,716</u>	<u>\$ 230,226,593</u>	<u>\$ 135,529,225</u>	<u>\$ 153,157,901</u>	<u>\$ 161,546,241</u>	<u>\$ 153,113,268</u>	<u>\$ 129,798,702</u>	<u>\$ 119,365,313</u>	<u>\$ 115,477,934</u>	<u>\$ 42,501,207</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ 189,574,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Debt service fund	-	-	-	(1,259,840)	(1,882,120)	(3,631,044)	(412,637)	362,060	(16,186)	198,382
Capital projects fund	-	-	-	23,895,431	65,127,048	64,318,221	43,030,727	40,814,423	38,643,862	37,281,256
Restricted, reported in										
Debt service fund	16,119,056	16,035,192	17,494,306	-	-	-	-	-	-	-
Capital projects fund	844,731	62,633,749	123,726,061	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	708,964	12,015	-	-	-	-	-	-	-	-
Capital projects fund	16,549,678	13,559,774	-	-	-	-	-	-	-	-
Unassigned, reported in										
Debt service fund	-	-	(633,693)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 34,222,429</u>	<u>\$ 92,240,730</u>	<u>\$ 140,586,674</u>	<u>\$ 212,210,429</u>	<u>\$ 63,244,928</u>	<u>\$ 60,687,177</u>	<u>\$ 42,618,090</u>	<u>\$ 41,176,483</u>	<u>\$ 38,627,676</u>	<u>\$ 37,479,638</u>

(1) In 2011, the Corporation adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. While the 2011 amounts reflect the new fund balance classifications, prior year amounts have not been reclassified and are therefore not comparable.

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table IV
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Years Ending December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	\$ 113,513,412	\$ 112,465,806	\$ 111,330,546	\$ 128,505,950	\$ 126,281,363	\$ 88,336,613	\$ 82,095,459	\$ 97,965,873	\$ 97,196,828	\$ 98,214,855
Licenses and permits	4,112,157	3,901,841	3,933,300	3,857,259	3,774,650	3,700,835	4,193,808	3,864,882	3,662,722	3,565,750
Intergovernmental	53,466,529	58,176,574	36,824,648	48,871,597	19,936,304	18,820,201	14,629,232	16,007,012	16,598,192	17,030,332
Charges for services	1,313,598	1,147,540	1,170,890	1,342,212	16,134,540	20,149,821	27,570,626	1,079,203	1,162,710	809,638
Medicaid special revenue	37,142,046	167,935,928	14,374,161	39,799,959	62,927,328	126,524,776	105,102,078	72,864,271	142,926,951	122,974,685
Build America Bonds interest subsidies	9,985,273	10,847,662	13,775,283	-	-	-	-	-	-	-
Contributions	6,000,000	16,000,000	12,900,000	-	-	-	-	-	-	-
Investment income	169,543	356,401	1,316,116	2,482,149	795,022	4,056,678	7,077,243	6,521,271	3,614,043	978,823
Miscellaneous	2,398,746	2,748,262	4,410,403	3,343,738	242,255	5,470,057	2,306,154	31,765,188	13,449,938	1,330,121
Total revenues	<u>228,101,304</u>	<u>373,580,014</u>	<u>200,035,347</u>	<u>228,202,864</u>	<u>230,091,462</u>	<u>267,058,981</u>	<u>242,974,600</u>	<u>230,067,700</u>	<u>278,611,384</u>	<u>244,904,204</u>
Expenditures										
Administrative	25,135,125	24,867,451	23,875,423	25,457,868	21,572,325	23,283,723	19,041,700	14,118,571	12,039,938	6,032,923
Population health	24,776,381	22,599,355	23,718,257	22,643,391	21,000,830	19,816,620	18,819,736	18,042,145	16,880,567	15,180,714
Environmental health	12,332,885	12,791,408	12,401,862	11,885,107	11,566,888	10,964,278	10,905,283	10,584,558	9,566,699	8,998,116
Health center program	965,321	1,154,921	1,615,344	1,491,812	2,012,429	1,630,315	1,151,665	1,049,574	1,100,104	1,131,120
Data processing	3,555,788	3,233,840	3,034,812	2,932,675	2,865,135	2,972,158	2,710,015	2,803,176	3,288,074	2,785,547
Grants program	14,697,183	15,090,143	16,546,600	18,324,824	20,059,103	15,928,714	14,110,484	15,264,642	14,536,941	14,399,483
Capital outlays	275,367,515	286,375,233	158,620,259	107,499,401	4,236,379	1,123,966	2,816,332	2,516,273	1,685,354	4,264,463
Debt service										
Principal	13,810,000	13,300,000	2,455,000	1,955,000	1,840,000	1,958,122	1,853,629	1,749,548	2,380,863	1,652,555
Interest and fiscal charges	41,924,538	39,583,468	49,636,823	2,359,635	2,519,440	2,685,491	2,690,760	2,789,136	2,574,872	3,301,307
Bond issuance costs	-	-	-	1,833,646	-	-	-	-	429,167	-
Intergovernmental	100,675,452	93,737,620	-	-	-	-	-	-	-	-
Total expenditures	<u>513,240,188</u>	<u>512,733,439</u>	<u>291,904,380</u>	<u>196,383,359</u>	<u>87,672,529</u>	<u>80,363,387</u>	<u>74,099,604</u>	<u>68,917,623</u>	<u>64,482,579</u>	<u>57,746,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285,138,884)</u>	<u>(139,153,425)</u>	<u>(91,869,033)</u>	<u>31,819,505</u>	<u>142,418,933</u>	<u>186,695,594</u>	<u>168,874,996</u>	<u>161,150,077</u>	<u>214,128,805</u>	<u>187,157,976</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table IV - Continued
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Years Ending December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other Financing Sources (Uses)										
Proceeds of bonds	\$ -	\$ -	\$ -	\$ 195,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding on bonds issued	-	-	-	-	-	-	-	-	28,960,000	-
Premium on bonds issued	-	-	-	3,907,846	-	-	-	-	1,013,992	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(29,544,825)	-
Other debt issued	151,303,950	190,304,849	89,273,094	52,839,395	-	-	-	-	-	-
Transfers in	277,856,226	175,086,073	138,174,404	37,000,000	55,000,000	30,300,000	-	-	8,294	-
Transfers out	(251,963,470)	(179,886,073)	(224,830,896)	(179,989,585)	(186,428,209)	(175,611,941)	(157,000,000)	(154,713,891)	(140,441,501)	(156,641,279)
Total other financing sources (uses), net	<u>177,196,706</u>	<u>185,504,849</u>	<u>2,616,602</u>	<u>108,757,656</u>	<u>(131,428,209)</u>	<u>(145,311,941)</u>	<u>(157,000,000)</u>	<u>(154,713,891)</u>	<u>(140,004,040)</u>	<u>(156,641,279)</u>
Net change in fund balances	<u>\$ (107,942,178)</u>	<u>\$ 46,351,424</u>	<u>\$ (89,252,431)</u>	<u>\$ 140,577,161</u>	<u>\$ 10,990,724</u>	<u>\$ 41,383,653</u>	<u>\$ 11,874,996</u>	<u>\$ 6,436,186</u>	<u>\$ 74,124,765</u>	<u>\$ 30,516,697</u>
Debt service as a percentage of noncapital expenditures	22.0%	23.4%	37.9%	6.9%	5.2%	5.9%	6.4%	6.8%	8.6%	9.3%
Debt service expenditures	\$ 55,734,538	\$ 52,883,468	\$ 52,091,823	\$ 6,148,281	\$ 4,359,440	\$ 4,643,613	\$ 4,544,389	\$ 4,538,684	\$ 5,384,902	\$ 4,953,862
Noncapital expenditures	253,071,951	226,358,206	137,490,121	88,883,958	83,436,150	79,239,421	71,283,272	66,401,350	62,797,225	53,481,765

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table V
Assessed Value and Estimated Actual Value of Taxable Property
December 31, 2013

Year	Real Property		Personal Property		Total		Total Direct Tax Rate
	Assessed Value (1)	True Tax Value	Assessed Value (1)	True Tax Value	Assessed Value (1)	True Tax Value	
2013	\$ 34,038,407,113	\$ 34,038,407,113	\$ 5,841,671,000	\$ 5,841,671,000	\$ 39,880,078,113	\$ 39,880,078,113	\$ 0.1982
2012	33,922,279,415	33,922,279,415	5,467,373,000	5,467,373,000	39,389,652,415	39,389,652,415	0.1874
2011	34,203,195,277	34,203,195,227	5,449,472,000	5,449,472,000	39,652,667,277	39,652,667,227	0.1805
2010	30,071,881,985	30,071,881,985	5,745,524,000	5,745,524,000	35,817,405,985	35,817,405,985	0.1595
2009	31,039,405,707	31,039,405,707	5,657,964,000	5,657,964,000	36,697,369,707	36,697,369,707	0.1543
2008	38,250,226,004	38,250,226,004	5,454,450,000	5,454,450,000	43,704,676,004	43,704,676,004	0.2114
2007	39,182,916,707	39,182,916,707	5,565,477,874	5,565,477,874	44,748,394,581	44,748,394,581	0.2022
2006	33,030,628,020	33,030,628,020	7,195,875,948	7,195,875,948	40,226,503,968	40,226,503,968	0.2242
2005	32,400,972,000	32,400,972,000	7,229,661,000	7,229,661,000	39,630,633,000	39,630,633,000	0.2249
2004	34,606,376,000	34,606,376,000	5,323,754,000	5,323,754,000	39,930,130,000	39,930,130,000	0.2253

(1) Represents the assessment (Marion County Auditor's "certified abstract") on March 1 of the prior year for taxes due and payable in the year indicated.

Source: Marion County Auditor

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table VI
Property Tax Rates - Direct and Overlapping Governments ⁽²⁾
December 31, 2013

Year	Operations	Debt	Cumulative Building	Total	City	County Direct Rates		Other Direct Rates			Total Direct and Overlapping Rates (1)
						County	Municipal Corporations	School	State	Other	
2013	0.1811	0.0165	0.0006	0.1982	0.9802	0.3932	0.2332	1.4829	-	0.0607	3.3484
2012	0.1740	0.0128	0.0006	0.1874	1.0034	0.4007	0.2084	1.2711	-	0.0670	3.1380
2011	0.1640	0.0159	0.0006	0.1805	0.9525	0.3665	0.1880	1.4065	-	0.0615	3.1555
2010	0.1494	0.0095	0.0006	0.1595	0.8673	0.3534	0.1687	1.3692	-	0.0615	2.9796
2009	0.1440	0.0097	0.0006	0.1543	0.8634	0.3513	0.1711	1.1569	-	0.0578	2.7548
2008	0.2023	0.0085	0.0006	0.2114	0.8920	0.4847	0.1407	1.7668	0.0024	0.0510	3.5490
2007	0.1928	0.0088	0.0006	0.2022	0.8746	0.5741	0.1398	1.8713	0.0024	0.0522	3.7166
2006	0.2138	0.0098	0.0006	0.2242	0.9425	0.3555	0.1509	1.7172	0.1538	0.0523	3.5964
2005	0.2137	0.0106	0.0006	0.2249	0.9553	0.4163	0.1501	1.6744	0.0024	0.0516	3.4750
2004	0.2139	0.0108	0.0006	0.2253	0.9485	0.4129	0.1189	1.7827	0.0024	0.0607	3.5514

(1) Rate of District 101 (Indianapolis - Center Township), which is the only rate that includes all major services.

(2) Data presented is per the tax rate schedule certified by the Department of Local Government Finance (DLGF).

Source: Marion County Auditor's Office.

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table VII
Principal Property Tax Payers
Current Year and Nine Years Ago
December 31, 2013

Taxpayers	2013				Taxpayers	2004			
	Net Taxable Assessed Valuation (1) (2) (in thousands)	Rank	Percentage of Total City Taxable Assessed Valuation			Net Taxable Assessed Valuation (2) (3) (in thousands)	Rank	Percentage of Total City Taxable Assessed Valuation	
1 Eli Lilly and Company	\$ 1,130,547	1	2.882%		Eli Lilly & Company	\$ 790,468	1	1.980%	
2 Citizens Energy Group	440,801	2	1.124%		Southwestern Bell	397,080	2	0.994%	
3 Indianapolis Power and Light Company	408,967	3	1.043%		Indianapolis Power and Light	361,426	3	0.905%	
4 Convention Headquarters Hotels, LLC	174,342	4	0.445%		Simon Property Group, Inc.	275,553	4	0.690%	
5 Federal Express Corporation	165,049	5	0.421%		AIMCo	263,419	5	0.660%	
6 CW Monument Circle, Inc.	142,726	6	0.364%		General Motors Corporation	199,030	6	0.498%	
7 Indiana Bell Telephone Company, Inc.	135,904	7	0.347%		Federal Express Corp.	194,385	7	0.487%	
8 Allison Transmission, Inc.	120,901	8	0.308%		International Truck and Engine (formerly Navistar)	178,911	8	0.448%	
9 American United Life Insurance Company	97,784	9	0.249%		Visteon Corporation (formerly Ford Motor Co.)	152,576	9	0.382%	
10 Castleton Square, LLC	90,661	10	0.231%		American United Life Insurance Co.	118,127	10	0.296%	
11 Rolls-Royce Corporation	80,618	11	0.206%		Wal-Mart	114,234	11	0.286%	
12 SVC Manufacturing	80,606	12	0.206%		Monument Circle, LLC	108,647	12	0.272%	
13 Indianapolis Motor Speedway, LLC	79,736	13	0.203%		Rolls-Royce	103,894	13	0.260%	
14 Keystone Investors, LLC	79,545	14	0.203%		Marsh Supermarkets, Inc.	97,845	14	0.245%	
15 Ingredion, Inc.	73,799	15	0.188%		Roche Diagnostics Corp.	91,370	15	0.229%	
16 Circle Centre Development Co.	69,406	16	0.177%		n/a	-	16	0.000%	
17 Verizon Wireless	66,482	17	0.170%		n/a	-	17	0.000%	
18 HUB Properties GA, LLC	62,116	18	0.158%		n/a	-	18	0.000%	
19 MT Acquisitions, LLC	61,389	19	0.157%		n/a	-	19	0.000%	
20 Hertz Indianapolis Two, LLC	52,371	20	0.134%		n/a	-	20	0.000%	
	\$ 3,613,750		9.21%			\$ 3,446,965		8.632%	

(1) Represents the March 1, 2012 valuations for taxes due and payable in 2013 as represented by the taxpayer.

(2) Net Assessed Valuation was determined using public records from the Marion County Treasurer's Office.

(3) Data from the 2004 Health and Hospital Corporation's Comprehensive Annual Financial Report.

n/a = Not available.

Source: Marion County Auditor's Office

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table VIII
Property Tax Levies and Collections
December 31, 2013

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Delinquent Tax Receipt (1)	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2013	\$ 67,464,122	\$ 54,676,556	81.05%	\$ -	\$ -	\$ 54,676,556	81.05%
2012	63,570,352	54,667,634	86.00%	-	2,060,093	56,727,727	89.24%
2011	61,736,767	52,513,485	85.06%	-	2,204,628	54,718,113	88.63%
2010	57,128,763	54,775,062	95.88%	-	2,336,402	57,111,464	99.97%
2009	56,624,041	31,594,513	55.80%	21,185,683	472,227	53,252,423	94.05%
2008	92,391,685	52,293,400	56.60%	39,094,389	130,137	91,517,926	99.05%
2007	90,456,328	72,009,781	79.61%	18,410,575	35,972	90,456,328	100.00%
2006	90,469,407	88,872,634	98.24%	634,310	14,705	89,521,649	98.95%
2005	88,832,049	87,127,862	98.08%	643,154	6,420	87,777,436	98.81%
2004	88,991,203	88,146,064	99.05%	845,139	-	88,991,203	100.00%

- (1) Delinquent tax that was paid in 2011-2013. Information not available for prior years.
- (2) Beginning with the 2006 tax year payable 2007, all real property assessments have been revalued annually to reflect market value based on comparable sales data ("Trending"). The implementation of Trending caused delays in the collection of property taxes in 2008 and 2009. In addition, due to technical concerns relating to Trending, the Governor ordered a reassessment of property value in Marion County for 2006 taxes payable in 2007 (the "Special Reassessment"). This Special Reassessment delayed collection of a portion of the taxes payable in 2007 and 2008.

Source: Marion County Auditor's Office

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table IX
Ratios of Outstanding Debt by Type
December 31, 2013

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income (2) (3)	Debt Per Capita (2)
	General Obligation Bonds of 2005 (1)	General Obligation Bonds of 2000 (1)	General Obligation Bonds of 2010	Due to Local Government	Capital Lease	Renovation Bonds of 1988	Notes Payable	Long-Term Care Capital Leases				
2013	\$ 23,945,330	\$ -	\$ 177,835,000	\$ -	\$ 479,131,290	\$ 11,075,000	\$ -	\$ 422,712,391	\$ 1,114,699,011	-	\$ 1,212.98	
2012	21,295,000	-	186,565,000	322,659,705	7,487,632	12,495,000	-	448,820,049	999,322,386	2.71%	1,096.59	
2011	22,570,000	-	195,000,000	135,659,802	6,452,687	13,815,000	-	353,793,730	727,291,219	2.08%	803.29	
2010	23,795,000	-	195,000,000	52,839,395	-	15,045,000	-	284,101,584	570,780,979	1.69%	631.82	
2009	24,610,000	-	-	-	-	16,185,000	-	275,252,457	316,047,457	0.94%	354.76	
2008	25,390,000	-	-	-	-	17,245,000	-	189,181,169	231,816,169	0.69%	263.31	
2007	26,140,000	-	-	-	-	18,235,000	218,122	191,712,922	236,306,044	0.71%	269.51	
2006	26,865,000	-	-	-	-	19,155,000	426,751	166,112,532	212,559,283	0.65%	245.59	
2005	27,565,000	-	-	-	-	20,005,000	626,299	151,253,286	199,449,585	0.64%	231.44	
2004	-	27,280,000	-	-	-	20,800,000	817,162	117,886,520	166,783,682	0.56%	193.78	

- (1) The General Obligation (GO) Bonds of 2000 were refunded in late 2005 and replaced with the GO bonds of 2005.
- (2) See Table XIII for personal income and population data.
- (3) Personal income not available for 2013.

Source: Notes to basic financial statements.

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table X
Ratio of Net General Obligation Debt Outstanding
December 31, 2013

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Notes Payable	Total Net Bonded Debt		
2013	\$ 212,855,330	\$ -	\$ 212,855,330	0.53%	231.62
2012	220,355,000	-	220,355,000	0.56%	241.80
2011	231,385,000	-	231,385,000	0.58%	255.56
2010	233,840,000	-	233,840,000	0.65%	258.85
2009	40,795,000	-	40,795,000	0.11%	45.79
2008	42,635,000	-	42,635,000	0.10%	48.43
2007	44,375,000	218,122	44,593,122	0.10%	50.86
2006	46,020,000	426,751	46,446,751	0.12%	53.66
2005	47,570,000	626,299	48,196,299	0.12%	55.93
2004	48,080,000	817,162	48,897,162	0.12%	56.81

Source: Notes to basic financial statements and Marion County Auditor's Office.

Health and Hospital Corporation of Marion County, Indiana

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XI
Schedule of Direct and Overlapping Debt and Bonded Debt Limit
December 31, 2013

	Assessed Value (\$) (in thousands)	Bonding Limit		Bonds Outstanding (in thousands)
		%	Dollar Amount (in thousands)	
Direct Debt:				
Health and Hospital Corporation of Marion County	\$ 35,693,267	0.67%	\$ 239,145	\$ 212,855
Other Direct Debt:				
Capital lease obligations				901,844
Total Health and Hospital Corporation debt				<u>\$ 1,114,699</u>
Overlapping:				
Marion County	35,693,267	0.67%	\$ 239,145	\$ -
City of Indianapolis				
Civil City	33,385,304	0.67%	\$ 223,682	\$ 64,885
Park District	35,693,267	0.67%	239,145	14,647
Redevelopment District	33,385,304	(3)	-	525
Flood Control District	35,693,267	0.67%	239,145	7,170
Metropolitan Thoroughfare District	35,693,267	1.33%	474,720	27,488
Sanitary District	32,921,017	4.00%	1,316,842	35,425
Solid Waste Disposal District	33,428,589	2.00%	668,572	-
Pub Safety Comm and Comp Facilities District	35,693,267	0.67%	239,145	30,660
Total city debt			<u>\$ 3,401,250</u>	<u>\$ 180,800</u>
Other Municipal Corporations				
Indianapolis Airport Authority	35,693,267	0.67%	\$ 239,145	\$ -
Capital Improvement Board	35,693,267	0.67%	239,145	-
Indianapolis-Marion County Building Authority	35,693,267	(1)	-	10,740
Indianapolis-Marion County Library	34,789,454	0.67%	233,089	73,705
Indianapolis Public Transportation Corp.	33,779,081	0.67%	226,320	4,675
Total municipal corporations			<u>\$ 937,699</u>	<u>\$ 89,120</u>
School Districts				
Beech Grove	\$ 371,520	(4)	\$ 63,063	\$ 4,402
Decatur	1,080,729	(4)	161,460	3,224
Franklin	1,754,835	(4)	268,823	-
Indianapolis Public Schools	9,494,872	(4)	600,032	23,047
Lawrence	4,722,452	(4)	244,362	25,245
Perry	3,066,711	(4)	178,537	15,950
Pike	4,561,987	(4)	110,925	28,600
Speedway	532,292	(4)	10,646	900
Warren	2,290,026	(4)	45,801	2,428
Washington	5,503,911	(4)	151,698	4,000
Wayne	2,374,326	(4)	292,167	20,345
Total school districts			<u>\$ 2,127,514</u>	<u>\$ 128,141</u>

Health and Hospital Corporation of Marion County, Indiana (A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XI - Continued Schedule of Direct and Overlapping Debt and Bonded Debt Limit December 31, 2013

	Assessed Value (5) (in thousands)	Bonding Limit		Bonds Outstanding (in thousands)
		%	Dollar Amount (in thousands)	
Other Cities and Towns				
Beech Grove	\$ 393,777	0.67%	\$ 2,638	\$ 1,865
Lawrence	1,338,609	0.67%	8,969	4,790
Southport	43,285	0.67%	290	285
Speedway	532,292	0.67%	3,566	4,185
Total Other Cities and Towns	<u>\$ 2,307,963</u>		<u>\$ 15,464</u>	<u>\$ 11,125</u>
Townships				
Center	\$ 5,329,872	0.67%	\$ 35,710	\$ -
Decatur	1,085,891	0.67%	7,275	-
Franklin	1,889,008	0.67%	12,656	-
Lawrence	5,059,333	0.67%	33,898	1,745
Perry	3,333,302	0.67%	22,333	-
Pike	4,335,892	0.67%	29,050	5,600
Warren	3,095,239	0.67%	20,738	-
Washington	7,678,792	0.67%	51,448	-
Wayne	3,640,990	0.67%	24,395	850
Total Townships	<u>\$ 35,448,319</u>		<u>\$ 237,503</u>	<u>\$ 8,195</u>
Excluded Library Districts				
Beech Grove	\$ 371,520	0.67%	\$ 2,489	\$ -
Speedway	532,292	0.67%	3,566	380
Total Excluded Library Districts	<u>\$ 903,812</u>		<u>\$ 6,055</u>	<u>\$ 380</u>
Ben Davis Conservancy District	<u>\$ 898</u>	(2)		-
Total Overlapping Debt				<u>\$ 417,761</u>
Total Direct and Overlapping Debt				<u>\$ 1,532,460</u>

Source: City of Indianapolis, Office of Finance and Management

- (1) There is no debt limit for the Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Authority's enabling legislation.
- (2) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.
- (3) There is no statutory constitutional debt limitation to the Park and Redevelopment Districts.
- (4) A statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
- (5) Represents the March 1, 2012 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2013.

Note: Information regarding the percentage of overlap between the Corporation and the overlapping governments presented in the above table is not readily available.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Corporation. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Corporation. This process recognizes that, when considering the Corporation's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Health and Hospital Corporation of Marion County, Indiana
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Table XII
Legal Debt Margin Calculation
December 31, 2013

Legal Debt Margin Calculation for Fiscal Year Ended	
<u>December 31, 2013</u>	
Net assessed value - 2013	\$ 34,038,407,113
Debt limit (.67% of assessed values)	228,057,328
 Debt applicable to limit	
Bonded Debt	<u>212,855,330</u>
 Legal Debt Margin	<u><u>\$ 15,201,998</u></u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 228,057,328	\$ 227,279,272	\$ 243,021,408	\$ 239,976,620	\$ 245,872,377	\$ 292,821,329	\$ 299,814,244	\$ 269,517,577	\$ 265,525,241	\$ 267,531,873
Total net debt applicable to limit	<u>212,855,330</u>	<u>220,355,000</u>	<u>231,385,000</u>	<u>233,840,000</u>	<u>40,795,000</u>	<u>42,635,000</u>	<u>44,593,122</u>	<u>46,446,751</u>	<u>48,196,299</u>	<u>48,897,162</u>
Legal debt margin	<u><u>\$ 15,201,998</u></u>	<u><u>\$ 6,924,272</u></u>	<u><u>\$ 11,636,408</u></u>	<u><u>\$ 6,136,620</u></u>	<u><u>\$ 205,077,377</u></u>	<u><u>\$ 250,186,329</u></u>	<u><u>\$ 255,221,122</u></u>	<u><u>\$ 223,070,826</u></u>	<u><u>\$ 217,328,942</u></u>	<u><u>\$ 218,634,711</u></u>
Total net debt applicable to the limit as a percentage of debt limit	93.33%	96.95%	95.21%	97.44%	16.59%	14.56%	14.87%	17.23%	18.15%	18.28%

Source: Marion County Auditor's Office and Basic Financial Statements.

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Table XIII
Demographic and Economic Statistics
December 31, 2013

Year	(1) (2) Population	(2) Personal Income (In Thousands)	(2) Per Capita Personal Income	Public School Enrollment	(3) Unemployment Rate
2013	918,977	\$ -	\$ 40,132	149,697	6.8%
2012	911,296	36,880,741	38,309	146,175	8.3%
2011	905,393	34,910,486	40,572	143,053	8.9%
2010	903,393	33,687,344	38,796	159,865	8.4%
2009	890,879	33,774,144	38,532	159,089	8.5%
2008	880,380	33,798,139	39,318	145,569	5.6%
2007	876,804	33,237,000	38,980	136,883	4.5%
2006	865,504	32,652,000	37,403	133,697	4.4%
2005	861,760	31,270,050	36,286	133,694	4.8%
2004	860,674	29,892,584	34,732	132,505	4.7%

(1) Source: Census Bureau-Population Estimates base reflects changes to the Census 2000 population.

(2) Source: U.S. Bureau of Economics Census Bureau mid-year population estimates. Estimates for 2004-2013 reflect county population estimates available as of March 2014. Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for 2004-2013 reflect county population estimates available as of March 2014. Data was not yet available for 2013 personal income.

(3) Source: Data provided by the U.S. Bureau of Labor Statistics.

Health and Hospital Corporation of Marion County, Indiana
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Table XIV
Principal Employers
Current Year and Nine Years Ago ⁽²⁾
December 31, 2013

Taxpayer	(1) Employees	(1) Rank	(1) Percentage of Total Metropolitan Statistical Area Employment
I.U. Health	20,292	1	2.21%
St. Vincent Hospitals & Health Service	11,075	2	1.21%
Eli Lilly and Company	10,500	3	1.14%
Wal-Mart	9,000	4	0.98%
Marsh Supermarkets	8,890	5	0.97%
Community Health Network	8,100	6	0.88%
Indianapolis Public Schools	6,123	7	0.67%
Fed Ex Express	6,000	8	0.65%
Franciscan St. Francis Health	5,576	9	0.61%
IUPUI	5,100	10	0.55%

(1) Source: The Indianapolis Economic Development in conjunction with The Indy Partnership. Data was taken from the information warehouse containing a listing of the largest employers in the City of Indianapolis/Marion County located at www.indypartnership.com.

(2) Data from the 2004 is not available.

Health and Hospital Corporation of Marion County, Indiana
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Table XV

Full-Time Equivalent City Government Employees by Function/Program
December 31, 2013

<u>Function/Program</u>	Full-Time Equivalent Employees at December 31									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Primary Government Employees:										
Administration	139	136	132	127	117	118	115	112	112	113
Health improvement	351	340	327	337	343	313	311	313	309	304
Communicable disease prevention	128	133	125	125	120	122	119	119	124	123
Water quality and hazardous materials	26	25	26	27	25	27	28	29	29	29
Housing and neighborhood health	84	96	98	100	90	84	84	84	82	82
Consumer and employee risk reduction	26	28	27	27	28	25	26	27	27	27
Vector disease control	53	51	58	61	64	55	57	52	52	53
Business-type Employees:										
Eskenazi Health	3,726	3,667	3,820	3,622	3,724	3,764	3,404	3,243	3,232	3,269
Long-Term Care (1)	-	-	-	-	-	-	-	-	-	-
Total Employees	<u>4,533</u>	<u>4,476</u>	<u>4,613</u>	<u>4,426</u>	<u>4,511</u>	<u>4,508</u>	<u>4,144</u>	<u>3,979</u>	<u>3,967</u>	<u>4,000</u>

(1) The Long-Term Care personnel are not employees of the Corporation.

Source: SAP Payroll System and ADP Payroll System used by Health & Hospital Corporation.

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XVI
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Health Improvement										
Community Based Clinics Services										
Vaccine doses administered	75,075	68,151	168,493	147,469	186,096	63,268	33,279	33,749	31,960	31,708
Vital Statistics - certified birth copies issued	47,162	60,011	49,029	59,067	59,258	62,008	66,601	61,617	62,233	64,413
Vital Statistics - certified death copies issued	51,768	58,210	53,335	57,763	56,434	99,185	59,558	60,062	58,027	55,595
WIC Services - vouchers per month	31,495	29,426	28,918	29,124	27,593	26,011	n/a	n/a	n/a	24,064
WIC Services - nutrition education	21,214	24,916	13,624	11,210	12,267	16,388	n/a	n/a	n/a	10,151
Dental Health/Education Services	72,533	55,524	70,120	68,370	54,011	72,119	80,358	65,224	69,905	67,113
Communicable Disease Prevention										
Chronic Disease										
Hepatitis A,B,C shots	1,055	1,182	1,090	1,068	1,121	1,098	1,115	1,083	1,098	1,042
AIDS cases	44	35	52	63	51	40	43	136	168	165
HIV infection - total cases	158	202	164	188	225	214	185	191	177	184
Tuberculosis cases reported	36	38	31	33	49	37	42	51	40	54
Sexually transmitted diseases total cases	13,406	13,317	9,856	6,959	11,086	11,923	11,918	10,795	11,336	9,618
Water Quality and Hazardous Materials										
Water Quality										
Laboratory services performed	49,517	46,972	62,336	60,238	59,261	58,926	167,657	180,000	168,297	125,874
Swimming pool samples	4,438	2,598	2,151	2,483	2,744	2,483	5,113	n/a	n/a	3,921
Surface water samples taken	4,778	5,492	2,598	6,225	5,844	6,480	2,421	2,418	2,454	4,450
Hazardous Materials Management										
Responses to emergency situations	776	947	878	1,031	938	1,188	440	213	406	493
Drinking water wells surveyed for toxins	564	439	748	940	1,442	1,402	389	704	707	904
Septic systems permits	81	71	91	144	115	127	12	19	26	223
Well construction permits	114	112	88	70	102	78	12	111	108	118
Well pump permits	200	236	101	112	164	148	218	205	211	242
Housing and Neighborhood Health										
Initial housing orders	2,699	2,263	2,649	4,621	5,565	2,682	3,827	3,822	3,528	3,311
Housing compliances	4,577	4,553	5,252	4,190	4,948	4,201	3,904	3,649	3,452	3,539
Initial sanitation orders	11,147	12,354	14,265	20,801	21,463	15,422	21,080	20,841	20,383	18,672
Sanitation compliances	12,247	14,272	14,046	19,501	20,845	13,056	19,021	18,654	18,099	16,079
Court cases filed	3,540	3,546	2,826	2,333	2,925	2,873	3,859	4,256	4,371	4,463
Court cases resolved	1,565	1,671	1,504	957	1,573	1,269	1,688	1,520	1,544	1,345
Citations issued - illegal dumping	n/a	n/a	n/a	n/a	n/a	n/a	299	425	366	409
Unsafe buildings-structures demolished	4,934	578	589	537	658	836	349	475	414	521
Unsafe buildings-structures boarded	3,913	7,820	9,430	7,111	7,586	6,516	6,182	5,064	4,217	3,268
Unsafe buildings-structures repaired	1,156	1,090	789	672	844	672	802	676	1,004	953
Lead - children screened	13,038	12,354	14,265	5,346	4,648	3,786	14,797	11,841	12,460	13,979

Health and Hospital Corporation of Marion County, Indiana

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Table XVI - Continued

Operating Indicators by Function

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Consumer and Employee Risk Reduction										
Foodborne disease prevention										
Foodborne inspections	19,557	19,174	20,486	19,326	19,148	18,088	19,561	20,942	20,824	20,315
Foodborne investigations	166	199	144	156	199	206	115	118	107	107
Foodborne complaints	801	711	861	726	918	895	1,108	825	766	825
Foodborne licenses issued	6,501	6,424	5,138	5,885	5,604	5,265	5,862	5,933	5,857	5,972
Occupational health										
Occupational health consultations	n/a	n/a	n/a	n/a	n/a	n/a	222	293	252	1,873
Asbestos investigations	*	*	301	360	114	173	n/a	437	406	447
Radon investigations	74	7	4	7	30	12	n/a	n/a	n/a	n/a
Related indoor air inspections	2,984	3,894	2,981	2,722	3,014	3,976	2,218	1,778	1,717	1,722
Vector Disease Control										
Environmental/Rodent Control										
Total premises baited for rodents	2,255	1,121	2,102	2,751	2,838	2,478	2,072	2,510	2,125	2,009
Abandoned property cleanups	3,693	3,149	2,897	3,541	3,557	2,975	3,561	3,489	2,577	2,729
Assisted cleanups of neighborhoods	8	13	15	10	4	-	n/a	n/a	n/a	167
Total weight (lbs.) of trash removed	15,991,960	16,418,780	19,568,321	17,382,448	21,941,740	16,587,585	16,868,920	15,617,360	11,878,160	12,570,680
Mosquito Control										
Inspections of mosquito breeding sites	20,672	11,744	19,439	18,430	20,400	18,000	16,920	17,484	16,273	18,422
Mosquito breeding sites treated	8,942	4,510	9,311	8,881	11,746	10,121	6,030	9,132	7,878	8,797
Adulticiding, lineal miles sprayed	3,043	2,563	3,999	5,164	5,169	6,576	5,384	5,899	4,925	6,454
Complaint services, adulticiding	4,271	3,750	5,545	5,584	5,566	5,454	3,214	4,329	3,596	4,232
Combination complaints	5,301	4,760	711	689	803	572	221	536	310	590
Long-Term Care										
Total Beds	7,969	8,062	7,176	5,857	5,457	4,053	4,086	3,710	3,187	2,880
Eskenazi Health										
Admissions (Acute, Behavioral, Lockefield)	15,090	14,112	18,568	18,525	18,585	19,624	19,674	18,971	18,220	17,947
Patient Days (Acute, Behavioral, Lockefield)	67,061	69,979	89,997	89,418	107,018	159,932	161,170	160,788	155,470	152,136
OP Encounters (net of ED)	876,161	841,180	885,045	1,077,726	1,120,658	1,126,196	1,079,108	1,068,042	1,075,380	854,545
ED Visits	101,240	109,412	105,120	105,854	110,451	113,680	108,102	98,946	97,657	94,576
Advantage Members	39,594	54,204	55,993	58,133	54,165	50,241	50,879	49,421	47,572	43,528
Uncompensated Care (000's Omitted)	410,383	237,639	344,552	305,243	267,058	254,836	236,691	218,080	193,558	182,780
Surgeries	7,406	7,447	8,069	8,092	8,162	7,816	7,607	6,682	6,305	6,103
Births	1,849	2,045	1,800	2,107	2,414	2,643	2,760	2,610	2,447	2,496

n/a = Not available.

* Starting in 2012, Asbestos investigations are now included with "Related indoor air inspections".

Sources: Marion County Public Health Dept. "Report to the Community", American Senior Communities Census Summary and Eskenazi Health Financial Statements.

Health and Hospital Corporation of Marion County, Indiana
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Table XVII
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Health Improvement										
Dental chairs	25	25	25	25	25	25	25	24	24	24
Dental x-ray units	23	23	23	23	23	23	23	23	23	23
Fiberoptic Dentalite	10	10	10	10	10	7	7	7	7	7
Dental Portable Scaler	7	7	7	7	7	7	7	7	7	7
Kiosk Touchscreen system	5	5	5	5	4	4	4	4	4	4
Vital Statistics scanners/readers	1	1	1	1	1	1	1	2	1	1
Generators/power source	5	4	4	4	4	-	-	-	-	-
Planmeca digital panoramic machine	2	2	2	2	-	-	-	-	-	-
Communicable Disease Prevention										
Water purification systems for lab	3	3	3	3	3	3	3	1	1	1
Refrigerators/freezer for lab	22	16	13	12	12	9	9	9	9	9
Incubator for lab	7	7	7	7	6	6	6	4	4	4
Trailer with hitch	8	8	8	8	-	-	-	-	-	-
Generator power-diesel	3	3	3	3	-	-	-	-	-	-
Storage area network w/cabinet	2	2	2	1	-	-	-	-	-	-
Kodak color scanners	5	5	5	5	-	-	-	-	-	-
Truck-Super 4X4	3	3	3	1	-	-	-	-	-	-
Water Quality and Hazardous Materials										
Water quality trucks for site cleanups	17	17	17	16	16	16	16	16	15	15
Analyzers for hazardous materials	5	5	5	5	5	5	5	5	3	2
Housing and Neighborhood Health										
Analyzers for lead testing	8	8	8	8	5	5	4	3	3	2
Vans/cars for housing visits	7	6	6	6	6	5	4	3	3	3
Vector Disease Control										
Environmental trucks/vans for cleanup	23	23	23	17	16	24	24	22	18	18
Dump Trucks	17	17	17	17	16	14	14	13	11	11
Tractors/Trailers	28	28	28	28	28	18	18	16	14	8
Rodent/Mosquito control trucks for spraying	62	57	57	57	57	72	72	70	70	69
Rodent/Mosquito control - sprayers	12	10	10	10	9	11	11	11	11	11
Rodent/Mosquito Control - generators	6	6	6	6	6	6	6	5	5	5
Long-Term Care										
# of buildings	59	59	52	42	38	27	26	23	18	17
Eskenazi Health										
# of beds	315	281	316	312	313	340	340	314	294	296

n/a = Not available.

Sources: SAP system - Asset Management Listing, American Senior Communities Fixed Asset System and Eskenazi Health Financial Statements.