



**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, 2012

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, 2012

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, 2012

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(A Component Unit of the Consolidated City of Indianapolis - Marion County)
For the Year Ended December 31, 2012

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Introductory Section (Unaudited)



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June 28, 2013

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, 2012, 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, 2012, 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, 2012, 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 Wishard Health Services (Wishard).

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.

Wishard is comprised of Wishard Memorial Hospital, a general acute care facility with 281 staffed beds, excluding newborn nursery; nine community health centers, Midtown Community Mental Health Center, Regenstrief Health Center, Wishard’s Emergency Trauma Service, Indianapolis EMS Ambulance Service and the Richard M. Fairbanks Burn Center. Wishard is accounted for as an Enterprise Fund.

Wishard Memorial Hospital is the only public, general acute care hospital in Marion County. The Hospital is fully accredited by the Joint Commission for Accreditation of Hospitals of the American Hospital Association, and the American Medical Association. It is located on the campus of the Indiana University Medical Center, the second largest medical school in the United States and the largest one on a single campus. The Hospital is a major teaching hospital and collaborates with prestigious research institutes such as the Krannert Institute of Cardiology and the Regenstrief Institute.

The Corporation also has a long-term care (LT Care) Enterprise Fund, which operates 59 nursing homes throughout Indiana at the end of 2012. 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 new 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 is constructing a new campus for Wishard Health Services. The new hospital is scheduled to open on December 7, 2013 and the system will be renamed Eskenazi Health in recognition of a \$40 million capital campaign gift from Sidney and Lois Eskenazi made in the summer of 2011. The campus will have a 315-bed inpatient hospital, an outpatient clinic with 200 exam rooms, a 2,400-car parking garage, the largest emergency department in the State, a women's health clinic, a central energy plant and offices for faculty, research and administrative functions. Eskenazi Hospital is being built on land formerly owned by IUPUI.

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 parking garage and power plant became operational in 2012.

MAJOR INITIATIVES FOR THE YEAR

Marion County Public Health Department:

As public health leaders, the MCPHD continues to balance the ever changing and increasing demand for our services in a climate of limited financing, health care reform, community partnership development, achieving and maintaining appropriate professional accreditations, removing barriers to healthcare and eliminating health disparities.

Against a backdrop of these and other influencing factors, MCPHD has been able to maintain a high-level of critical public health services that achieve a positive impact on the long-term health of Marion County residents.

The Health Department is committed to reducing infant mortality, promoting the importance of immunization in infants, children and adults, and ensuring education and policy changes to reduce tobacco use and secondhand smoke. It is working to reduce obesity, sedentary lifestyle and increase understanding of good nutrition and physical activity. Through community partnerships, we continue to research, create and implement strategies to lower the incidence of diabetes, asthma, cardiovascular disease and antibiotic resistance in our community.

Through a comprehensive, collaborative approach, the Marion County Public Health Department understands many of the public health challenges are interrelated and involve personal responsibility and require a long-term commitment to achieve positive health outcomes.

There are equally compelling challenges on the public health landscape. These challenges include the successful delivery of school-based health services, creating optimal coordination of community-based primary care services, housing inspections, and lead safe and healthy home testing, analysis and case management. Reducing the transmission of HIV/AIDS and other sexually transmitted diseases, expanding outreach services to substance abusers and reducing the prevalence of prostate cancer are priority public health issues.

The Marion County Public Health Department is committed to providing excellent health care services to emerging population groups. The growing needs with our refugee and Burmese communities have led to establishing a public health presence at the Indianapolis Chin Community Center. The clinic will provide much needed coordinated medical and clinical care in a trusted, welcoming environment.

Wishard Health Services:

Wishard received many awards during 2012, a sample of which includes:

- Dr. Malaz Boustani, medical director of the Wishard Health Aging Brain Center, received the 2012 American Geriatrics Outstanding Scientific Achievement for Clinical Investigation Award.
- Dr. Charles Miramonti, Wishard emergency medicine physician and Indianapolis EMS chief; Dr. John Kunzer, medical director of Wishard's community health centers; and Michael Kaufmann, Health and Hospital Corporation of Marion County's director of civic investment and special projects, were recognized by the *Indianapolis Business Journal* as some of the community's 2012 "Forty Under 40" leaders.
- Dr. Rajiv Sood, medical director of the Richard M. Fairbanks Burn Center at Wishard, was recognized as the winner in the physician category of *the Indianapolis Business Journal's* Health Care Heroes Award.
- Noll Campbell, a Regenstrief Institute investigator and a clinical pharmacist specialist in geriatrics at Wishard, was named by the American Geriatric Society to receive a Merck/American Geriatric Society 2012 New Investigator Award.
- Sidney and Lois Eskenazi made *The Chronicle's Philanthropy 50*, a list of America's top donors in 2011. The Eskenazis made the list for their generous donation toward the new Eskenazi Health project.
- Lee Ann Blue, chief nursing officer and executive vice president for Patient Care Services at Wishard Health Services, was awarded the prestigious Achievement in Medicine (AIM) Award by St. Margaret's Hospital Guild.
- Wishard Health Services received a bronze Aster Award for the newly redesigned Wishard.edu.
- Indianapolis Emergency Medical Services (IEMS) was selected as an International Data Group (IDG) 2012 Computerworld Honors Laureate. The award honors organizations that apply visionary information technology methods to promote positive social, economic and educational change.
- Wishard Health Services received an honorable mention in the 2012 Gage Award category of Improving Population Health for its innovative Wishard Volunteer Advocates Program (WVAP). Wishard was honored with this award during the National Association of Public Hospitals and Health Systems (NAPH) annual conference, June 20 to 22, in San Francisco.
- Indianapolis EMS, in conjunction with Uniform House, was named one of the best dressed public safety departments of 2012 by the North-American Association of Uniform Manufacturers and Distributors (NAUMD).
- Indiana Employer Support of the Guard and Reserve (ESGR), a Department of Defense agency, presented Indianapolis EMS with an "Above and beyond" award in recognition of extraordinary support provided to employees who serve in the Indiana Guard and Reserve.
- Tom Thaman, director of Food and Nutrition Services, was awarded the 2012 Spotlight Award from the Association of Healthcare Foodservice for the Café Soleil concept.
- Dr. Greg Gramelspacher, medical director of the Wishard Palliative Care Program, was awarded the Lifetime Award for Distinguished Service in Years of Health Advancement at the Tony and Mary Human Health Achievement Awards event.
- Wishard Health Services' screening, brief intervention and referral to treatment (SBIRT) program was awarded The Tony and Mary Hulman Health Achievement Awards for Preventive Medicine and Public Health.
- Wishard physician Brian Mullis received the 2012 Jay L. Grosfeld, MD Trauman Recognition Award.

- Four Eskenazi Medical Group physicians were recognized for their uninterrupted participation for the past year to patients in MDwise Care Select Right Choices Program (RCP). RCP is a care management program for those MDwise patients who need help using their health care benefits. Dr. Eva Muloma, Adult Medicine; Dr. Sarah Davidson, Adult Medicine; Dr. Broderick Rhyant, Forest Manor Health Center; and Dr. Timothy Brady, Grassy Creek Health Center were honored.
- Drs. Lisa Harris and Greg Gramelspacher received the “Laureate Award” from the Indiana chapter of the American College of Physicians at their annual meeting at the Martin House on November 9.
- The Wishard Rapid Intervention Team, led by Tracy Martin, RN, MSN, and Beth Sanford, RN, MSN, CEN, won the 2012 Patient Safety Hero Award presented by the Indianapolis Coalition for Patient Safety.
- The Wishard Legal Department was recognized as a 2012 IndyBar Green Legal Initiative Member, certified at the “One Leaf” Level by the Indianapolis Bar Association.

In 2012, Wishard continued on its path toward improving the health of the Indianapolis community through rebuilding and expansion efforts taking place throughout the entire system. Construction of The New Wishard, to be known as the Sidney & Lois Eskenazi Hospital and Eskenazi Health campus, remained on time and on budget for completion in December 2013, providing more than 4,000 jobs and opportunities in Central Indiana and exceeding construction goals for businesses owned by minorities, women, veterans and persons with disabilities. Likewise, Wishard began construction on what is set to be its largest and most advanced community health center on West 38th Street. Breaking ground in mid-2012, the 70,000-square-foot health center is set to open in October 2013 and will offer an array of outpatient services that will enhance access to preventive primary and mental health care in an effort to reduce the number of patients needing hospitalization. Both major projects are being built following the highest caliber of sustainability and green design standards, and both are seeking Leadership in Energy and Environmental Design (LEED) Silver certification from the U.S. Green Building Council. When complete in late 2013, Eskenazi Health will be the first multi-facility hospital campus to be fully certified LEED silver or higher.

LT Care:

At the end of 2012, the Corporation had 59 nursing homes and four free standing licensed residential facilities – also known as Assisted Living facilities. Rosegate Commons was licensed by ISDH as a residential care facility in September 2012. The unlicensed independent living facilities are Heritage Park and Lincoln Lodge at American Village. The Corporation purchased seven skilled nursing facilities in 2012 – Avalon Village, Countryside Meadows, Greenwood Meadows, Hillcrest Village, Lowell Health Care, Rosebud Village, and University Nursing Center. One licensed residential assisted living facility was purchased in 2012 – Bethany Village Assisted Living.

The Corporation recognizes a financial benefit from owning and operating nursing homes and takes very seriously its responsibility to use the funds wisely to improve healthcare outcomes in all of its Medicaid venues. The Corporation invests more than three times the capital improvements as the average home in Indiana. Each facility is provided a substantial annual capital expenditure budget to purchase new or replacement equipment and to upgrade the physical plant. The 2012 capital expenditure budgets for routine upkeep and resident service enhancements totaled approximately \$9,126,000. Special projects such as major building renovations are not included in the regular capital expenditure budgets. The facilities selected for major renovations were primarily those acquired within the past two years. Approximately \$13 million in major remodel and renovation projects were approved for 2012 and a few extended into the current year. The renovations were planned to improve the quality of life for the residents and work environment for the employees. These renovations also enhanced the marketability and in some cases, added new service lines. Examples of the renovation projects include: construction of memory care units – known as Auguste's Cottages at eight locations, new Rehabilitation Units for short stay residents at six facilities, a physician's clinic, upgrades of several therapy gyms, resident showers, lounges, and refurbishing of resident rooms and staff workspaces including offices and nursing stations.

The Corporation continues to spend time and resources to provide the highest quality care to residents of our homes around the state. A goal was established in 2010 to increase RN coverage in direct care positions from a minimum of eight (8) hours per day to twenty-four (24) hours per day. All facilities are making a concerted effort to meet this goal. Funds were allocated in 2011 to allow all HHC nursing homes to implement electronic medical record systems. In 2012 all facilities were successful in implementation of phases I and II of the new EMR system with additional phases III and IV scheduled for completion in 2013.

AWARDS AND ACKNOWLEDGEMENTS

The Corporation had an annual audit of its financial statements performed for 2012 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, 2011. Health and Hospital Corporation of Marion County, Indiana has received a Certificate of Achievement for the last 28 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Health and Hospital
Corporation of Marion County

Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

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



Joyce D. Irwin
Director, State
Government Affairs
Roche Diagnostics



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.	CEO and Medical Director, Wishard Health Services
Virginia A. Caine, M.D.	Director, Marion County Public Health Department

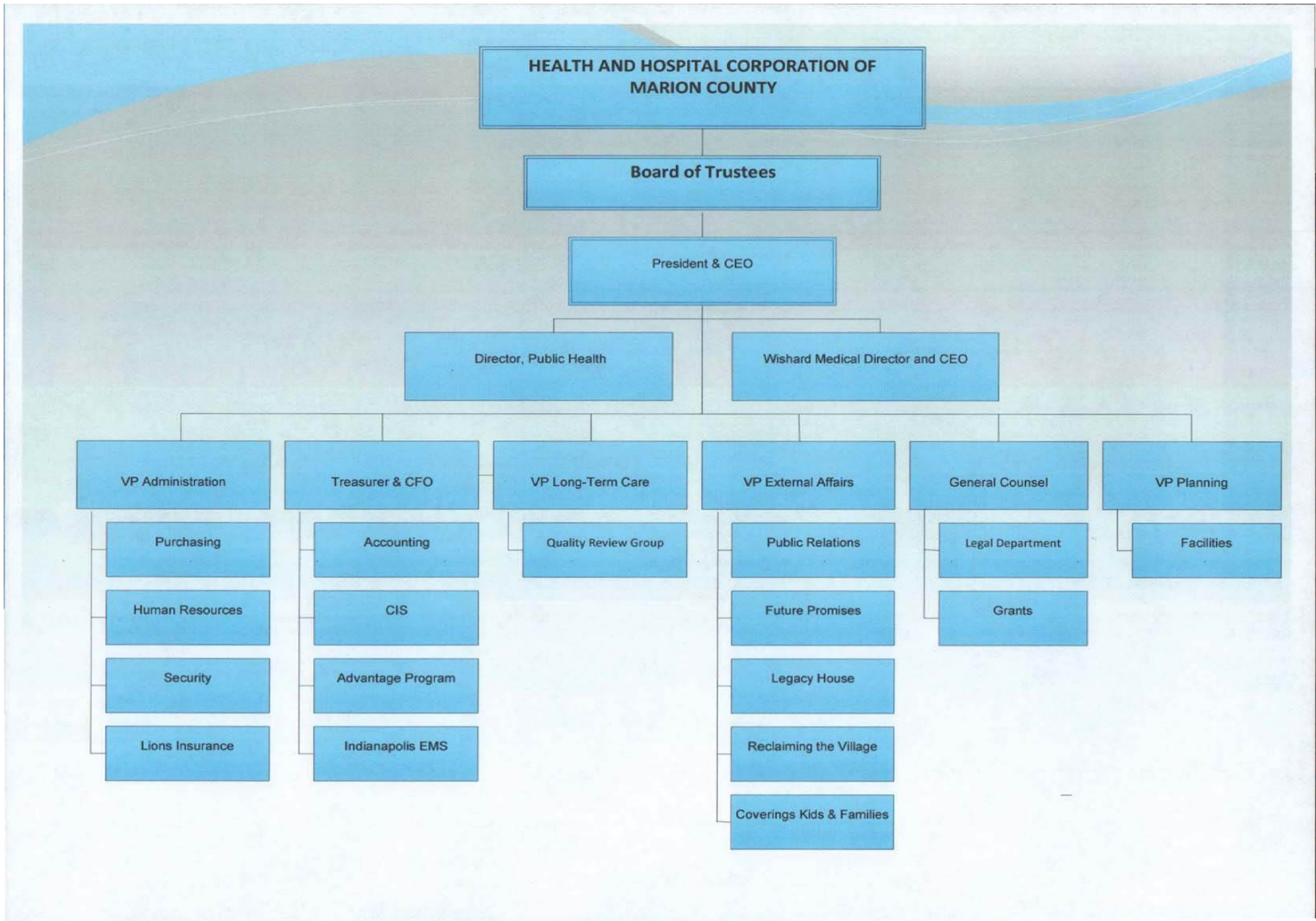
Independent Auditors

BKD, LLP

Indianapolis, Indiana



Officers of the Health and Hospital Corporation during 2012 were (left to right): Matthew R. Gutwein, President and Chief Executive Officer; Lisa E. Harris, M.D., CEO and Medical Director, Wishard Health Services; 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 on Financial Statements and Supplementary Information

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

We have audited the accompanying 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, 2012, 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.

Opinion

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, 2012, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and General Fund budgetary 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
June 28, 2013

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, 2012. 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 \$585,538,112 (net position). Of this amount, \$453,916,176 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Corporation's total net position increased by \$178,841,025.
- As of the close of 2012, the Corporation's governmental funds reported combined ending fund balances of \$322,467,323, an increase of \$46,351,424 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$227,495,914 or 283% of total general fund expenditures.
- The Corporation's total debt, excluding capital leases, decreased by \$11,066,133 million or 4.7% during the current fiscal year. This reflects scheduled principal payments on outstanding bonds. The capital lease obligation increased by \$96,061,264 or 26.7% in 2012. The due to local government increased by \$186,999,903 or 137.8% in 2012.

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 Wishard Health Services, including a general acute care hospital, nine 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 Wishard Health Services 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 (the Corporation had no deferred outflows at December 31, 2012) exceeded liabilities and deferred inflows (the Corporation had no deferred inflows at December 31, 2012) by \$585,538,112 at December 31, 2012.

A portion of the Corporation's net position, 22.5%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), 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, \$453,916,176, may be used to meet the government's ongoing obligations to citizens and creditors.

The Corporation's net position increased by \$178,841,025 during the current fiscal year. The majority of the increase reported in connection with the Corporation's governmental activities resulted from the increase in Medicaid special revenue receipts, grant contributions from Eskenazi Health Foundation and reduced operating support to Wishard.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	\$ 412,606,686	\$ 340,965,307	\$ 312,480,374	\$ 271,486,313	\$ 725,087,060	\$ 612,451,620
Capital assets, net of accumulated depreciation	496,327,163	272,513,722	569,966,677	452,547,488	1,066,293,840	725,061,210
Total Assets	<u>908,933,849</u>	<u>613,479,029</u>	<u>882,447,051</u>	<u>724,033,801</u>	<u>1,791,380,900</u>	<u>1,337,512,830</u>
Liabilities						
Long-term liabilities	561,246,809	383,280,696	494,716,847	391,399,769	1,055,963,656	774,680,465
Other liabilities	64,994,488	57,001,025	84,884,644	99,134,253	149,879,132	156,135,278
Total Liabilities	<u>626,241,297</u>	<u>440,281,721</u>	<u>579,601,491</u>	<u>490,534,022</u>	<u>1,205,842,788</u>	<u>930,815,743</u>
Net Position						
Net investment in capital assets	10,475,308	19,442,084	121,146,628	98,753,758	131,621,936	118,195,842
Unrestricted	272,217,244	153,755,224	181,698,932	134,746,021	453,916,176	288,501,245
Total Net Position	<u>\$ 282,692,552</u>	<u>\$ 173,197,308</u>	<u>\$ 302,845,560</u>	<u>\$ 233,499,779</u>	<u>\$ 585,538,112</u>	<u>\$ 406,697,087</u>

Changes in Net Position

The Corporation's total revenue was \$1,372,717,327 during the current fiscal year. Taxes represent 8.2% of the Corporation's revenue. Medicaid special revenue represents 5.4% of revenue, while 78.6% of revenue came from fees charged for services. The remaining 7.8% came from grants and contributions, interest earnings, Build America Bond subsidies, and miscellaneous revenues.

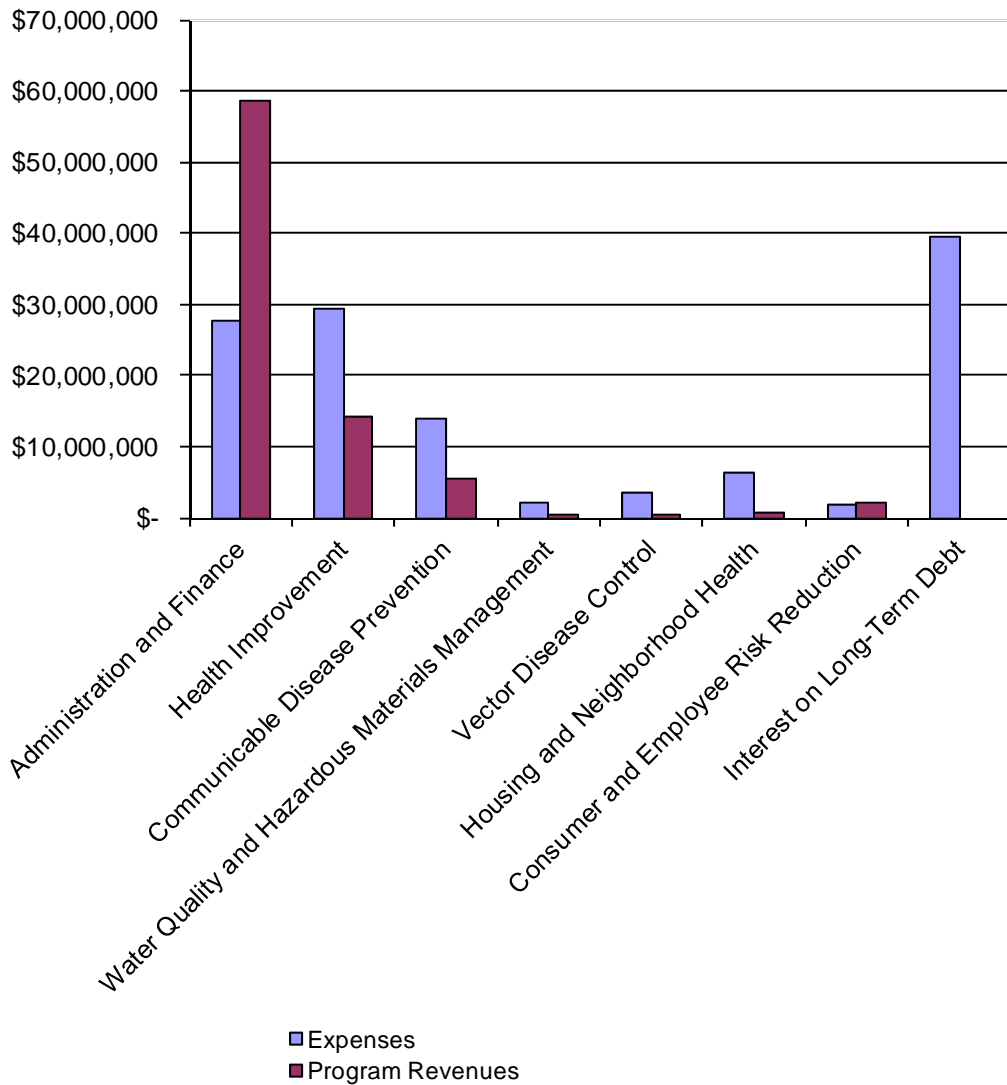
The total cost of all programs and services was \$1,193,876,302. This resulted in an increase in net position for the year of \$178,841,025.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 8,064,588	\$ 9,757,151	\$ 1,071,192,619	\$ 836,052,653	\$ 1,079,257,207	\$ 845,809,804
Operating grants and contributions	57,701,542	47,974,400	20,057,585	20,460,189	77,759,127	68,434,589
Capital grants and contributions	16,147,752	1,532,905	-	-	16,147,752	1,532,905
General revenues						
Property, HCI and local option income taxes	105,627,906	104,742,264	-	-	105,627,906	104,742,264
Other taxes	6,837,900	6,588,282	-	-	6,837,900	6,588,282
Medicaid special revenue	74,431,944	14,374,161	-	-	74,431,944	14,374,161
Build America Bonds interest subsidies	10,847,662	13,775,283	-	-	10,847,662	13,775,283
Unrestricted investment earnings	356,401	1,316,116	1,451,428	1,511,132	1,807,829	2,827,248
Total revenues	<u>280,015,695</u>	<u>200,060,562</u>	<u>1,092,701,632</u>	<u>858,023,974</u>	<u>1,372,717,327</u>	<u>1,058,084,536</u>
Expenses						
Administration and finance	27,704,061	23,045,390	-	-	27,704,061	23,045,390
Health improvement	29,487,312	28,917,502	-	-	29,487,312	28,917,502
Communicable disease prevention	13,909,736	14,388,516	-	-	13,909,736	14,388,516
Water quality and hazardous material management	1,984,465	2,005,942	-	-	1,984,465	2,005,942
Vector disease control	3,410,855	3,954,524	-	-	3,410,855	3,954,524
Housing and neighborhood health	6,365,433	6,986,843	-	-	6,365,433	6,986,843
Consumer and employee risk reduction	1,712,384	1,795,884	-	-	1,712,384	1,795,884
Interest on long-term debt	39,583,468	49,636,823	-	-	39,583,468	49,636,823
Wishard Health Services	-	-	520,310,998	519,774,867	520,310,998	519,774,867
Long-term care	-	-	549,407,590	426,846,568	549,407,590	426,846,568
Total expenses	<u>124,157,714</u>	<u>130,731,424</u>	<u>1,069,718,588</u>	<u>946,621,435</u>	<u>1,193,876,302</u>	<u>1,077,352,859</u>
Increase (Decrease) in Net Position						
Before Transfers	155,857,981	69,329,138	22,983,044	(88,597,461)	178,841,025	(19,268,323)
Transfers	<u>(46,362,737)</u>	<u>(86,656,492)</u>	<u>46,362,737</u>	<u>86,656,492</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	109,495,244	(17,327,354)	69,345,781	(1,940,969)	178,841,025	(19,268,323)
Net Position, Beginning of Year	<u>173,197,308</u>	<u>190,524,662</u>	<u>233,499,779</u>	<u>235,440,748</u>	<u>406,697,087</u>	<u>425,965,410</u>
Net Position, End of Year	<u>\$ 282,692,552</u>	<u>\$ 173,197,308</u>	<u>\$ 302,845,560</u>	<u>\$ 233,499,779</u>	<u>\$ 585,538,112</u>	<u>\$ 406,697,087</u>

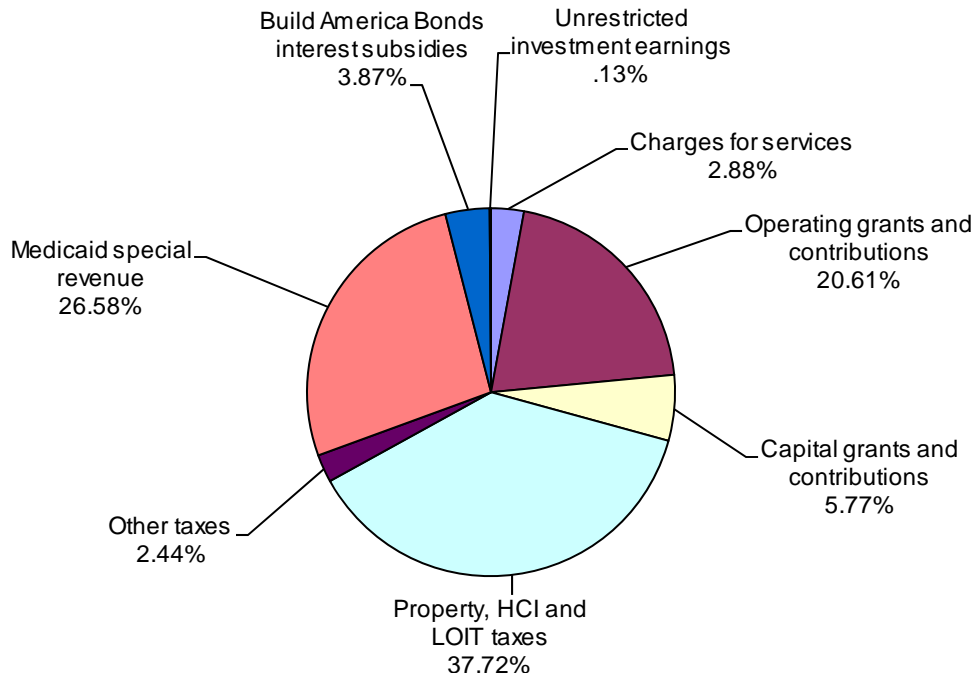
Governmental activities - Governmental activities increased the Corporation's net position by \$109,495,244 compared to the total \$178,841,025 increase in net position of the Corporation. Medicaid special revenue increased due to more funding being received than anticipated for the 2012 year. Capital grants and contributions increased substantially from funding received from Eskenazi Health Foundation for the new hospital. Transfers were \$46,362,737 (net), a decrease of \$40,293,755 million from last year. Transfers reflect support to Wishard and equity transfers from long-term care.

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.

2012 Expenses and Program Revenues - Governmental Activities



2012 Revenues by Source - Governmental Activities



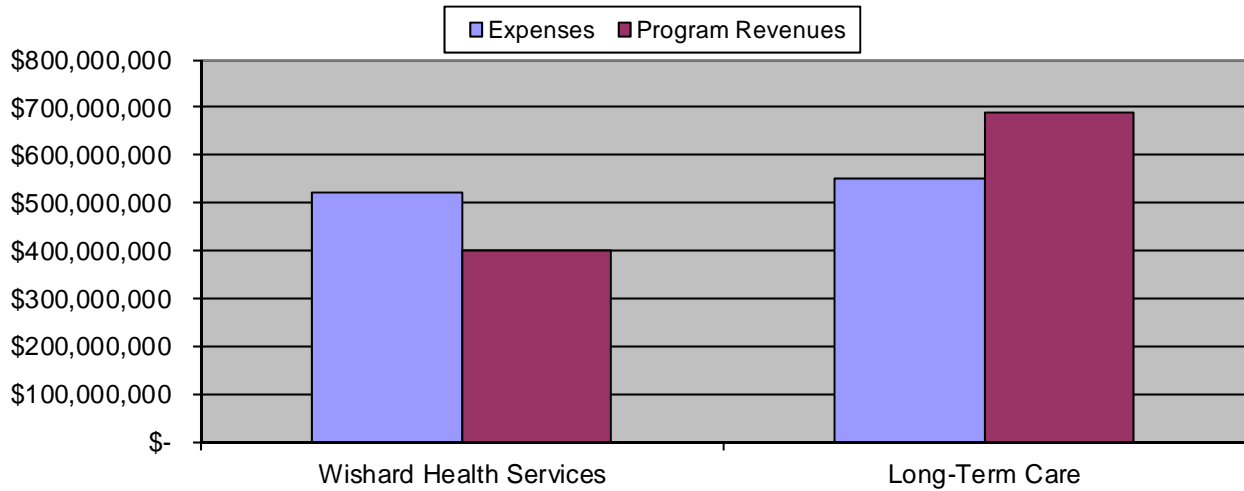
Business-type activities - Business-type activities increase the Corporation's net position by \$69,345,781 compared to a decrease of \$1,940,969 in 2011.

Wishard's net position increased by \$35,096,759 in the current year. Net position invested in capital assets increased by \$15,280,326 primarily due to increases in capital asset acquisition and construction in progress totaling \$49.1 million reduced by ordinary depreciation of \$24.1 million and an additional \$9.9 million of accelerated depreciation to write down assets in accordance with the remaining useful life of the current Wishard facility. Wishard's unrestricted net position increased by \$19.8 million. Operating revenues increased by \$119,044,756 due to a \$122.2 million increase in net patient services revenue and a \$3.2 million decrease in other revenue. Operating expenses increased \$536,131 due to increases in medical and professional fees, which was the result of a change in physician staffing contracts. Wishard incurred an operating loss of \$139,447,006, which was offset by \$111.5 million in transfers from the General Fund, \$41.6 million in capital contributions, \$20.1 million in mental health grants from various agencies, and \$1.4 million in investment income.

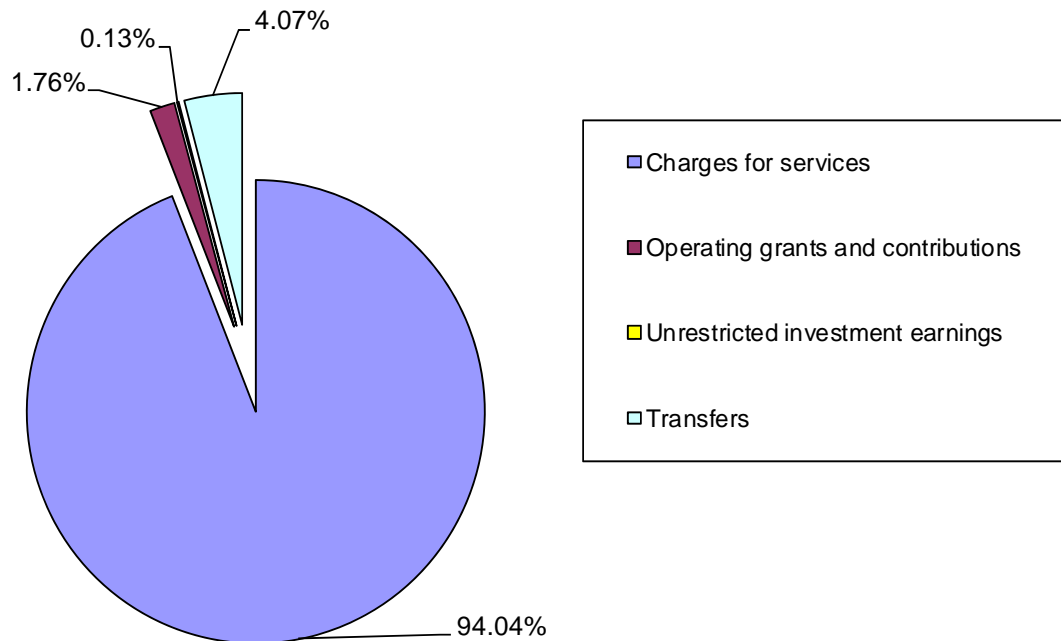
LT Care net position was \$150,908,464, which was an increase of \$34,249,022 over 2011. Operating revenues increased \$116,095,210 due to increased Medicare and Managed Care reimbursements and increased patient revenue related to new homes. Operating expenses increased \$111,454,552. This was primarily due to the addition of several nursing homes in 2012. LT Care has \$4,485,707 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.

2012 Expenses and Program Revenues - Business-Type Activities



2012 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 \$322,467,323, an increase of \$46,351,424 in comparison with the prior year. Approximately 29% of this total amount, \$94,493,040 constitutes restricted and assigned fund balance, which is related to capital outlays for the new hospital and money set aside for debt service. Approximately 70% of the total amount, or \$227,495,914 is unassigned fund balance. The remaining 1% 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 \$227,495,914, while the total fund balance increased to \$230,226,593. 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 283.2% of total general fund expenditures, while total fund balance represents 286.6% of that same amount.

The fund balance of the Corporation's General Fund increased by \$94,697,368 during the current fiscal year, in comparison to a \$17,628,676 decrease in 2011.

Intergovernmental revenue increased as additional medical education fees were received in 2012 vs. 2011. Medicaid special revenue increased from a settlement for State Fiscal Years 2012 and 2013. Expenses decreased as there were decreased capital expenditures and decreased grant expenditures. Transfers out reflect a decrease in support to Wishard of \$83.7 million and an increase of \$46 million 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 \$16,047,207 compared to a fund balance of \$16,860,613 in the prior year. The net decrease in fund balance during the current year was \$813,406. This decrease is due to debt service payments related to the 2010 General Obligation Bonds.

Capital Projects Fund - The Capital Projects Fund has a total fund balance of \$76,193,523. The net decrease in fund balance during the current year was \$47,532,538 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 Wishard Health Services at the end of the year amounted to \$35,276,175. Total net position for Wishard increased by \$35,096,759. Other factors concerning the finances of Wishard 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 \$146,422,757. The increase in net position was \$34,249,022. 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 \$263,037,000 was increased during 2012 to \$293,037,000. Supplies and other charges and services were increased while capital outlays was decreased. The final General Fund budget of \$293,037,000 included \$116,413,000 in expenditures and approximately \$177,000,000 in transfers. Actual expenditures and transfers out were \$157,893,482. Of the total underspending, \$387,000 related to personal services, \$675,000 to supplies, \$29.6 million to contractual services, and \$1 million to capital outlays. Underspending for contractual service reflects a decrease in support paid to Wishard and not completing all planned spending. Additional underspending in other categories reflects potential year-end initiatives that did not occur. General revenues and other resources were estimated at \$274,649,802 and actual was \$159,826,462. Taxes collected were approximately \$4.5 million over budget due to LOIT and other taxes being higher than expected. Medicaid special revenue was \$142.8 million under budget because no 2012 DSH revenue was received and intergovernmental transfers for physician faculty and nursing facilities were larger than anticipated. Miscellaneous revenue was \$24.6 million over budget due to increased medical education revenue from Indiana University.

Capital Asset and Debt Administration

Capital Assets - The Corporation's capital assets for its governmental and business-type activities as of December 31, 2012, amounts to \$1,066,293,840 (net of accumulated depreciation), compared to \$725,061,210 at the end of 2011. This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, and construction in progress.

Major capital asset events during 2012 included the following:

- Construction in progress related to Eskenazi Health

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	
	2012	2011	2012	2011	2012	2011
Land	\$ 4,114,896	\$ 4,114,896	\$ 1,189,878	\$ 2,897,993	\$ 5,304,774	\$ 7,012,889
Land improvements	-	-	3,880,814	3,747,817	3,880,814	3,747,817
Buildings and improvements	17,115,876	17,357,516	493,671,162	380,147,213	510,787,038	397,504,729
Equipment	7,352,140	7,884,287	50,205,352	50,838,881	57,557,492	58,723,168
Vehicles	420,572	613,677	1,423,622	1,573,134	1,844,194	2,186,811
Construction in progress	467,323,679	242,543,346	19,595,849	13,342,450	486,919,528	255,885,796
Total assets	\$ 496,327,163	\$ 272,513,722	\$ 569,966,677	\$ 452,547,488	\$ 1,066,293,840	\$ 725,061,210

Long-Term Debt - At the end of 2012, the Corporation had total general obligation debt outstanding of \$220,355,000. Moody's Investors Service rates the Corporation's general obligation debt "Aaa".

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 \$227,279,272. Outstanding debt at December 31, 2012 represents 97% 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	
	2012	2011	2012	2011	2012	2011
1988 renovation bonds	\$ 12,495,000	\$ 13,815,000	\$ -	\$ -	\$ 12,495,000	\$ 13,815,000
2005 general obligation bonds	21,295,000	22,570,000	-	-	21,295,000	22,570,000
2010 general obligation bonds	186,565,000	195,000,000	-	-	186,565,000	195,000,000
Deferred bond premiums	4,173,973	4,357,617	-	-	4,173,973	4,357,617
Deferred amount on refunding	(1,124,742)	(1,272,253)	-	-	(1,124,742)	(1,272,253)
Due to local government	322,659,705	135,659,802	-	-	322,659,705	135,659,802
Capital leases	7,487,632	6,452,687	448,820,049	353,793,730	456,307,681	360,246,417
	<u>7,487,632</u>	<u>6,452,687</u>	<u>448,820,049</u>	<u>353,793,730</u>	<u>456,307,681</u>	<u>360,246,417</u>
Total long-term debt	\$ 553,551,568	\$ 376,582,853	\$ 448,820,049	\$ 353,793,730	\$ 1,002,371,617	\$ 730,376,583

Economic Factors and Next Year's Budgets and Rates

The 2013 original budget for all annually budgeted funds is \$436,245,351. No revisions have been made through June 2013. The 2013 General fund budget is \$317,957,800 a 8.5% increase from the 2012 final General fund budget of \$293,037,000. The 2012 General fund expenditure budget is higher than 2012 to account for additional funding that the general fund will transfer 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 and reduced Medicaid special revenue.

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, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 155,395,110	\$ 103,645,113	\$ 259,040,223
Investments	-	4,588,799	4,588,799
Receivables, net:			
Patient services	-	87,730,139	87,730,139
Medicaid special revenue	90,917,091	35,714,178	126,631,269
Grants	3,780,564	4,964,659	8,745,223
Interest	-	30,979	30,979
Taxes	9,500,000	-	9,500,000
Other	14,065,590	3,581,267	17,646,857
Internal balances	2,269,666	(2,269,666)	-
Inventories	-	3,847,712	3,847,712
Prepaid costs and other assets	478,369	7,951,977	8,430,346
Restricted cash and cash equivalents	91,024,629	-	91,024,629
Restricted investments	20,937,275	-	20,937,275
Bond issuance costs	1,873,116	-	1,873,116
Lease acquisition costs (net of accumulated amortization)	-	31,633,043	31,633,043
Joint venture investments	22,365,276	18,147,753	40,513,029
Other long-term assets	-	12,914,421	12,914,421
Capital assets (net of accumulated depreciation):			
Land	4,114,896	1,189,878	5,304,774
Land improvements	-	3,880,814	3,880,814
Buildings and improvements	17,115,876	493,671,162	510,787,038
Equipment	7,352,140	50,205,352	57,557,492
Vehicles	420,572	1,423,622	1,844,194
Construction in progress	467,323,679	19,595,849	486,919,528
Total assets	<u>908,933,849</u>	<u>882,447,051</u>	<u>1,791,380,900</u>
Liabilities			
Accounts payable	15,755,557	57,583,943	73,339,500
Restricted accounts payable	47,059,823	-	47,059,823
Accrued liabilities	1,205,731	19,618,567	20,824,298
Unearned revenue	973,377	2,857,132	3,830,509
Estimated Medicare/Medicaid settlements	-	1,573,233	1,573,233
Medical claims incurred but not reported	-	3,251,769	3,251,769
Long-term liabilities			
Due within one year	19,450,835	53,245,114	72,695,949
Due in more than one year	541,795,974	441,471,733	983,267,707
Total liabilities	<u>626,241,297</u>	<u>579,601,491</u>	<u>1,205,842,788</u>
Net Position			
Net investment in capital assets	10,475,308	121,146,628	131,621,936
Unrestricted	272,217,244	181,698,932	453,916,176
Total net position	<u>\$ 282,692,552</u>	<u>\$ 302,845,560</u>	<u>\$ 585,538,112</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, 2012

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	\$ 27,704,061	\$ 982,203	\$ 41,598,895	\$ 16,000,000	\$ 30,877,037	\$ -	\$ 30,877,037
Health improvement	29,487,312	3,055,130	11,063,684	-	(15,368,498)	-	(15,368,498)
Communicable disease prevention	13,909,736	556,999	4,862,454	-	(8,490,283)	-	(8,490,283)
Water quality and hazardous materials management	1,984,465	356,262	79,509	-	(1,548,694)	-	(1,548,694)
Vector disease control	3,410,855	551,975	-	-	(2,858,880)	-	(2,858,880)
Housing and neighborhood health	6,365,433	413,012	97,000	147,752	(5,707,669)	-	(5,707,669)
Consumer and employee risk reduction	1,712,384	2,149,007	-	-	436,623	-	436,623
Interest on long-term debt	39,583,468	-	-	-	(39,583,468)	-	(39,583,468)
Total governmental activities	<u>124,157,714</u>	<u>8,064,588</u>	<u>57,701,542</u>	<u>16,147,752</u>	<u>(42,243,832)</u>	<u>-</u>	<u>(42,243,832)</u>
Business-Type Activities							
Wishard Health Services	520,310,998	380,863,992	20,057,585	-	-	(119,389,421)	(119,389,421)
LT Care	549,407,590	690,328,627	-	-	-	140,921,037	140,921,037
Total business-type activities	<u>1,069,718,588</u>	<u>1,071,192,619</u>	<u>20,057,585</u>	<u>-</u>	<u>-</u>	<u>21,531,616</u>	<u>21,531,616</u>
Total	<u>\$ 1,193,876,302</u>	<u>\$ 1,079,257,207</u>	<u>\$ 77,759,127</u>	<u>\$ 16,147,752</u>	<u>(42,243,832)</u>	<u>21,531,616</u>	<u>(20,712,216)</u>
General revenues:							
Property and local option income taxes					67,627,906	-	67,627,906
HCI taxes from State of Indiana					38,000,000	-	38,000,000
Excise taxes					5,551,960	-	5,551,960
Financial institution taxes					1,285,940	-	1,285,940
Medicaid special revenue (unrestricted)					74,431,944	-	74,431,944
Build America Bonds interest subsidies					10,847,662	-	10,847,662
Unrestricted investment earnings					356,401	1,451,428	1,807,829
Transfers					(46,362,737)	46,362,737	-
Total general revenues and transfers					<u>151,739,076</u>	<u>47,814,165</u>	<u>199,553,241</u>
Change in net position					109,495,244	69,345,781	178,841,025
Net position - beginning of year					<u>173,197,308</u>	<u>233,499,779</u>	<u>406,697,087</u>
Net position - end of year					<u>\$ 282,692,552</u>	<u>\$ 302,845,560</u>	<u>\$ 585,538,112</u>

See Notes to Basic Financial Statements

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, 2012

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 128,056,461	\$ 12,015	\$ 27,326,634	\$ 155,395,110
Restricted cash and cash equivalents	-	87,982	90,936,647	91,024,629
Restricted investments	-	15,947,210	4,990,065	20,937,275
Receivables (net of allowance for uncollectibles)				
Grants	4,096,966	-	-	4,096,966
Medicaid special revenue	90,917,091	-	-	90,917,091
Taxes	9,500,000	-	-	9,500,000
Other	8,641,759	5,423,831	-	14,065,590
Due from other funds	8,078,822	-	-	8,078,822
Prepaid costs and other assets	478,369	-	-	478,369
	<u>\$ 249,769,468</u>	<u>\$ 21,471,038</u>	<u>\$ 123,253,346</u>	<u>\$ 394,493,852</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 15,755,557	\$ -	\$ 47,059,823	\$ 62,815,380
Salaries and related benefits	1,205,731	-	-	1,205,731
Deferred and unearned revenue	1,558,646	-	-	1,558,646
Due to other funds	701,727	5,423,831	-	6,125,558
Accrued self-insurance claims	321,214	-	-	321,214
Total liabilities	<u>19,542,875</u>	<u>5,423,831</u>	<u>47,059,823</u>	<u>72,026,529</u>
Fund Balances				
Nonspendable	478,369	-	-	478,369
Restricted	-	16,035,192	62,633,749	78,668,941
Assigned	2,252,310	12,015	13,559,774	15,824,099
Unassigned	227,495,914	-	-	227,495,914
Total fund balances	<u>230,226,593</u>	<u>16,047,207</u>	<u>76,193,523</u>	<u>322,467,323</u>
Total liabilities and fund balances	<u>\$ 249,769,468</u>	<u>\$ 21,471,038</u>	<u>\$ 123,253,346</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 funds statement.	496,327,163
Joint venture investments are not financial resources and, therefore, are not reported in the funds statement.	22,365,276
Deferred revenues not meeting availability criteria in funds statement are not in the statement of net position.	585,269
Bond issuance costs are reported in the governmental activities but are not reported in the funds statement.	1,873,116
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds statement.	<u>(560,925,595)</u>
Net assets of governmental activities	<u>\$ 282,692,552</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, 2012

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Taxes	\$ 107,969,247	\$ 4,295,220	\$ 201,339	\$ 112,465,806
Licenses and permits	3,901,841	-	-	3,901,841
Intergovernmental	58,176,574	-	-	58,176,574
Charges for services	1,147,540	-	-	1,147,540
Medicaid special revenue	74,198,308	-	-	74,198,308
Investment income	70,590	222,426	63,385	356,401
Build America Bonds interest subsidies	-	10,847,662	-	10,847,662
Contributions	-	-	16,000,000	16,000,000
Miscellaneous	2,748,262	-	-	2,748,262
Total revenues	<u>248,212,362</u>	<u>15,365,308</u>	<u>16,264,724</u>	<u>279,842,394</u>
Expenditures				
Current:				
Administrative	24,867,451	-	-	24,867,451
Population health	22,599,355	-	-	22,599,355
Environmental health	12,791,408	-	-	12,791,408
Health center program	1,154,921	-	-	1,154,921
Data processing	3,233,840	-	-	3,233,840
Grant programs	15,090,143	-	-	15,090,143
Capital outlays	591,803	-	285,783,430	286,375,233
Debt service:				
Principal	-	13,300,000	-	13,300,000
Interest and fiscal charges	-	39,583,468	-	39,583,468
Total expenditures	<u>80,328,921</u>	<u>52,883,468</u>	<u>285,783,430</u>	<u>418,995,819</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>167,883,441</u>	<u>(37,518,160)</u>	<u>(269,518,706)</u>	<u>(139,153,425)</u>
Other Financing Sources (Uses)				
Transfers in	106,700,000	36,704,754	31,681,319	175,086,073
Transfers out	(179,886,073)	-	-	(179,886,073)
Other debt issued	-	-	190,304,849	190,304,849
Total other financing sources and uses	<u>(73,186,073)</u>	<u>36,704,754</u>	<u>221,986,168</u>	<u>185,504,849</u>
Net change in fund balances	94,697,368	(813,406)	(47,532,538)	46,351,424
Fund balances - beginning of year	<u>135,529,225</u>	<u>16,860,613</u>	<u>123,726,061</u>	<u>276,115,899</u>
Fund balances - end of year	<u>\$ 230,226,593</u>	<u>\$ 16,047,207</u>	<u>\$ 76,193,523</u>	<u>\$ 322,467,323</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, 2012

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

Net changes in fund balances - total governmental funds	\$ 46,351,424
Depreciation expense is not reported in the funds statement, but is reported as a decrease in net position in the statement of activities.	(2,839,778)
Capital outlays are reported as expenditures in the funds statement, but are reported as additions to capital assets in the statement of net position.	286,375,233
Transfers of capital assets from governmental activities to the business type activities not shown in the fund statements.	(41,562,737)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds statement.	(619,148)
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.	(177,057,960)
Compensated absences that do not require the use of current financial resources are not reported as expenditures in the funds statement.	(674,156)
Asserted and unasserted self-insurance claims that do not require the use of current financial resources are not reported as expenditures in the funds statement	27,080
The increase in the net pension obligation is not reported in the funds statement, but is reported as a decrease in net position in the statement of activities.	<u>(504,714)</u>
Change in net position of governmental activities	<u><u>\$ 109,495,244</u></u>

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, 2012

	Wishard Health Services	LT Care	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 44,414,426	\$ 59,230,687	\$ 103,645,113
Investments	4,588,799	-	4,588,799
Receivables (net of allowance for uncollectibles):			
Patient services	38,290,796	49,439,343	87,730,139
Medicaid special revenue	-	35,714,178	35,714,178
Grants	4,648,257	-	4,648,257
Interest	30,979	-	30,979
Other	3,581,267	-	3,581,267
Inventories	3,847,712	-	3,847,712
Due from other funds	701,730	-	701,730
Prepaid costs and other assets	5,558,782	2,393,195	7,951,977
Total current assets	<u>105,662,748</u>	<u>146,777,403</u>	<u>252,440,151</u>
Noncurrent assets:			
Lease acquisition cost (net of accumulated amortization)	-	31,633,043	31,633,043
Joint venture investments	18,147,753	-	18,147,753
Other long-term assets	-	12,914,421	12,914,421
Capital assets (net of accumulated depreciation)			
Land	1,189,878	-	1,189,878
Land improvements	1,181,089	2,699,725	3,880,814
Building and improvements	81,486,060	412,185,102	493,671,162
Equipment	18,180,162	32,025,190	50,205,352
Vehicles	1,421,637	1,985	1,423,622
Construction in progress	13,202,095	6,393,754	19,595,849
Total capital assets (net accumulated depreciation)	<u>116,660,921</u>	<u>453,305,756</u>	<u>569,966,677</u>
Total noncurrent assets	<u>134,808,674</u>	<u>497,853,220</u>	<u>632,661,894</u>
Total assets	<u>240,471,422</u>	<u>644,630,623</u>	<u>885,102,045</u>
Liabilities			
Current liabilities:			
Accounts payable	34,768,616	22,815,327	57,583,943
Accrued liabilities	9,165,421	10,453,146	19,618,567
Due to other funds	2,654,994	-	2,654,994
Capital lease obligation - current	-	27,275,502	27,275,502
Estimated Medicare/Medicaid settlements	746,512	826,721	1,573,233
Unearned revenue	2,857,132	-	2,857,132
Medical claims incurred but not reported	3,251,769	-	3,251,769
Accrued compensated absences - current	17,846,657	-	17,846,657
Asserted and unasserted self-insurance claims - current	4,933,166	3,189,789	8,122,955
Total current liabilities	<u>76,224,267</u>	<u>64,560,485</u>	<u>140,784,752</u>
Noncurrent liabilities:			
Asserted and unasserted self-insurance claims	4,696,812	7,617,127	12,313,939
Accrued compensated absences	2,433,635	-	2,433,635
Net pension liability	5,179,612	-	5,179,612
Capital lease payable	-	421,544,547	421,544,547
Total noncurrent liabilities	<u>12,310,059</u>	<u>429,161,674</u>	<u>441,471,733</u>
Total liabilities	<u>88,534,326</u>	<u>493,722,159</u>	<u>582,256,485</u>
Net Position			
Net investment in capital assets	116,660,921	4,485,707	121,146,628
Unrestricted	35,276,175	146,422,757	181,698,932
Total net position	<u>\$ 151,937,096</u>	<u>\$ 150,908,464</u>	<u>\$ 302,845,560</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, 2012

	Wishard Health Services	LT Care	Total
Operating revenues:			
Net patient service revenue	\$ 362,801,092	\$ 534,791,819	\$ 897,592,911
Medicaid special revenue	-	153,550,441	153,550,441
Other revenue	18,062,900	1,986,367	20,049,267
Total operating revenues	<u>380,863,992</u>	<u>690,328,627</u>	<u>1,071,192,619</u>
Operating expenses:			
Salaries	198,425,251	-	198,425,251
Employee benefits	63,839,524	-	63,839,524
Contract labor	403,117	281,252,403	281,655,520
Medical and professional fees	72,759,583	28,858,568	101,618,151
Purchased services	32,130,914	38,489,482	70,620,396
Supplies	43,989,488	37,864,430	81,853,918
Pharmaceuticals	35,082,824	21,366,362	56,449,186
Repairs and maintenance	3,906,965	3,160,445	7,067,410
Utilities	8,089,223	11,562,482	19,651,705
Equipment rental	4,865,135	4,194,804	9,059,939
Depreciation and amortization	34,052,526	55,697,358	89,749,884
Hospital assessment fee	15,060,130	-	15,060,130
Other	7,706,318	25,688,154	33,394,472
Total operating expenses	<u>520,310,998</u>	<u>508,134,488</u>	<u>1,028,445,486</u>
Operating income (loss)	<u>(139,447,006)</u>	<u>182,194,139</u>	<u>42,747,133</u>
Nonoperating revenue (expenses):			
Noncapital gifts and grants	20,057,585	-	20,057,585
Loss on termination of lease	-	(5,845,500)	(5,845,500)
Investment income	1,423,443	27,985	1,451,428
Interest expense	-	(35,427,602)	(35,427,602)
Total nonoperating revenue (expense)	<u>21,481,028</u>	<u>(41,245,117)</u>	<u>(19,764,089)</u>
Income (loss) before capital contributions and transfers	(117,965,978)	140,949,022	22,983,044
Capital contributions	41,562,737	-	41,562,737
Transfers - General Fund	111,500,000	(106,700,000)	4,800,000
Changes in net position	35,096,759	34,249,022	69,345,781
Total net position at beginning of year	<u>116,840,337</u>	<u>116,659,442</u>	<u>233,499,779</u>
Total net position at end of the year	<u>\$ 151,937,096</u>	<u>\$ 150,908,464</u>	<u>\$ 302,845,560</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, 2012

	Wishard Health		
	Services	LT Care	Total
Cash Flows From Operating Activities			
Receipts from patient services	\$ 364,096,745	\$ 521,981,420	\$ 886,078,165
Receipts from other operations	19,117,131	1,986,367	21,103,498
Medicaid special revenue	-	150,127,051	150,127,051
Payments to suppliers	(228,024,836)	(106,583,115)	(334,607,951)
Payments to employees and contract labor	(261,147,534)	(349,250,888)	(610,398,422)
Net cash provided by (used in) operating activities	<u>(105,958,494)</u>	<u>218,260,835</u>	<u>112,302,341</u>
Cash Flows From Noncapital Financing Activities			
Cash receipts from noncapital gifts and grants	19,186,112	-	19,186,112
Transfers to the General Fund	-	(106,700,000)	(106,700,000)
Transfers from the General Fund	111,500,000	-	111,500,000
Net cash provided by (used in) noncapital financing activities	<u>130,686,112</u>	<u>(106,700,000)</u>	<u>23,986,112</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(11,145,131)	(32,767,847)	(43,912,978)
Proceeds from sale of capital assets	3,498,506	-	3,498,506
Deposits paid	-	(10,131,690)	(10,131,690)
Deposits returned	-	814,415	814,415
Lease acquisition cost payments	-	(6,870,530)	(6,870,530)
Lease termination costs	-	-	-
Payment of capital lease obligations	-	(25,869,472)	(25,869,472)
Interest expense payments	-	(35,427,602)	(35,427,602)
Net cash used in capital and related financing activities	<u>(7,646,625)</u>	<u>(110,252,726)</u>	<u>(117,899,351)</u>
Cash Flows From Investing Activities			
Proceeds from sale and maturities of investments	(1,669,949)	-	(1,669,949)
Purchases of investments	2,497,679	-	2,497,679
Interest and dividends received	170,303	27,985	198,288
Net cash provided by investing activities	<u>998,033</u>	<u>27,985</u>	<u>1,026,018</u>
Net Increase in Cash and Cash Equivalents	18,079,026	1,336,094	19,415,120
Cash and Cash Equivalents (Including Restricted), January 1	<u>26,335,400</u>	<u>57,894,593</u>	<u>84,229,993</u>
Cash and Cash Equivalents (Including Restricted), December 31	<u>\$ 44,414,426</u>	<u>\$ 59,230,687</u>	<u>\$ 103,645,113</u>
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (139,447,006)	\$ 182,194,139	\$ 42,747,133
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	34,052,526	55,697,358	89,749,884
Gain on disposal of assets	(123,490)	-	(123,490)
Changes in operating assets and liabilities:			
Patient service receivables	1,291,226	(13,240,441)	(11,949,215)
Other receivables	1,054,231	(3,423,390)	(2,369,159)
Inventories	1,039,041	-	1,039,041
Prepaid costs and other assets	301,469	277,305	578,774
Net pension asset/liability	2,464,187	-	2,464,187
Accounts payable	(2,119,317)	(910,554)	(3,029,871)
Accrued liabilities and compensation absences	(1,686,037)	(2,446,364)	(4,132,401)
Estimated Medicare/Medicaid settlements	24,153	430,042	454,195
Asserted and unasserted self-insurance claims	(284,698)	(317,260)	(601,958)
Medical claims incurred but not reported	(2,524,779)	-	(2,524,779)
Total adjustments	<u>33,488,512</u>	<u>36,066,696</u>	<u>69,555,208</u>
Net cash provided by (used in) operating activities	<u>\$ (105,958,494)</u>	<u>\$ 218,260,835</u>	<u>\$ 112,302,341</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	-	120,895,791	120,895,791
Purchase of capital assets included in accounts payable	-	824,412	824,412
Transfer of capital assets from general fund	41,562,737	-	41,562,737
Increase in carrying value of joint venture investment	1,266,423	-	1,266,423
Unrealized loss on investment, net	13,283	-	13,283

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, 2012

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 Wishard Health Services (Wishard). The Corporation operates three service divisions: MCPHD, Wishard 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.

Wishard comprises Wishard Memorial Hospital, a general acute care facility with 281 staffed beds; nine community health centers, Midtown Community Mental Health Center, Regenstrief Health Center, Wishard Emergency Trauma Service, Wishard Ambulance Service, and the Richard M. Fairbanks Burn Center. 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 Wishard division. For purposes of financial reporting, the Wishard 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.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, 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, 2012

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.

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, 2012

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), Wishard 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 Wishard Health Services Enterprise Fund, which accounts for the activities of Wishard (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 Wishard and LT Care are accounted for by the General Fund. Because the capital outlay for Wishard is funded through ad valorem taxes, long-term debt interest expense relating to Wishard is accounted for by the Debt Service Fund and is not allocated to the Wishard Health Services Enterprise Fund. Only debt intended to be repaid by operations of Wishard are included in the Wishard Enterprise Fund. At December 31, 2012, no such debt existed. At December 31, 2012, 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.

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 deferred 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 deferred 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. Wishard 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, Wishard 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 Wishard 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. Additionally, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the Corporation's policy to utilize such resources in the following order of priority: committed, assigned and then unassigned.

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.

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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 Wishard 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.

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.

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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.

Deferred and Unearned Revenue

Deferred revenue is recorded in the governmental fund financial statements for receivables that are not considered either measurable or available at December 31, 2012. Unearned revenue is recorded when the related revenues have not been earned for enterprise fund activities. Deferred revenue for governmental funds in the fund statements is recognized as revenue when it is earned and considered measurable and available.

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

Risk Share Payable

Risk share payable relates to undistributed profits and withholdings that are due to other providers who participate in Wishard's network as part of the risk-based Medicaid program. At December 31, 2012, there were no amounts due to other providers.

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 and discounts, as well as issuance costs, are deferred and amortized over the term of the respective bonds using the effective interest method. Deferred losses on refundings are amortized as a component of interest expense over the remaining life of the old bonds or the remaining life of the refunding bonds, whichever is shorter, using the effective interest method.

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In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 Wishard Health Services 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 Wishard 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 Wishard. Because Wishard does not expect amounts determined to qualify as indigent care to result in cash collections, they are not reported as net patient service revenue.

Wishard 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 Standard

During 2012, the Corporation adopted GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This Statement has been applied retrospectively and had no impact on the Corporation's net position, changes in net position or financial reporting disclosures. Upon adoption of GASB 63, the Corporation currently has no deferred outflows of resources or deferred inflows of resources to report.

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Note 2: Deposits and Investments

As of December 31, 2012, the Corporation had the following cash deposits and investments:

Cash deposits	\$ 292,543,534
Negotiable certificates of deposit	2,133,352
Repurchase agreements	13,457,397
State external investment pool	44,063,920
U.S. Government obligations	157,990
U.S. Government-sponsored enterprises	22,907,288
Money market mutual funds	327,445
	\$ 375,590,926

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

	2012
Carrying value	
Deposits	\$ 292,543,534
Investments	83,047,392
	\$ 375,590,926
Cash and cash equivalents	
Unrestricted	\$ 259,040,223
Restricted	91,024,629
	350,064,852
Investments	
Unrestricted	4,588,799
Restricted	20,937,275
	\$ 375,590,926

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, 2012:

	Fair Value	Investment Activities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Repurchase agreements	\$ 13,457,397	\$ 13,457,397	\$ -	\$ -	\$ -
State external investment pool	44,063,920	44,063,920	-	-	-
U.S. Government-sponsored enterprises	22,907,288	21,041,884	686,583	1,065,108	113,713
Money market mutual funds	327,445	327,445	-	-	-
	<u>\$ 80,756,050</u>	<u>\$ 78,890,646</u>	<u>\$ 686,583</u>	<u>\$ 1,065,108</u>	<u>\$ 113,713</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, 2012, 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	\$ 13,457,397	\$ 13,457,397	\$ -	\$ -	\$ -
State external investment pool	44,063,920	-	-	-	44,063,920
U.S. Government obligations	157,990	157,990	-	-	-
U.S. Government-sponsored enterprises	22,907,288	19,985,294	2,921,994	-	-
Money market mutual funds	327,445	327,445	-	-	-
	<u>\$ 80,914,040</u>	<u>\$ 33,928,126</u>	<u>\$ 2,921,994</u>	<u>\$ -</u>	<u>\$ 44,063,920</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, 2012, all of the Corporation's investments in overnight repurchase agreements (which are secured by U.S. Government or U.S. agency obligations) 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 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, 2012, 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, 2012, 5% or more of the Corporation's investments are in repurchase agreements with PNC Bank, Federal National Mortgage Association securities, and Federal Home Loan Mortgage Corporation securities. These investments represent 13.7%, 5.3% and 20.9%, respectively, of the Corporation's total investments. Additionally, all of the investments reported in the Corporation's Debt Service and Capital Projects funds are government-sponsored enterprise securities.

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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

Investment income for the year ended December 31, 2012 consisted of:

	Governmental Fund-Types	Proprietary Fund-Types
Interest income	\$ 1,580,929	\$ 1,438,145
Unrealized gain (loss) on investments, net	(1,224,528)	13,283
Investment income	\$ 356,401	\$ 1,451,428

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, 2012:

	Wishard	LT Care	Total
Gross patient services receivables	\$ 195,572,201	\$ 56,030,947	\$ 251,603,148
Allowance for estimated contractual adjustment	(93,295,844)	-	(93,295,844)
Allowance for uncollectible accounts	(63,985,561)	(6,591,604)	(70,577,165)
Net patient services receivables	<u>\$ 38,290,796</u>	<u>\$ 49,439,343</u>	<u>\$ 87,730,139</u>

Note 5: Interfund Balances and Transfers

Individual due to/from other funds as of December 31, 2012 are as follows:

Interfund Receivables	Interfund Payables	Amount
Debt Service Fund	General Fund	\$ 5,423,831
General Fund	Wishard	2,654,991
Enterprise Fund - Wishard	General Fund	701,730

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, 2013.

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Interfund transfers for the year ended December 31, 2012 on the fund statements consisted of the following:

	Transfer In:				Total
	General Fund	Debt Service Fund	Cap Projects Fund	Enterprise Fund - Wishard	
Transfer out:					
General Fund	\$ -	\$ 36,704,754	\$ 31,681,319	\$ 111,500,000	\$ 179,886,073
Enterprise Fund - LTC	106,700,000	-	-	-	106,700,000
Total	<u>\$ 106,700,000</u>	<u>\$ 36,704,754</u>	<u>\$ 31,681,319</u>	<u>\$ 111,500,000</u>	<u>\$ 286,586,073</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 Wishard Health Services 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.

Note 6: Deferred and Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2012, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Grant advances prior to meeting all eligibility requirements	\$ -	\$ 973,377
Grant reimbursements not received within 90 days	351,633	-
Other revenues not received within 90 days	<u>233,636</u>	<u>-</u>
Total General Fund	<u>\$ 585,269</u>	<u>\$ 973,377</u>

In addition, the Wishard Health Services Enterprise Fund had \$2,857,132 of unearned revenue recorded at December 31, 2012 of which \$2,132,435 related to the Healthy Indiana Plan and \$724,697 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, 2012:

	January 1, 2012	Transfers/ Additions	Transfers/ Disposals	December 31, 2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,114,896	\$ -	\$ -	\$ 4,114,896
Construction in progress	242,543,346	267,486,958	(42,706,625)	467,323,679
Total capital assets not being depreciated	<u>246,658,242</u>	<u>267,486,958</u>	<u>(42,706,625)</u>	<u>471,438,575</u>
Capital assets being depreciated:				
Buildings and improvements	28,347,998	1,318,001	(7,656)	29,658,343
Equipment	22,227,372	710,326	(356,166)	22,581,532
Vehicles	5,055,264	45,586	-	5,100,850
Total capital assets being depreciated	<u>55,630,634</u>	<u>2,073,913</u>	<u>(363,822)</u>	<u>57,340,725</u>
Less accumulated depreciation for:				
Buildings and improvements	10,990,482	1,551,985	-	12,542,467
Equipment	14,343,085	1,242,260	(355,953)	15,229,392
Vehicles	4,441,587	238,691	-	4,680,278
Total accumulated depreciation	<u>29,775,154</u>	<u>3,032,936</u>	<u>(355,953)</u>	<u>32,452,137</u>
Total capital assets being depreciated, net	<u>25,855,480</u>	<u>(959,023)</u>	<u>(7,869)</u>	<u>24,888,588</u>
Governmental activities capital assets, net	<u>\$ 272,513,722</u>	<u>\$ 266,527,935</u>	<u>\$ (42,714,494)</u>	<u>\$ 496,327,163</u>

The following is a summary of changes in capital assets - business-type activities for the year ended December 31, 2012:

	January 1, 2012	Transfers/ Additions	Transfers/ Disposals	December 31, 2012
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,897,993	\$ -	\$ (1,708,115)	\$ 1,189,878
Construction in progress	13,342,450	32,604,697	(26,351,298)	19,595,849
Total capital assets not being depreciated	<u>16,240,443</u>	<u>32,604,697</u>	<u>(28,059,413)</u>	<u>20,785,727</u>
Capital assets being depreciated:				
Land improvements	9,713,231	756,219	-	10,469,450
Buildings and improvements	722,332,158	176,280,291	-	898,612,449
Equipment	224,858,547	21,855,510	-	246,714,057
Vehicles	7,766,673	404,927	(228,347)	7,943,253
Total capital assets being depreciated	<u>964,670,609</u>	<u>199,296,947</u>	<u>(228,347)</u>	<u>1,163,739,209</u>
Less accumulated depreciation for:				
Land improvements	5,965,414	623,222	-	6,588,636
Buildings and improvements	342,184,945	62,756,342	-	404,941,287
Equipment	174,019,666	22,489,039	-	196,508,705
Vehicles	6,193,539	533,110	(207,018)	6,519,631
Total accumulated depreciation	<u>528,363,564</u>	<u>86,401,713</u>	<u>(207,018)</u>	<u>614,558,259</u>
Total capital assets being depreciated, net	<u>436,307,045</u>	<u>112,895,234</u>	<u>(21,329)</u>	<u>549,180,950</u>
Business-type activities capital assets, net	<u>\$ 452,547,488</u>	<u>\$ 145,499,931</u>	<u>\$ (28,080,742)</u>	<u>\$ 569,966,677</u>

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The following is a summary of changes in capital assets - Wishard enterprise fund for the year ended December 31, 2012:

	January 1, 2012	Transfers/ Additions	Transfers/ Disposals	December 31, 2012
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,897,993	\$ -	\$ (1,708,115)	\$ 1,189,878
Construction in progress	7,293,871	9,822,979	(3,914,755)	13,202,095
Total capital assets not being depreciated	<u>10,191,864</u>	<u>9,822,979</u>	<u>(5,622,870)</u>	<u>14,391,973</u>
Capital assets being depreciated:				
Land improvements	6,690,032	-	-	6,690,032
Buildings and improvements	257,986,544	38,766,114	-	296,752,658
Equipment	173,855,469	5,983,031	-	179,838,500
Vehicles	7,603,910	404,927	(228,347)	7,780,490
Total capital assets being depreciated	<u>446,135,955</u>	<u>45,154,072</u>	<u>(228,347)</u>	<u>491,061,680</u>
Less accumulated depreciation for:				
Land improvements	5,217,383	291,560	-	5,508,943
Buildings and improvements	195,594,100	19,672,498	-	215,266,598
Equipment	148,096,598	13,561,740	-	161,658,338
Vehicles	6,039,143	526,728	(207,018)	6,358,853
Total accumulated depreciation	<u>354,947,224</u>	<u>34,052,526</u>	<u>(207,018)</u>	<u>388,792,732</u>
Total capital assets being depreciated, net	<u>91,188,731</u>	<u>11,101,546</u>	<u>(21,329)</u>	<u>102,268,948</u>
Business-type activities capital assets, net	<u>\$ 101,380,595</u>	<u>\$ 20,924,525</u>	<u>\$ (5,644,199)</u>	<u>\$ 116,660,921</u>

The following is a summary of changes in capital assets - LT Care enterprise fund for the year ended December 31, 2012:

	January 1, 2012	Transfers/ Additions	Transfers/ Disposals	December 31, 2012
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 6,048,579	\$ 22,781,718	\$ (22,436,543)	\$ 6,393,754
Total capital assets not being depreciated	<u>6,048,579</u>	<u>22,781,718</u>	<u>(22,436,543)</u>	<u>6,393,754</u>
Capital assets being depreciated:				
Land improvements	3,023,199	756,219	-	3,779,418
Buildings and improvements	464,345,614	137,514,177	-	601,859,791
Equipment	51,003,078	15,872,479	-	66,875,557
Vehicles	162,763	-	-	162,763
Total capital assets being depreciated	<u>518,534,654</u>	<u>154,142,875</u>	<u>-</u>	<u>672,677,529</u>
Less accumulated depreciation for:				
Land improvements	748,031	331,662	-	1,079,693
Buildings and improvements	146,590,845	43,083,844	-	189,674,689
Equipment	25,923,068	8,927,299	-	34,850,367
Vehicles	154,396	6,382	-	160,778
Total accumulated depreciation	<u>173,416,340</u>	<u>52,349,187</u>	<u>-</u>	<u>225,765,527</u>
Total capital assets being depreciated, net	<u>345,118,314</u>	<u>101,793,688</u>	<u>-</u>	<u>446,912,002</u>
Business-type activities capital assets, net	<u>\$ 351,166,893</u>	<u>\$ 124,575,406</u>	<u>\$ (22,436,543)</u>	<u>\$ 453,305,756</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	\$ 1,962,155
Health improvements	430,710
Communicable disease prevention	237,038
Water quality and hazardous material management	22,997
Vector disease control	155,410
Housing and neighborhood health	29,340
Consumer and employee risk reduction	<u>2,128</u>

Total depreciation expense, governmental activities	<u><u>\$ 2,839,778</u></u>
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Business-Type Activities:

Wishard	\$ 34,052,526
LT Care	<u>52,349,187</u>

Total depreciation expense, business-type activities	<u><u>\$ 86,401,713</u></u>
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Included in the LT Care Fund depreciation expense in the proprietary fund statements is \$3,348,171 of amortization expense related to lease acquisition costs.

As discussed elsewhere in these notes, the Corporation is in the process of constructing Eskenazi Health. Accordingly, the Corporation reevaluated the service utility of the assets associated with the current hospital campus that will be closed at the end of 2013. This resulted in the acceleration of depreciation on certain assets relating to the latter. The Wishard enterprise fund recorded approximately \$9,900,000 of additional depreciation as a result of the reevaluation, which is included in total Wishard 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 Wishard 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, 2012, Wishard's Medicare and Medicaid cost reports have been audited by the fiscal intermediaries through December 31, 2006.

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Wishard and LT Care have agreements with third-party payers that provide for payments to Wishard 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, Wishard 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 Wishard 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

Wishard 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. Wishard also participates in a Medicaid risk-based managed care program in which Wishard 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 retroactive to July 1, 2011. The HAF increases reimbursement for the state Medicaid fee for service program and the Medicaid managed care programs by a total of \$111,000,000 (of which approximately \$40,000,000 was related to the year ended December 31, 2011); such revenue is reported as net patient service revenue in the Wishard fund. Wishard was assessed a fee under the HAF program of approximately \$15,000,000, (of which approximately \$5,000,000 was related to the year ended December 31, 2011) and is reported as an operating expense in the Wishard 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).

Medicaid special revenue associated with indigent services provided at Wishard 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 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 Wishard (for the physician access to care program) and LT Care Funds. 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 Wishard and LT Care Funds 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 Wishard's services. Accordingly, management recognizes such payments on an accrual basis at the LT Care Fund level.

The General Fund recognized \$74,198,308 in Medicaid special revenue and a receivable of \$90,917,091 at December 31, 2012. The LT Care Fund recognized revenue of \$153,550,441 and a receivable of \$35,714,178 at December 31, 2012.

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Other Payers

Wishard 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 Wishard 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, 2012:

	Wishard Health Service	LT Care	Total	Percentage
Patient service revenue:				
Inpatient	\$ 442,795,073	\$ -	\$ 442,795,073	26%
Outpatient	688,858,535	-	688,858,535	41%
Long-term care	-	564,241,619	564,241,619	33%
Gross patient service less:	1,131,653,608	564,241,619	1,695,895,227	100%
Contractual adjustments	371,416,509	21,019,285	392,435,794	23%
Charity and indigent care	333,296,465	-	333,296,465	20%
Provision for uncollectible accounts	64,139,542	8,430,515	72,570,057	4%
Net patient service revenue	<u>\$ 362,801,092</u>	<u>\$ 534,791,819</u>	<u>\$ 897,592,911</u>	<u>53%</u>

Revenue from the Medicare and Medicaid programs accounted for approximately 32% and 55%, respectively, of net patient service revenue for the year ended 2012. 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

The Corporation has issued \$28,000,000 of renovation bonds, the proceeds of which were used to renovate the clinical, patient care and administrative areas of the existing Wishard Health Services hospital complex and acquire, construct, renovate and equip the Corporation's public health and administrative facilities. The Renovation Bonds of 1988 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 Renovation Bonds of 1988 bear interest at 7.40%, with principal and interest payments due June 30 and December 30 through 2019. In June 1990, the Indianapolis Local Public Improvement Bond Bank purchased the outstanding principal and accrued interest of the Renovation Bonds of 1988 for \$27,457,950.

General Obligation Bonds of 2005

The Corporation has 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 2000A (the 2000A 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 bear interest at 3.50% 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 2010A GO Bonds), the proceeds of which are to be used to finance a portion of a new hospital complex (Eskenazi Health). Eskenazi Health will be comprised of a new 11-story replacement hospital facility of approximately 850,000 square feet with 315 beds, 12 labor delivery recovery beds, and 15 nursery beds and an adjacent six-story structure of approximately 175,000 square feet housing the outpatient clinic facilities. Also included as part of Eskenazi Health, will be a five-story office building of approximately 207,000 square feet to provide administrative offices for Eskenazi Health, a six-story parking garage of approximately 2,300 spaces, a consolidated utility plant and a data center to be housed at the Marion County Public Health Department. The 2010A 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 2010A GO Bonds bear interest at 3% to 6%, with principal and interest payments due January 15 and July 15 through January 15, 2040. The 2010A 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 are expected to be reduced by approximately 8.7%. It is too soon to predict by what percentage, if any, BAB Subsidies will be cut in 2014 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 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 has received loans of 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.

Pursuant to its Master Lease Agreement and related Addendum(s) with the Authority, the Corporation is leasing certain real estate underlying Eskenazi Health 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 and 2010 B-2 Bond Bank Bonds.

As financing proceeds are spent on costs of Eskenazi Health, the Corporation is recording such activity in capital assets with an offsetting entry to the due to local government balance reflected in long-term liabilities in the statement of net position. These amounts will accumulate until such time as the facilities are placed in service and the lease rentals begin, at which time the respective portions of the due to local government balance will be reclassified as capital lease obligations.

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The following is a summary of changes in long-term liabilities for the year ended December 31, 2012:

	January 1, 2012	Additions	Reductions	December 31, 2012	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	\$ 13,815,000	\$ -	\$ (1,320,000)	\$ 12,495,000	\$ 1,420,000
Refunding Bonds of 2005 (\$28,960,000 original amount), 3.50% to 5.25%, due January 1, 2025	22,570,000	-	(1,275,000)	21,295,000	1,340,000
General Obligation Bonds of 2010 - Series A-1, A-2 (\$195,000,000 original amount), 3.00% to 6.00%, due January 15, 2040	195,000,000	-	(8,435,000)	186,565,000	8,730,000
Deferred Amounts:					
Less: loss on refunding	(1,272,253)	-	147,511	(1,124,742)	(147,511)
Plus: bond premium	4,357,617	-	(183,644)	4,173,973	183,643
Total bonds payable	<u>234,470,364</u>	<u>-</u>	<u>(11,066,133)</u>	<u>223,404,231</u>	<u>11,526,132</u>
Due to local government	135,659,802	190,304,848	(3,304,945)	322,659,705	-
Capital lease payable	6,452,687	3,304,945	(2,270,000)	7,487,632	2,320,000
Asserted and unasserted self-insurance claims	1,250,098	5,116,472	(5,626,406)	740,164	321,214
Accrued compensated absences	5,447,745	5,109,296	(4,435,140)	6,121,901	5,283,489
Net pension liability	<u>328,462</u>	<u>3,501,255</u>	<u>(2,996,541)</u>	<u>833,176</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 383,609,158</u>	<u>\$ 207,336,816</u>	<u>\$ (29,699,165)</u>	<u>\$ 561,246,809</u>	<u>\$ 19,450,835</u>
Business-Type Activities:					
Wishard Health Services:					
Asserted and unasserted self-insurance claims	\$ 9,914,676	\$ 29,826,272	\$ (30,110,970)	\$ 9,629,978	\$ 4,933,166
Accrued compensated absences	20,110,434	17,020,807	(16,850,949)	20,280,292	17,846,657
Net pension liability	2,715,425	17,094,360	(14,630,173)	5,179,612	-
LT Care:					
Capital leases	353,793,730	120,895,791	(25,869,472)	448,820,049	27,275,502
Asserted and unasserted self-insurance claims	<u>11,124,176</u>	<u>560,881</u>	<u>(878,141)</u>	<u>10,806,916</u>	<u>3,189,789</u>
Business-type activities long-term liabilities	<u>\$ 397,658,441</u>	<u>\$ 185,398,111</u>	<u>\$ (88,339,705)</u>	<u>\$ 494,716,847</u>	<u>\$ 53,245,114</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, 2012 are as follows:

Bonds:	Principal	Interest	BAB Subsidies
2013	\$ 11,490,000	\$ 12,500,538	\$ 4,819,864
2014	11,990,000	11,997,783	3,213,243
2015	4,350,000	11,449,278	3,213,243
2016	4,595,000	11,201,363	3,213,243
2017	4,850,000	10,946,368	3,213,243
2018 - 2022	28,650,000	50,329,214	16,066,213
2023 - 2027	35,650,000	41,813,910	14,544,699
2028 - 2032	42,985,000	30,653,904	10,728,866
2033 - 2037	52,030,000	16,744,866	5,860,699
2038 - 2039	23,765,000	2,153,935	753,877
	<u>\$ 220,355,000</u>	<u>\$ 199,791,159</u>	<u>\$ 65,627,190</u>

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, 2012, is as follows:

Net assessed value - 2012	\$ 33,922,279,415
	<u>0.67%</u>
Debt limit	227,279,272
Debt applicable to debt limit:	
Bonded debt	<u>220,355,000</u>
Legal debt margin	<u>\$ 6,924,272</u>

As mentioned previously, in 2005, the Corporation refunded its 2000A GO Bonds with the issuance of the 2005 GO Bonds. The 2000A GO Bonds are considered to have been defeased and have been removed from the basic financial statements. At December 31, 2012, \$19,855,000 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, 2012 for the governmental activities:

2013	\$ 602,812
2014	559,152
2015	439,637
2016	388,579
2017	<u>199,739</u>
Total future payments	<u><u>\$ 2,189,919</u></u>

Lease expenditures of \$589,816 were reported in the governmental activities for the year ended December 31, 2012.

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, 2012 for the business-type activities:

2013	\$ 3,666,794
2014	2,037,517
2015	1,229,366
2016	201,913
2017	109,996
2018 - 2022	<u>17,723</u>
Total future payments	<u><u>\$ 7,263,309</u></u>

The Corporation reported \$6,918,638 of lease expense in the business-type activities for the year ended December 31, 2012.

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Capital

The Corporation's governmental activities include a capital lease for a data center and certain equipment being used in the Corporation's hospital operation. At December 31, 2012, the gross amount of building improvements, equipment and related accumulated amortization recorded under the capital lease was as follows:

Building improvements	\$ 5,202,741
Equipment	4,554,891
Less accumulated amortization	<u>(711,604)</u>
	<u>\$ 9,046,028</u>

Future minimum capital lease payments for the Corporation's governmental activities as of December 31, 2012 are:

2013	\$ 2,591,216
2014	2,586,905
2015	<u>2,959,056</u>
Total minimum lease payments	8,137,177
Less amount representing interest (2.34% - 5.770%)	<u>649,545</u>
Present value of net minimum capital lease payment	7,487,632
Less current installments of obligations under capital leases	<u>2,320,000</u>
Obligations under capital lease, excluding current installments	<u>\$ 5,167,632</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, 2012, the gross amount of buildings and related accumulated amortization recorded under capital leases was as follows:

Buildings	\$ 539,260,830
Less accumulated amortization	<u>(172,500,075)</u>
	<u>\$ 366,760,755</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, 2012 are:

2013	\$ 64,481,057
2014	65,729,660
2015	66,998,326
2016	68,155,836
2017	69,070,455
2018 - 2022	329,984,491
2023 - 2027	4,767,000
Total minimum lease payments	669,186,825
Less amount representing interest (at rates ranging from 4.58% to 11.74%)	220,366,776
Present value of net minimum capital lease payment	448,820,049
Less current installments of obligations under capital leases	27,275,502
Obligations under capital lease, excluding current installments	\$ 421,544,547

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 \$100,000. Settled claims have not exceeded coverage for the past three years.

Wishard 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. The Corporation incorporated Lions on February 28, 2006, and commenced operations on March 1, 2006. As with Wishard, 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, 2011	\$ 16,448,587
Change in incurred claims (including IBNRs), net	3,414,197
Claim payments	<u>(2,367,179)</u>
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 December 31, 2012	 <u><u>\$ 17,166,728</u></u>

Medical Claims Incurred But Not Reported

Wishard 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). Wishard 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 Wishard for amounts that are unpaid at December 31, 2012. The liability is based on claim factors determined by an actuary using projections and the historical loss experience of Wishard and gives effect to estimates of trends in claim severity and frequency. Although Wishard'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 assumptions utilized. Accordingly, the ultimate settlement of claims may vary significantly from the liability for unpaid claims included in the Wishard Health Services 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, 2011	\$ 5,330,206
Change in incurred claims (including IBNRs), net	26,320,775
Claim payments	<u>(25,874,433)</u>
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 December 31, 2012	 <u><u>\$ 3,251,769</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, 2012. 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, 2011	\$ 5,134,155
Change in incurred claims (including IBNRs), net	2,941,304
Claim payments	<u>(6,825,361)</u>
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 December 31, 2012	 <u><u>\$ 740,164</u></u>

The amount recorded as a liability in the General Fund at December 31, 2012 is \$321,214 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, 2011	\$ 3,370,422
Change in incurred claims (including IBNRs), net	26,163,602
Claim payments	<u>(25,990,777)</u>
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 December 31, 2012	 <u><u>\$ 3,270,166</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 and county ordinance.

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 2012) of annual covered payroll. Therefore, the total employer contribution rate for 2012 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, 2012 actuarial valuation using the entry age normal level percent of payroll. The actuarial assumptions used for the June 30, 2012 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, 2012:

Annual required contributions (ARC)	\$ 20,627,839
Interest on net pension asset	213,072
Adjustment to ARC	(245,296)
Annual pension cost	<u>20,595,615</u>
Actual contributions made	<u>17,626,714</u>
Change in net pension liability	2,968,901
Net pension liability, beginning of year	<u>3,043,887</u>
Net pension liability, end of year	<u><u>\$ 6,012,788</u></u>

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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)
2012	\$ 20,595,615	86%	\$ (6,012,788)
2011	19,339,518	81%	(3,043,887)
2010	15,326,351	92%	566,428

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, 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%
June 30, 2010	168,526,115	237,985,099	(69,458,984)	71%	212,866,807	33%

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 2012, 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 Wishard, but the operations of Wishard remains the direct responsibility of the Corporation. Wishard incurred fees for professional, management, and resident physician services of approximately \$49,907,901 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 Wishard, which resulted in revenue to Wishard of \$1,297,198 in 2012.

Note 15: Agreement With Indiana University Medical Group - Primary Care

The Eskenazi Medical Group (EMG) is a related party of the Corporation through joint control. Under its agreements with Wishard, EMG provided administrative services for Wishard until December 31, 2012. MDwise became responsible for the administrative services starting on January 1, 2013. EMG provides physician services to Wishard and its Community Health Centers.

Total 2012 expense recognized in the Wishard fund to EMG totaled \$18,610,491.

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 2012, the Corporation incurred approximately \$30,578,000 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 previously leased 26 of the nursing homes from entities related to ASC through common ownership. As a part of the lease restructuring discussed later in the notes, several entities related to ASC through common ownership sold the leased properties to an unrelated third party. As a result, the Corporation currently leases 8 of the nursing homes from entities related to ASC through common ownership. During 2012, the Corporation paid approximately \$30,906,000 to this organization in associated lease costs from LT Care operating revenue.

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At December 31, 2012, the LT Care Fund had a payable to EagleCare of approximately \$12,225,000 primarily for accrued labor and related benefits. The LT Care Fund also had a payable to ASC at December 31, 2012 of approximately \$5,599,000 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 also 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 has provided security deposits securing 32 nursing homes in the amount of \$7,887,068. In December 2012, an irrevocable standby letter of credit in the amount of \$7,374,337 was obtained to secure 28 of the aforementioned 32 nursing homes and will replace the cash funded security deposit for those leases.

The Corporation restructured the leases of several nursing facilities in 2012, which required the forfeiture of \$5,845,500 in facility deposits which were paid at the inception of the original lease agreements. As a result of the lease restructurings, one unrelated third party served as landlord of 33 of the Corporation's nursing facilities. Lease payments to this third party in 2012 approximated \$13,754,000.

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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, 2012, the Corporation received \$102,965,806 in tax cash receipts and \$681,369 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, 2012, the Corporation had a receivable for \$9,500,000 due from the State of Indiana. The Corporation paid the County \$529,182 in 2012 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 2012.

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 Wishard fund and accounted for under the equity method. 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 HHC and Duke Realty to jointly develop and construct an office building located on Eskenazi Health Campus. The estimated cost design and construction of the building is \$80.4 million; funded through equity contributions from HHC and Duke Realty. The office building will be completed in late 2013 and will be owned by the LLC. HHC will continue to own the land under the building and has leased the land to the LLC for 50 years. HHC will be the sole primary lessee of the building for the next 30 years but does have the authority to sublet as it wishes.

Duke Realty will be the property manager for the building. HHC will pay full/unsubsidized lease rates to the LLC. HHC, as a partner in the LLC, will also receive 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. HHC will be able to purchase the building at market value or continue to lease the building from the LLC at the end of the original lease period.

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Note 20: Concentrations of Credit Risk

Wishard 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, 2012 is as follows:

Commercial insurance	11%
Medicare	31%
Medicaid	34%
Self-pay	15%
Other	9%
	100%
	100%

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 Eskenazi Health of approximately \$177,000,000 at December 31, 2012. Additionally, the General Fund and Capital Projects Fund have outstanding encumbrances aggregating \$2,252,310 and \$27,563,319, respectively, at December 31, 2012.

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Note 22: Subsequent Events

Bond Issuance

Subsequent to 2012, the Corporation received a loan of proceeds in connection with the issuance of \$42,460,000 of The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2013A (the 2013A Bond Bank Bonds), to fund ongoing costs of the Wishard Hospital Project. As noted previously in these notes, such debt is subject to a Master Lease Agreement. Rentals under the 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 under this lease and the principal of, and interest on, the 2013A Bond Bank Bonds. The 2013A Bond Bank Bonds were issued at an average coupon rate of 4.96% with maturities extending through 2036.

Agreement With Community Health Network, Inc.

On February 18, 2013, the Corporation and Community Health Network, Inc. ("Community"), an Indiana nonprofit corporation and the operator of several health care facilities in Indiana, entered into an agreement to develop a collaboration (the "Collaboration"). Both the Board of Trustees of the Corporation and the Board of Directors of Community have approved this agreement and both entities are currently undertaking due diligence to assess the resources and potential collaborative opportunities across the two systems. The proposed Collaboration is not a merger of the Corporation and Community or an acquisition of either entity by the other. The Corporation cannot predict at this time when the proposed Collaboration will commence implementation.

The proposed Collaboration would encourage coordination of the management of the Community and Wishard hospitals and related facilities located in central Indiana. In addition, the proposed Collaboration would allow the Corporation and Community to effectively address health care reform and expand access to quality health care for the citizens of Indiana, including the indigent and most vulnerable populations, through broader outreach, enhanced health education, and expanded disease management and post-acute services.

**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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 103,488,802	\$ 103,488,802	\$ 107,969,247	\$ 4,480,445
Licenses and permits	4,110,600	4,110,600	3,901,841	(208,759)
Intergovernmental	865,000	865,000	681,369	(183,631)
Charges for services	1,279,400	1,279,400	1,147,540	(131,860)
Medicaid special revenue	127,341,000	127,341,000	(15,425,487)	(142,766,487)
Interest	175,000	175,000	70,590	(104,410)
Grants	18,845,000	18,845,000	18,310,098	(534,902)
Miscellaneous	18,545,000	18,545,000	43,171,264	24,626,264
Total revenues	<u>274,649,802</u>	<u>274,649,802</u>	<u>159,826,462</u>	<u>(114,823,340)</u>
Expenditures				
Personal services	53,200,000	53,200,000	52,812,911	387,089
Supplies	4,455,000	4,900,000	4,224,282	675,718
Other charges and services	26,760,000	56,760,000	27,130,917	29,629,083
Capital outlays	1,998,000	1,553,000	539,299	1,013,701
Total expenditures	<u>86,413,000</u>	<u>116,413,000</u>	<u>84,707,409</u>	<u>31,705,591</u>
Other Financing Uses				
Transfers out, net	(176,624,000)	(176,624,000)	(73,186,073)	103,437,927
Total other financing uses	<u>(176,624,000)</u>	<u>(176,624,000)</u>	<u>(73,186,073)</u>	<u>103,437,927</u>
Net change in fund balances	11,612,802	(18,387,198)	1,932,980	20,320,178
Fund balances - beginning of year	<u>113,638,063</u>	<u>113,638,063</u>	<u>127,074,780</u>	<u>13,436,717</u>
Fund balances - end of year	<u>\$ 125,250,865</u>	<u>\$ 95,250,865</u>	<u>\$ 129,007,760</u>	<u>\$ 33,756,895</u>

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December 31, 2012

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	\$ 94,697,368
Add (Deduct)	
Change in encumbrances	103,031
Change in prepaid expenditures	(60,522)
Change in accounts receivable	(92,480,541)
Change in accounts payable	1,514,672
Change in self-insurance claims	(1,841,028)
	(1,841,028)
Net change in fund balance - Budgetary Basis	\$ 1,932,980

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
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,708,458	\$ 4,708,458	\$ 4,295,220	\$ (413,238)
Interest	1,000	1,000	222,426	221,426
Miscellaneous	-	-	10,847,662	10,847,662
Total revenues	<u>4,709,458</u>	<u>4,709,458</u>	<u>15,365,308</u>	<u>10,655,850</u>
Expenditures				
Principal retirement	12,961,470	12,961,470	13,300,000	338,530
Interest and fiscal charges	39,922,000	39,922,000	39,583,468	(338,532)
Total expenditures	<u>52,883,470</u>	<u>52,883,470</u>	<u>52,883,468</u>	<u>(2)</u>
Excess of revenues over expenditures	<u>(48,174,012)</u>	<u>(48,174,012)</u>	<u>(37,518,160)</u>	<u>10,655,852</u>
Other Financing Sources				
Transfers in	-	-	36,704,754	36,704,754
Total other financing sources	<u>-</u>	<u>-</u>	<u>36,704,754</u>	<u>36,704,754</u>
Net change in fund balances	(48,174,012)	(48,174,012)	(813,406)	47,360,606
Fund balances - beginning of year	<u>(40,844,774)</u>	<u>(40,844,774)</u>	<u>3,285,286</u>	<u>44,130,060</u>
Fund balances - end of year	<u>\$ (89,018,786)</u>	<u>\$ (89,018,786)</u>	<u>\$ 2,471,880</u>	<u>\$ 91,490,666</u>

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
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 220,710	\$ 220,710	\$ 201,339	\$ (19,371)
Interest	-	-	8,866	8,866
Miscellaneous	30,000,000	33,400,000	16,000,000	(17,400,000)
Total revenues	<u>30,220,710</u>	<u>33,620,710</u>	<u>16,210,205</u>	<u>(17,410,505)</u>
Expenditures				
Capital outlays	30,000,000	47,000,000	25,259,006	21,740,994
Total expenditures	<u>30,000,000</u>	<u>47,000,000</u>	<u>25,259,006</u>	<u>21,740,994</u>
Excess of revenues over expenditures	<u>220,710</u>	<u>(13,379,290)</u>	<u>(9,048,801)</u>	<u>4,330,489</u>
Other Financing Sources				
Transfers in	-	-	31,681,319	31,681,319
Total other financing sources	<u>-</u>	<u>-</u>	<u>31,681,319</u>	<u>31,681,319</u>
Net change in fund balances	220,710	(13,379,290)	22,632,518	36,011,808
Fund Balances - beginning of year	<u>52,138,273</u>	<u>(21,063,727)</u>	<u>13,960,951</u>	<u>35,024,678</u>
Fund balances - end of year	<u>\$ 52,358,983</u>	<u>\$ (34,443,017)</u>	<u>\$ 36,593,469</u>	<u>\$ 71,036,486</u>

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Primary Government										
Governmental activities										
Net investment in capital assets	\$ 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	\$ 13,101,552
Restricted	-	-	6,980,523	-	-	-	-	-	-	-
Unrestricted	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	8,463,765
Total governmental activities net position	<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>	<u>\$ 21,565,317</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 166,804,507
Restricted	-	-	171,034	699,698	732,481	1,261,455	639,351	596,789	570,811	564,837
Unrestricted	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	87,026,987
Total business-type activities net position	<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>	<u>\$ 254,396,331</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 179,906,059
Restricted	-	-	7,151,557	699,698	732,481	1,261,455	639,351	596,789	570,811	564,837
Unrestricted	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	95,490,752
Total primary government net position	<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>	<u>\$ 275,961,648</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

	2012	2011	2010	2009	Years Ended December 31		2006	2005	2004	2003
					2008	2007				
Expenses										
Governmental activities										
Administration and finance	\$ 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	\$ 17,009,724
Health improvement	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	26,408,831
Communicable disease prevention	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	9,360,310
Water quality and hazardous materials management	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	1,699,221
Vector disease control	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	2,930,571
Housing and neighborhood health	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	4,116,053
Consumer and employee risk reduction	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	1,507,781
Interest on long-term debt	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	3,354,422
Total governmental activities expenses	<u>124,157,714</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>	<u>66,386,913</u>
Business-type activities										
Wishard Health Services	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	362,588,065
LT Care	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	97,053,021
Total business-type activities expenses	<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>	<u>459,641,086</u>
Total primary government expenses	<u>\$ 1,193,876,302</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>	<u>\$ 526,027,999</u>
Program Revenues										
Governmental activities										
Charges for services										
Administration and finance (1)	\$ 982,203	\$ 3,375,608	\$ 583,185	\$ 11,553,387	\$ 24,835,565	\$ 29,516,097	\$ 32,198,505	\$ 12,042,413	\$ 323,299	\$ 304,285
Health improvement	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	1,108,469
Communicable disease prevention	556,999	559,475	631,281	571,655	533,564	363,533	358,954	395,412	323,576	318,275
Water quality and hazardous materials management	356,262	353,215	352,972	356,886	352,902	367,016	360,957	354,111	358,022	332,338
Vector disease control	551,975	563,276	752,623	687,121	614,797	1,261,037	898,812	125,523	102,741	66,994
Housing and neighborhood health	413,012	468,733	317,965	416,541	435,687	469,407	633,456	85,501	92,722	94,141
Consumer and employee risk reduction	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	1,552,017
Operating grants and contributions (1)	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	17,317,170
Capital grants and contributions	16,147,752	1,532,905	3,104,698	3,123,848	1,527,403	1,217,110	3,575,826	1,702,901	-	5,439,547
Total governmental activities program revenues	<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>	<u>26,533,236</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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities										
Charges for services										
Wishard Health Services	\$ 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	\$ 189,692,554
LT Care	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	95,858,819
Operating grants and contributions	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	11,735,585
Capital grants and contributions	-	-	769,000	-	-	314,400	-	-	-	-
Total business-type activities program revenue	<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>	<u>297,286,958</u>
Total primary government program revenues	<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>	<u>\$ 323,820,194</u>
Net program (expense)/revenue										
Governmental activities	\$ (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)	\$ (39,853,677)
Business-type activities	<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>	<u>(162,354,128)</u>
Total primary government net expense	<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>	<u>\$ (202,207,805)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property and HCI taxes	\$ 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	\$ 92,454,172
Excise taxes	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	7,905,793
Financial institution taxes	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	1,242,962
Medicaid special revenue	74,431,944	14,374,161	39,048,278	61,819,896	87,227,322	102,956,478	101,186,941	143,381,951	137,474,685	95,965,768
Build America Bonds interest subsidies	10,847,662	13,775,283	-	-	-	-	-	-	-	-
Unrestricted investment earnings	356,401	1,316,116	2,482,149	795,022	4,056,678	7,077,243	6,521,273	3,614,043	978,823	774,638
Transfers (capital contributions to Wishard and LT Care)	-	-	-	-	(377,910)	(734,870)	(4,905,484)	(455,288)	(6,790,490)	(5,250,867)
Transfers	<u>(46,362,737)</u>	<u>(86,656,492)</u>	<u>(142,989,585)</u>	<u>(131,428,209)</u>	<u>(144,934,035)</u>	<u>(157,000,000)</u>	<u>(153,713,891)</u>	<u>(139,977,919)</u>	<u>(156,000,000)</u>	<u>(183,421,684)</u>
Total governmental activities	<u>151,739,076</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>	<u>9,670,782</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

	Years Ended December 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities										
Unrestricted investment earnings	\$ 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	\$ 961,268
Transfers (capital contributions to Wishard)	-	-	-	-	377,910	734,870	3,905,484	455,288	6,790,490	5,250,867
Transfers	<u>46,362,737</u>	<u>86,656,492</u>	<u>142,989,585</u>	<u>131,428,209</u>	<u>144,934,035</u>	<u>157,000,000</u>	<u>154,713,891</u>	<u>139,977,919</u>	<u>156,000,000</u>	<u>183,421,684</u>
Total business-type activities	<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>	<u>189,633,819</u>
Total primary government	<u>\$ 199,553,241</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>	<u>\$ 199,304,601</u>
Change in Net Position										
Governmental activities	\$ 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	\$ (30,182,895)
Business-type activities	<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>	<u>27,279,691</u>
Total primary government	<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>	<u>\$ (2,903,204)</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

	December 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	\$ -	\$ -	\$ 4,120,202	\$ 2,985,130	\$ 6,268,915	\$ 7,046,198	\$ 8,407,286	\$ 3,640,918	\$ 5,214,233	\$ 4,864,915
Unreserved	-	-	149,037,699	158,561,111	146,844,353	122,752,504	110,958,027	111,837,016	37,286,974	7,642,777
Nonspendable	478,369	417,843	-	-	-	-	-	-	-	-
Assigned	2,252,310	3,174,846	-	-	-	-	-	-	-	-
Unassigned	227,495,914	131,936,536	-	-	-	-	-	-	-	-
Total general fund	<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>	<u>\$ 12,507,692</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	297,281
Capital projects fund	-	-	23,895,431	65,127,048	64,318,221	43,030,727	40,814,423	38,643,862	37,281,256	36,659,175
Restricted, reported in										
Debt service fund	16,035,192	17,494,306	-	-	-	-	-	-	-	-
Capital projects fund	62,633,749	123,726,061	-	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	12,015	-	-	-	-	-	-	-	-	-
Capital projects fund	13,559,774	-	-	-	-	-	-	-	-	-
Unassigned, reported in										
Debt service fund	-	(633,693)	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 36,956,456</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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes	\$ 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	\$ 101,652,352
Licenses and permits	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	2,853,728
Intergovernmental	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	16,444,232
Charges for services	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	862,954
Medicaid special revenue	74,198,308	14,374,161	39,799,959	62,927,328	126,524,776	105,102,078	72,864,271	142,926,951	122,974,685	95,965,768
Build America Bonds interest subsidies	10,847,662	13,775,283	-	-	-	-	-	-	-	-
Contributions	16,000,000	12,900,000	-	-	-	-	-	-	-	-
Investment income	356,401	1,316,116	2,482,149	795,022	4,056,678	7,077,243	6,521,271	3,614,043	978,823	774,638
Miscellaneous	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	6,441,723
Total revenues	279,842,394	200,035,347	228,202,864	230,091,462	267,058,981	242,974,600	230,067,700	278,611,384	244,904,204	224,995,395
Expenditures										
Administrative	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	19,100,875
Population health	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	17,089,105
Environmental health	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	9,610,608
Health center program	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	1,458,533
Data processing	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	2,977,700
Grants program	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	15,890,222
Capital outlays	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	2,351,314
Debt service										
Principal	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	1,559,609
Interest and fiscal charges	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	3,354,422
Bond issuance costs	-	-	1,833,646	-	-	-	-	429,167	-	-
Total expenditures	418,995,819	291,904,380	196,383,359	87,672,529	80,363,387	74,099,604	68,917,623	64,482,579	57,746,228	73,392,388
Excess (deficiency) of revenues over (under) expenditures	(139,153,425)	(91,869,033)	31,819,505	142,418,933	186,695,594	168,874,996	161,150,077	214,128,805	187,157,976	151,603,007

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
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	190,304,849	89,273,094	52,839,395	-	-	-	-	-	-	-
Transfers in	175,086,073	138,174,404	37,000,000	55,000,000	30,300,000	-	-	8,294	-	17,242
Transfers out	(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)	(183,438,926)
Total other financing sources (uses), net	<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>	<u>(183,421,684)</u>
Net change in fund balances	<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>	<u>\$ (31,818,677)</u>
Debt service as a percentage of noncapital expenditures	39.9%	37.9%	4.9%	5.2%	5.9%	6.4%	6.8%	7.9%	9.3%	6.9%
Debt service expenditures	\$ 52,883,468	\$ 52,091,823	\$ 4,314,635	\$ 4,359,440	\$ 4,643,613	\$ 4,544,389	\$ 4,538,684	\$ 4,955,735	\$ 4,953,862	\$ 4,914,031
Noncapital expenditures	132,620,586	137,490,121	88,883,958	83,436,150	79,239,421	71,283,272	66,401,350	62,797,225	53,481,765	71,041,074

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, 2012

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	
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	34,203,195,227	34,203,195,227	5,449,472,000	5,449,472,000	39,652,667,227	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
2003	32,982,779,000	32,982,779,000	8,845,067,000	8,845,067,000	41,827,846,000	41,827,846,000	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, 2012

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	
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
2003	0.2134	0.0113	0.0006	0.2253	0.9603	0.4443	0.1302	1.5503	0.0033	0.1403	3.4540

- (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, 2012

Taxpayers	2012			Percentage of Total City Taxable Assessed Valuation	Taxpayers	2003		
	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	\$ 1,038,078	1	2.905%	Eli Lilly & Company	\$ 789,753	1	1.888%	
2 Indianapolis Power and Light Company	280,605	2	0.785%	AIMCo	338,008	2	0.808%	
3 Federal Express Corporation	191,125	3	0.535%	Indianapolis Power and Light	325,942	3	0.779%	
4 Convention Hotels Headquarters, LLC	156,907	4	0.439%	Allison Transmission/Division of GMC	274,984	4	0.657%	
5 Allison Transmission, Inc.	143,606	5	0.402%	Simon Property Group, Inc.	270,114	5	0.646%	
6 Macquarie Office Monument Center I, LLC	117,671	6	0.329%	Visteon Corporation (formerly Ford Motor Co.)	220,457	6	0.527%	
7 Indiana Bell Telephone Company, Inc.	81,452	7	0.228%	International Truck and Engine Corp. (formerly Navistar)	211,647	7	0.506%	
8 SVC Manufacturing Inc.	77,263	8	0.216%	Indianapolis Star	206,904	8	0.495%	
9 Rolls-Royce	76,161	9	0.213%	Rolls-Royce	153,362	9	0.367%	
10 Hub Properties GA, LLC	73,706	10	0.206%	Federal Home Bank	149,945	10	0.358%	
11 National Starch, LLC	72,913	11	0.204%	American United Life Insurance Company	132,637	11	0.317%	
12 American United Life Insurance Company	72,528	12	0.203%	Roche Diagnostics Corp.	128,175	12	0.306%	
13 Motors Liquidation Company	72,256	13	0.202%	Marsh Supermarkets, Inc.	117,659	13	0.281%	
14 Circle Centre Development Company	67,810	14	0.190%	General Motors Corporation	88,593	14	0.212%	
15 Citizens Gas & Coke Utility	67,682	15	0.189%	Anthem, Inc.	86,019	15	0.206%	
16 Crossroads Indiana, LLC	60,590	16	0.170%	Bank One Corporation	83,891	16	0.201%	
17 MT Acquisitions, LLC	57,404	17	0.161%	Navistar International	75,360	17	0.180%	
18 Castleton Square, LLC	52,022	18	0.146%	Meijer, Inc.	71,894	18	0.172%	
19 Cellco Partnership	51,064	19	0.143%	Reilly Industries, Inc.	57,192	19	0.137%	
20 LHO Indianapolis Hotel One, LLC	50,686	20	0.142%	Citizens Gas & Coke Utility	45,624	20	0.109%	
	<u>\$ 2,861,529</u>		8.01%		<u>\$ 3,828,160</u>		9.15%	

- (1) Represents the March 1, 2011 valuations for taxes due and payable in 2012 as represented by the taxpayer.
(2) Net Assessed Valuation was determined using public records from the Marion County Treasurer's Office. Taxable property is assessed at 33-1/3% of the true tax value for 2000.
(3) Data from the 2003 Health and Hospital Corporation's Comprehensive Annual Financial Report.

Source: Marion County Auditor's Office

Health and Hospital Corporation of Marion County, Indiana
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Table VIII
Property Tax Levies and Collections
December 31, 2012

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years (3)	Delinquent Tax Receipt (1)	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2012	\$ 63,570,352	\$ 54,667,634	86%	\$ -	\$ -	\$ 54,667,634	86%
2011	61,736,767	52,513,485	85%	-	1,975,069	54,488,554	88%
2010	57,128,763	54,775,062	96%	-	2,303,613	57,078,675	100%
2009	56,624,041	31,594,513	56%	21,185,683	459,567	53,239,763	94%
2008	92,391,685	52,293,400	57%	39,094,389	123,487	91,511,276	99%
2007	90,456,328	72,009,781	80%	18,421,520	33,560	90,464,861	100%
2006	90,469,407	88,872,634	98%	634,310	13,893	89,520,837	99%
2005	88,832,049	87,127,862	98%	643,154	6,026	87,777,042	99%
2004	88,991,203	88,146,064	99%	862,109	-	89,008,173	100%
2003 (2)	87,982,909	91,505,477	104%	967,798	-	92,473,275	105%

- (1) Delinquent tax that was paid in 2011-2012. Information not available for prior years.
- (2) In these years, the Corporation was allowed by law to collect more than its original levy.
- (3) 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
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Table IX
Ratios of Outstanding Debt by Type
December 31, 2012

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				
2012	\$ 21,295,000	\$ -	\$ 186,565,000	\$ 322,659,705	\$ 7,487,632	\$ 12,495,000	\$ -	\$ 448,820,049	\$ 999,322,386	-	\$ 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	
2003	-	28,010,000	-	-	-	21,540,000	999,717	125,548,785	176,098,502	0.62%	203.99	

- (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 2012.

Source: Notes to basic financial statements.

Health and Hospital Corporation of Marion County, Indiana
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Table X
Ratio of Net General Obligation Debt Outstanding
December 31, 2012

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Notes Payable	Total Net Bonded Debt		
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
2003	49,550,000	999,717	50,549,717	0.12%	58.56

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 (1)
December 31, 2012

	Assessed Value (6) (7) (in thousands)	%	Bonding Limit	
			Dollar Amount (in thousands)	Bonds Outstanding (in thousands)
Direct Debt:				
Health and Hospital Corporation of Marion County	\$ 35,734,078	0.67%	\$ 239,418	\$ 220,355
Overlapping:				
Marion County	35,734,078	0.67%	\$ 239,418	\$ -
City of Indianapolis				
Civil City	33,408,078	0.67%	\$ 223,834	\$ 70,930
Consolidated County	35,734,078	(3)	-	-
Park District	35,734,078	0.67%	239,418	17,157
Redevelopment District	33,408,078	(7)	-	7,140
Flood Control District	35,734,078	0.67%	239,418	8,511
Metropolitan Thoroughfare District	35,734,078	1.33%	475,263	32,195
Sanitary District	32,902,562	4.00%	1,316,103	41,803
Police Special Service District	10,146,606	(2)	-	-
Fire Special Service District	25,144,256	(2)	-	-
Solid Waste Collect Spec Service District	33,452,494	(2)	-	-
Solid Waste Disposal District	33,452,494	2.00%	669,050	-
Pub Safety Comm and Comp Facilities District	35,734,078	0.67%	239,418	32,880
Total city debt			\$ 3,402,504	\$ 210,616
Other Municipal Corporations				
Airport Authority	35,734,078	0.67%	\$ 239,418	\$ -
Capital Improvement Board	35,734,078	0.67%	239,418	-
Indpls-Marion Co. Building Authority	35,734,078	(4)	-	12,065
Indianapolis-Marion County Library	34,791,357	0.67%	233,102	88,385
Indianapolis Public Transportation Corp.	32,045,358	0.67%	214,704	6,050
Total municipal corporations			\$ 926,642	\$ 106,500
School Districts				
Beech Grove	389,149	(8)	\$ 63,416	\$ 6,394
Decatur	1,112,781	(8)	162,101	4,910
Franklin	1,765,753	(8)	269,041	3,410
Indianapolis Public Schools	9,052,219	(8)	591,179	21,915
Lawrence	4,574,950	(8)	241,412	27,895
Perry	3,289,857	(8)	183,000	17,450
Pike	4,670,035	(8)	113,086	19,225
Speedway	553,571	(8)	11,071	-
Warren	2,452,759	(8)	49,055	-
Washington	5,450,054	(8)	150,621	12,440
Wayne	2,575,323	(8)	296,186	16,835
Total school districts	\$ 35,886,451		\$ 2,130,168	\$ 130,474

Health and Hospital Corporation of Marion County, Indiana
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Table XI - Continued
Schedule of Direct and Overlapping Debt and Bonded Debt Limit (1)
December 31, 2012

	Assessed Value (6) (7) (in thousands)	Bonding Limit		Bonds Outstanding (in thousands)
		%	Dollar Amount (in thousands)	
Other Cities and Towns				
Beech Grove	\$ 415,804	0.67%	\$ 2,786	\$ 2,095
Lawrence	1,312,209	0.67%	8,792	3,715
Southport	44,416	0.67%	298	-
Speedway	553,571	0.67%	3,709	2,915
Total Other Cities and Towns	<u>\$ 2,326,000</u>		<u>\$ 15,585</u>	<u>\$ 8,725</u>
Townships				
Center	\$ 4,983,354	0.67%	\$ 33,388	\$ -
Decatur	1,116,870	0.67%	7,483	-
Franklin	1,914,169	0.67%	12,825	-
Lawrence	4,927,038	0.67%	33,011	1,805
Perry	3,442,419	0.67%	23,064	-
Pike	4,468,114	0.67%	29,936	3,500
Warren	3,243,281	0.67%	21,730	-
Washington	7,469,180	0.67%	50,044	-
Wayne	3,876,584	0.67%	25,973	-
Total Townships	<u>\$ 35,441,009</u>		<u>\$ 237,454</u>	<u>\$ 5,305</u>
Excluded Library Districts				
Beech Grove	\$ 389,149	0.67%	\$ 2,607	\$ -
Speedway	553,571	0.67%	3,709	165
Total Excluded Library Districts	<u>\$ 942,720</u>		<u>\$ 6,316</u>	<u>\$ 165</u>
Ben Davis Conservancy District	<u>\$ 898</u>	(5)		-
Total Overlapping Debt				<u>\$ 461,785</u>
Total Direct and Overlapping Debt				<u>\$ 682,140</u>

- (1) Excludes Revenue Bonds not payable from ad valorem taxes.
- (2) No bonding authority.
- (3) No bonding authority from ad valorem taxes.
- (4) 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.
- (5) 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.
- (6) Represents the final billing abstract for taxes due and payable in 2012.
- (7) There is no statutory constitutional debt limitation to the Park and Redevelopment Districts.
- (8) 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.

Source: City of Indianapolis, Office of Finance and Management

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Table XII
Legal Debt Margin Calculation
December 31, 2012

Legal Debt Margin Calculation for Fiscal Year Ended	
<u>December 31, 2012</u>	
Net assessed value - 2012	\$ 33,922,279,415
Debt limit (.67% of assessed values)	227,279,272
Debt applicable to limit	
Bonded Debt	<u>220,355,000</u>
Legal Debt Margin	<u>\$ 6,924,272</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>	<u>2003</u>
Debt limit	\$ 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	\$ 278,852,313
Total net debt applicable to limit	<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>	<u>50,549,717</u>
Legal debt margin	<u>\$ 6,924,272</u>	<u>\$ 11,636,408</u>	<u>\$ 6,136,620</u>	<u>\$ 205,077,377</u>	<u>\$ 250,186,329</u>	<u>\$ 255,221,122</u>	<u>\$ 223,070,826</u>	<u>\$ 217,328,942</u>	<u>\$ 218,634,711</u>	<u>\$ 228,302,596</u>
Total net debt applicable to the limit as a percentage of debt limit	96.95%	95.21%	97.44%	16.59%	14.56%	14.87%	17.23%	18.15%	18.28%	18.13%

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

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Table XIII
Demographic and Economic Statistics
December 31, 2012

Year	(1) (2) Population	(2) Personal Income (In Thousands)	(2) Per Capita Personal Income	Public School Enrollment	(3) Unemployment Rate
2012	911,296	\$ -	\$ 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%
2003	863,251	28,573,705	33,142	131,543	4.8%

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

(2) Source: U.S. Bureau of Economics Census Bureau midyear population estimates. Estimates for 2003-2012 reflect county population estimates available as of March 2013. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2003-2012 reflect county population estimates available as of March 2013. Data was not yet available for 2012 personal income.

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

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Table XIV
Principal Employers
Current Year and Nine Years Ago
December 31, 2012

Taxpayer	2012			2003 (2)		
	(1) Employees	(1) Rank	(1) Percentage of Total Metropolitan Statistical Area Employment	Employees	Rank	Percentage of Total Metropolitan Statistical Area Employment
Eli Lilly & Company	11,550	1	1.27%	14,659	1	1.70%
St. Vincent Hospitals & Health Service	11,075	2	1.22%	-		
Community Health Network	8,079	3	0.89%	6,318	5	0.73%
IUPUI	7,066	4	0.78%	9,769	2	1.13%
Rolls-Royce	4,316	5	0.47%	4,096	6	0.47%
Federal Express Corp. (FedEx)	4,311	6	0.47%	-		
Roche Diagnostics	4,300	7	0.47%	-		
WellPoint Inc.	3,950	8	0.43%	-		
St. Francis Hospital & Health Centers	3,928	9	0.43%	-		
Allison Transmission/Div of GMC	3,400	10	0.37%	3,805	7	0.44%
Wal-Mart	-			9,000	3	1.04%
Clarian Health Partners Inc. (Indiana University Health)	-			8,640	4	1.00%
Marsh	-			3,620	8	0.42%
Anthem, Inc.	-			3,555	9	0.41%
Bank One Corporation	-			2,917	10	0.34%
	<u>61,975</u>			<u>66,379</u>		

(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 2003 Health and Hospital Corporation's Comprehensive Annual Financial Report.

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, 2012

<u>Function/Program</u>	Full-Time Equivalent Employees at December 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Primary Government Employees:										
Administration	136	132	127	117	118	115	112	112	113	109
Health improvement	340	327	337	343	313	311	313	309	304	314
Communicable disease prevention	133	125	125	120	122	119	119	124	123	123
Water quality and hazardous materials	25	26	27	25	27	28	29	29	29	30
Housing and neighborhood health	96	98	100	90	84	84	84	82	82	83
Consumer and employee risk reduction	28	27	27	28	25	26	27	27	27	27
Vector disease control	51	58	61	64	55	57	52	52	53	52
Business-type Employees:										
Wishard Health Services	3,667	3,820	3,622	3,724	3,764	3,404	3,243	3,232	3,269	3,388
Long-Term Care (1)	-	-	-	-	-	-	-	-	-	-
Total Employees	<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>	<u>4,126</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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Health Improvement										
Community Based Clinics Services										
Vaccine doses administered	68,151	168,493	147,469	186,096	63,268	33,279	33,749	31,960	31,708	41,453
Vital Statistics - certified birth copies issued	60,011	49,029	59,067	59,258	62,008	66,601	61,617	62,233	64,413	76,523
Vital Statistics - certified death copies issued	58,210	53,335	57,763	56,434	99,185	59,558	60,062	58,027	55,595	66,386
WIC Services - vouchers per month	29,426	28,918	29,124	27,593	26,011	n/a	n/a	n/a	24,064	21,307
WIC Services - nutrition education	24,916	13,624	11,210	12,267	16,388	n/a	n/a	n/a	10,151	8,208
Dental Health/Education Services	55,524	70,120	68,370	54,011	72,119	80,358	65,224	69,905	67,113	53,260
Communicable Disease Prevention										
Chronic Disease										
Hepatitis A,B,C shots	1,182	1,090	1,068	1,121	1,098	1,115	1,083	1,098	1,042	1,149
AIDS cases	35	52	63	51	40	43	136	168	165	225
HIV infection - total cases	202	164	188	225	214	185	191	177	184	169
Tuberculosis cases reported	38	31	33	49	37	42	51	40	54	36
Sexually transmitted diseases total cases	13,317	9,856	6,959	11,086	11,923	11,918	10,795	11,336	9,618	9,666
Water Quality and Hazardous Materials										
Water Quality										
Laboratory services performed	46,972	62,336	60,238	59,261	58,926	167,657	180,000	168,297	125,874	97,421
Swimming pool samples	2,598	2,151	2,483	2,744	2,483	5,113	n/a	n/a	3,921	4,861
Surface water samples taken	5,492	2,598	6,225	5,844	6,480	2,421	2,418	2,454	4,450	4,679
Hazardous Materials Management										
Responses to emergency situations	947	878	1,031	938	1,188	440	213	406	493	296
Drinking water wells surveyed for toxins	439	748	940	1,442	1,402	389	704	707	904	1,035
Septic systems permits	71	91	144	115	127	12	19	26	223	235
Well construction permits	112	88	70	102	78	12	111	108	118	111
Well pump permits	236	101	112	164	148	218	205	211	242	238
Housing and Neighborhood Health										
Initial housing orders	2,263	2,649	4,621	5,565	2,682	3,827	3,822	3,528	3,311	3,180
Housing compliances	4,553	5,252	4,190	4,948	4,201	3,904	3,649	3,452	3,539	3,129
Initial sanitation orders	12,354	14,265	20,801	21,463	15,422	21,080	20,841	20,383	18,672	17,725
Sanitation compliances	14,272	14,046	19,501	20,845	13,056	19,021	18,654	18,099	16,079	14,527
Court cases filed	3,546	2,826	2,333	2,925	2,873	3,859	4,256	4,371	4,463	4,276
Court cases resolved	1,671	1,504	957	1,573	1,269	1,688	1,520	1,544	1,345	1,670
Citations issued - illegal dumping	n/a	n/a	n/a	n/a	n/a	299	425	366	409	462
Unsafe buildings-structures demolished	578	589	537	658	836	349	475	414	521	515
Unsafe buildings-structures boarded	7,820	9,430	7,111	7,586	6,516	6,182	5,064	4,217	3,268	3,209
Unsafe buildings-structures repaired	1,090	789	672	844	672	802	676	1,004	953	883
Lead - children screened	12,354	14,265	5,346	4,648	3,786	14,797	11,841	12,460	13,979	13,380

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Table XVI - Continued

Operating Indicators by Function

Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Consumer and Employee Risk Reduction										
Foodborne disease prevention										
Foodborne inspections	19,174	20,486	19,326	19,148	18,088	19,561	20,942	20,824	20,315	20,820
Foodborne investigations	199	144	156	199	206	115	118	107	107	95
Foodborne complaints	711	861	726	918	895	1,108	825	766	825	754
Foodborne licenses issued	6,424	5,138	5,885	5,604	5,265	5,862	5,933	5,857	5,972	5,779
Occupational health										
Occupational health consultations	n/a	n/a	n/a	n/a	n/a	222	293	252	1,873	1,609
Asbestos investigations	*	301	360	114	173	n/a	437	406	447	303
Radon investigations	7	4	7	30	12	n/a	n/a	n/a	n/a	n/a
Related indoor air inspections	3,894	2,981	2,722	3,014	3,976	2,218	1,778	1,717	1,722	1,791
Vector Disease Control										
Environmental/Rodent Control										
Total premises baited for rodents	1,121	2,102	2,751	2,838	2,478	2,072	2,510	2,125	2,009	1,944
Abandoned property cleanups	3,149	2,897	3,541	3,557	2,975	3,561	3,489	2,577	2,729	2,096
Assisted cleanups of neighborhoods	13	15	10	4	-	n/a	n/a	n/a	167	262
Total weight (lbs.) of trash removed	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	9,768,700
Mosquito Control										
Inspections of mosquito breeding sites	11,744	19,439	18,430	20,400	18,000	16,920	17,484	16,273	18,422	15,363
Mosquito breeding sites treated	4,510	9,311	8,881	11,746	10,121	6,030	9,132	7,878	8,797	8,361
Adulticiding, lineal miles sprayed	2,563	3,999	5,164	5,169	6,576	5,384	5,899	4,925	6,454	16,106
Complaint services, adulticiding	3,750	5,545	5,584	5,566	5,454	3,214	4,329	3,596	4,232	8,132
Combination complaints	4,760	711	689	803	572	221	536	310	590	1,178
Long-Term Care										
Total Beds	8,062	7,176	5,857	5,457	4,053	4,086	3,710	3,187	2,880	2,996
Wishard Health Services										
Admissions (Acute, Behavioral, Lockefield)	14,112	18,568	18,525	18,585	19,624	19,674	18,971	18,220	17,947	18,181
Patient Days (Acute, Behavioral, Lockefield)	69,979	89,997	89,418	107,018	159,932	161,170	160,788	155,470	152,136	85,085
OP Encounters (net of ED)	841,180	885,045	1,077,726	1,120,658	1,126,196	1,079,108	1,068,042	1,075,380	854,545	891,618
ED Visits	109,412	105,120	105,854	110,451	113,680	108,102	98,946	97,657	94,576	110,989
Advantage Members	54,204	55,993	58,133	54,165	50,241	50,879	49,421	47,572	43,528	39,078
Uncompensated Care (000's Omitted)	237,639	344,552	305,243	267,058	254,836	236,691	218,080	193,558	182,780	182,015
Surgeries	7,447	8,069	8,092	8,162	7,816	7,607	6,682	6,305	6,103	6,443
Births	2,045	1,800	2,107	2,414	2,643	2,760	2,610	2,447	2,496	3,047

n/a = Not available.

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

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

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Table XVII
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Health Improvement										
Dental chairs	25	25	25	25	25	25	24	24	24	23
Dental x-ray units	23	23	23	23	23	23	23	23	23	23
Fiberoptic Dentalite	10	10	10	10	7	7	7	7	7	7
Dental Portable Scaler	7	7	7	7	7	7	7	7	7	7
Kiosk Touchscreen system	5	5	5	4	4	4	4	4	4	4
Vital Statistics scanners/readers	1	1	1	1	1	1	2	1	1	-
Generators/power source	4	4	4	4	-	-	-	-	-	-
Planmeca digital panoramic machine	2	2	2	-	-	-	-	-	-	-
Communicable Disease Prevention										
Water purification systems for lab	3	3	3	3	3	3	1	1	1	1
Refrigerators/freezer for lab	16	13	12	12	9	9	9	9	9	9
Incubator for lab	7	7	7	6	6	6	4	4	4	4
Trailer with hitch	8	8	8	-	-	-	-	-	-	-
Generator power-diesel	3	3	3	-	-	-	-	-	-	-
Storage area network w/cabinet	2	2	1	-	-	-	-	-	-	-
Kodak color scanners	5	5	5	-	-	-	-	-	-	-
Truck-Super 4X4	3	3	1	-	-	-	-	-	-	-
Water Quality and Hazardous Materials										
Water quality trucks for site cleanups	17	17	16	16	16	16	16	15	15	14
Analyzers for hazardous materials	5	5	5	5	5	5	5	3	2	2
Housing and Neighborhood Health										
Analyzers for lead testing	8	8	8	5	5	4	3	3	2	2
Vans/cars for housing visits	6	6	6	6	5	4	3	3	3	1
Vector Disease Control										
Environmental trucks/vans for cleanup	23	23	17	16	24	24	22	18	18	18
Dump Trucks	17	17	17	16	14	14	13	11	11	11
Tractors/Trailers	28	28	28	28	18	18	16	14	8	8
Rodent/Mosquito control trucks for spraying	57	57	57	57	72	72	70	70	69	63
Rodent/Mosquito control - sprayers	10	10	10	9	11	11	11	11	11	11
Rodent/Mosquito Control - generators	6	6	6	6	6	6	5	5	5	5
Long-Term Care										
# of buildings	59	52	42	38	27	26	23	18	17	18
Wishard Health Services										
# of beds	281	316	312	313	340	340	314	294	296	302

n/a = Not available.

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