Health and Hospital Corporation of Marion County, Indiana

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

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

The Health and Hospital Corporation of Marion County, Indiana

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Paul T. Babcock
President and Chief Executive Officer

F. Brooke Dunn
Chief Financial Officer and Treasurer

Prepared by: The Treasurer's Office

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HEALTH & HOSPITAL CORPORATION

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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 Annual Comprehensive 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, 2021, is submitted herewith. This report is presented in conformity with generally accepted accounting principles 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 FORVIS, LLP (formerly 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, 2021, 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'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 Maron County, Indiana (the "Corporation") is a distinct municipal corporation created under Chapter 287 of the Acts of 1951 enacted by the General Assembly of the State of Indiana. The statutory duties of the Corporation 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 all residents of Marion County, Indiana, including those who are uninsured. The Corporation administers two statutory service divisions: the Division of Public Health doing business as the Marion County Public Health Department (MCPHD), which serves as the county health department with powers and duties conferred by law upon local departments of health, and the Division of Public Hospitals doing business as Eskenazi Health, which operates the Corporation's hospitals, medical facilities, and mental health facilities. Additionally, the Corporation administers two other service divisions: the Indianapolis Emergency Medical Services (IEMS) functioning as a distinct unit in Eskenazi Health providing emergency pre-hospital care to residents and visitors of Marion County, Indiana, and the Long-Term Care Service Division, providing statewide skilled nursing home services.

MCPHD operates two service bureaus: the Bureau of Population Health and the Bureau of Environmental Health. MCPHD operates from various clinics and district health offices located throughout Marion County, Indiana. The Bureau of 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. MCPHD employs approximately 723 people. The health and environmental services of this division impacts all Marion County, Indiana residents.

Eskenazi Health is comprised of the Sidney and Lois Eskenazi Hospital, a 336 bed general acute care hospital; the Sandra Eskenazi Outpatient Care Center, an outpatient specialty care facility co-located on the Hospital campus; the Eskenazi Health Center, a Federally Qualified Health Center (FQHC) that operates a network of primary care centers throughout Marion County, Indiana; the Sandra Eskenazi Mental Health Center, a Community Mental Health Center (CMHC) that provides behavioral health services throughout Marion County, Indiana; and IEMS, the county-wide emergency ambulance service. Eskenazi Health is the only public hospital in Marion County, Indiana. Eskenazi Hospital is fully accredited by the Joint Commission for Accreditation of Hospitals of the American Hospital Association.

The Corporation also operates a long-term care (Long-Term Care) enterprise fund, which has 78 nursing homes throughout Indiana. Long-Term Care supports the Corporation's mission and goal to promote and protect the health of everyone in our community, providing quality care and services to the elderly, disabled, and underserved across our communities. The Long-Term Care Service Division employs approximately 8,600 people throughout Indiana. The senior care services of this division provided care to approximately 6,500 residents in 2021.

A seven-member Board of Trustees governs the Corporation. The Mayor of Indianapolis appoints three Trustees, the Commissioners of Marion County appoint two Trustees, and the City-County Council appoints two Trustees. Generally, Trustees serve staggered terms of four years each. The Board is bipartisan by statute. The Corporation 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 procedures defined in state statute. The City-County Council approves, and the State of Indiana Department of Local Government Finance (DLGF) ratifies the final budget of the Corporation after approval by the Corporation's Board of Trustees. 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). Management also considers all other units of government within Marion County, Indiana to be separate from this Corporation, and they are not considered as component units within this report.

LOCAL ECONOMY

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.

Indianapolis is one of the top 20 most populated cities in the United States with an estimated population of nearly 900,000. 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. 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 the city's strong performance during the past several years. Indianapolis boasts of diverse strengths in the manufacturing, distribution, retail, technology, and service sectors. Additionally, Indianapolis' real estate availability affords a wide selection of available land, existing office space and industrial parks. Finally, many of the city's major venues, such as Victory Field, Gainbridge Fieldhouse and 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 NFL's Indianapolis Colts, the NBA's Indiana Pacers, the WNBA's Indiana Fever, and the Triple-A Indianapolis Indians teams are among the city's prominent sporting attractions, not to mention countless amateur sporting events including the Men's and Women's Big 10 Basketball tournament. 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.

COVID-19

Throughout 2020 and 2021, the Corporation continued to experience the effects of the COVID-19 pandemic and all divisions continue to respond to best serve our residents and patients. All divisions of the Corporation have been called into action as frontline providers during the pandemic. MCPHD has been leading in public policy and directly providing shelter, screening, immunizations, and other assistance services. IEMS has had to revamp its infection control model to protect its team members and community from the spread of COVID-19, while continuing to provide service to our community. Long-Term Care has been significantly impacted by COVID-19 and continued to experience lower occupancy rates throughout 2021. Eskenazi Health ramped up to meet the challenge of COVID-19 by converting significant numbers of medical-surgical beds to intensive care unit (ICU) beds and is now converting to a new normal to meet both COVID-19 and non-COVID-19 patient needs simultaneously in a safe hospital setting.

Congress passed various financial packages to support healthcare entities during COVID-19. The CARES Act has provided the greatest direct financial support to the Corporation at this point in the pandemic. In 2021, the Corporation received approximately an additional $18.0 million from the CARES Act. The footnotes to the audited financial statements further discuss the accounting treatment and of the funds. In addition, the Corporation paid back approximately $30.8 million of the $69.6 million in Medicare advanced payments received in 2020. The funding from the CARES Act and the advanced payments made it possible for the Corporation to focus attention on providing care to patients, residents, and citizens without having to reduce services or staffing during the pandemic.

The Department of Health and Human Services (HHS), through the Health Resources and Services Administration (HRSA) distributed Provider Relief Funds and American Rescue Plan (ARP) Rural payments that have assisted with critical work on the frontlines of the fight against COVID-19. These funds have assisted with the Corporation's ability to continue to provide these essential needs and maintain access to key health services. Provider Relief Fund payments have played a key role in the Corporation's response to COVID-19, helping health care providers prevent, prepare for, and respond to COVID-19. Health care providers can use the payments to continue supporting patient care and respond to workforce challenges through recruitment and retention efforts.

LONG-TERM FINANCIAL PLANNING

The Corporation's continued efforts to combat COVID-19 will be described by division in the "Major Initiatives" section of the Transmittal Letter. This section will focus on financial planning only.

The Corporation remains a partner with the City of Indianapolis and Marion County, Indiana. The Corporation along with the city have remained resilient in the fight against COVID-19. At the same time, the health and public wellness issues that have been the Corporation's primary concerns in the past are persistent. The Corporation hopes that the COVID-19 pandemic has helped educate our city, state, and nation on the importance of increased funding for public health and public hospitals to reduce risks of local and world-wide outbreaks, improve community health, and ultimately improve lives and the economy. Public health risks like HIV, Hepatitis C, maternal and child health, emergency preparedness, the growth of opioid and other drug and alcohol addiction, as well as chronic disease and behavioral health problems can most successfully be addressed by local organizations like the MCPHD and Eskenazi Health. The primary goal of the Corporation is providing high quality health services. These services will continue only as long as vital funding from local, state, and federal programs continue to support local health services like those provided by the Corporation.

The Corporation receives county and state tax revenues that account for approximately 7% of the Corporation's overall operating revenues. The stability and strength of the Marion County, Indiana and Indiana economy has made tax revenues a consistent and reliable source of funds, but it is not nearly enough to perform the services of the Corporation's divisions. The largest proportion of funding for the Corporation's divisions is direct reimbursement for services provided through healthcare delivery. To that end, the Corporation and its divisions are continually working on process improvement and cost containment programs. At the same time, each division faces additional pressure to be able to provide more services to more clinically complex patients and residents every year.

MCPHD has a strong track record of managing its budget and providing public health services with the funds that are available. MCPHD's budget is limited as few of its services are eligible for reimbursement and state statute limits revenue growth to meet the demands of Marion County. Regardless, MCPHD continues to search for resources other than property tax revenue and continues to fund approximately 40% of its operations through grants and operational revenues. The division focuses on improving its ability to meet the needs of clients by reinvesting in technology, employee training and direct partnerships with the community. MCPHD has been going through significant technology improvements for the past few years. The Bureau of Environmental Health completed a full system update in 2020. The Bureau of Population Health decided to update its Electronic Health Record system. These updates will help MCPHD's staff dedicate more of their time to caring for Marion County, Indiana residents rather than administrative tasks. The focus of MCPHD is to make sure its services are exceptional and targeted to address the most pressing health issues while managing the cost to the community.

The Corporation is in the planning phase of the new Marion County Public Health Department public health lab project to be funded by the Capital Projects Fund. The project is planned to provide a modern, best-in-class, flexible laboratory space that meets the demand of testing requirements for today and the future. The public health lab building is being proposed at 48,120 gross square feet to meet the requested space needs of the key stakeholders. The lab program will provide a dramatic increase in capabilities from the existing lab. The new functions/areas include the addition of a BSL-3 laboratory suite, a TB laboratory, a training program, a loading dock with a warehouse for kit prep and surplus storage rooms, and various staff support spaces such as a breakroom, lockers, conference rooms, and an exercise room. This will allow for future growth of departments to expand its testing abilities and allow for the ability to outsource less.

Eskenazi Health is nearing the end of a multi-year strategic plan that focused on improving patient care, patient service, employee satisfaction and the overall financial performance. Patient quality remains the primary goal for Eskenazi Health. Eskenazi Health believes patients deserve the best experience possible and understands patients have options to seek service elsewhere. Some of the best advocates for the system are its employees. As the pandemic stabilizes, the system will continue to focus on providing a great environment for the employees, students, and medical staff, through top-notch facilities, significantly improved technology and wellness options. Eskenazi Health knows it can improve operational efficiencies by making sure it provides the care its patients want and need in the time and place that is best for the patient.

Eskenazi Health has proposed a $75 million multi-year capital improvement project underway, funded by the Capital Projects Fund, that includes constructing a new facility and renovating and upgrading existing primary care facilities. Eskenazi Health Center East 38th Street will be the newest addition to Eskenazi Health's network of patient care facilities throughout Indianapolis. With an anticipated opening in late 2024, this comprehensive 95,000-square foot health and community center will bring expanded services to the east side of Indianapolis and the Northeast Corridor. This facility will provide the opportunity to consolidate the services provided by Eskenazi Health Center Forest Manor and Eskenazi Health Center North Arlington, which are smaller, aging facilities. The expansion is driven by increased demand for services and the consolidated East 38th Street location will allow for 20 percent growth in services, provided through 33,700 additional annual visits.

Since inception in 2010, IEMS has operated without any tax dollars. Prior to 2010, the Marion County taxpayers were covering annual operational losses for ambulance services throughout Marion County. IEMS was created to improve quality and to reduce financial losses. The leaders of IEMS, partnering with the frontline paramedics and EMTs, have collaborated with these groups to improve patient quality, patient and resident safety, and coordination with the police and fire services. IEMS, operating as a healthcare division of the Corporation, is becoming a model for pre-hospital care nationally. IEMS operates at a breakeven based on operating revenue alone. There is no tax support provided to IEMS.

The Long-Term Care Service Division continues to provide high quality nursing home services throughout the state. Long- Term Care is financially able to support its own mission and helps fund other divisions of the Corporation. Long- Term Care has been a vital aspect of the Corporation's success over the past two decades. The Corporation partners with American Senior Communities (ASC) as the manager for the Corporation's facilities. Jointly, the Corporation and ASC strive to improve care to our residents. The operational quality for the Long-Term Care Service Division continues to be strong.

The Affordable Care Act (ACA) has been extremely beneficial to medically underserved citizens of Marion County. The ACA made it possible for Indiana to expand the HIP 2.0 program, which has reduced the uninsured rates in Marion County and also at Eskenazi Health. These improvements in health coverage have improved the operational bottom-line at Eskenazi Health.

The Corporation will continue to focus on providing high-quality care in all of its divisions. The Corporation has continuous improvement plans operating throughout the system to help focus attention on quality care, quality outcomes, quality service and financially appropriate operations.

SUPPLEMENTAL MEDICAID

Supplemental Medicaid remains one of the most important funding sources for the Corporation. The Corporation has partnered with the State, the Indiana Hospital Association, and the Indiana Health Care Association to make sure the Supplemental Medicaid programs that exist today remain strong until a day that other funding sources become available to support the Corporation's mission. The majority of Eskenazi Health's patients and Long-Term Care's residents are on Medicaid or are uninsured. Medicaid rates are lower than the cost of care provided, so the Corporation relies on Supplemental Medicaid programs to backstop the losses it would otherwise incur. Supplemental Medicaid programs help increase the Corporation's revenue for physicians, hospital services, ambulance services and nursing home services. Supplemental Medicaid programs were designed to help support the totality of a healthcare system's operations.

EXECUTIVE MANAGEMENT UPDATE

In August of 2021, F. Brooke Dunn was hired as Chief Financial Officer (CFO) for the Corporation and was appointed as Treasurer of the Corporation in February of 2022.

MAJOR INITIATIVES FOR THE YEAR

Marion County Public Health Department:

MCPHD continued to experience the most significant public health crisis in 2021, the COVID-19 pandemic, which has disrupted communities with increased morbidity and mortality not only here but across the world. Although cases and deaths were lower by the end of 2021, MCPHD are noting a substantial increase and major complications of "Long COVID" (sometimes referred to as long haul or long term COVID). In addition, COVID has caused a significant increase in mental health issues from mild to severe cases. The pandemic may be less of a concern, but it's not over in the public health's view.

MCPHD has worked aggressively to continue the partnerships established and are continuing to seek other opportunities to assist in identifying new resources. MCPHD staff has worked with major federal grants to respond to community health disparities and health equities. MCPHD have also received additional grants, such as one to help get fresh vegetables into more families' homes. Facilitating and engaging new community partners and preparing for the achievement of national standards through the Public Health Accreditation Board (PHAB) and by obtaining federal, state, and local grants have placed us in a strong position to address the COVID pandemic. MCPHD have been able to do this by successfully removing barriers to healthcare while promoting health equity with community outreach and education.

MCPHD continues to evaluate how connectivity to services such as changing demographics to better address our ever-changing community to meet social determinants of health, access to care, and changes to an internet-based, consumer-driven communications environment. MCPHD is moving forward with our partners through social media and other outlets to redirect the health care system towards prevention and wellness.

MCPHD is committed to:

- Interventions and resources improving mental health status for the general population and emphasis on prevention, treatment, and recovery of COVID, substance use, and dependence.
- Prevention and control of the COVID-19 Pandemic plus COVID Long Haul education.
- COVID testing, vaccination, and boosters.
- Access to care for vulnerable populations, homeless, and refugees.
- Reduction of maternal and infant mortality.
- Development of strategies to lower the incidence of diabetes, asthma, and cardiovascular disease.
- Various immunizations and dental health in infants, children, and adults.
- Reduction of obesity and sedentary lifestyle through increasing understanding of good nutrition and physical activity. This has been more of an issue during COVID.
- Control of HIV, Hepatitis viruses, and sexually transmitted infections (diseases).
- Environmental health with food vendor inspections, water quality, lead screening, removing environmental hazards, and the concept of Health in All Policies.
- Safe, livable housing and sustainable neighborhoods.
- After-Action review preparation.

- Enhancing MCPHD's Public Health Emergency Preparedness program.
- Addressing the reduction of youth violence by addressing mental health.
- Focus on structural racism as a public health issue.
- Focus on equity and social justice in all planning processes.
- Focus on public health aspects in urban planning.
- Increasing health literacy across various populations served.
- Addressing the social determinants of health and poverty, including a living wage and food insecurity.

Through our Community Health Assessment (CHA) process, MCPHD is better able to understand the needs and major assets geographically of Marion County. This process can help guide decision-making regarding where to direct health care resources through community collaboration. The most recent MCPHD CHA, which was prepared in collaboration with over 125 public health partners revealed five major priorities for our county: unhealthy weight, poor mental health, poverty, chronic disease prevention and management, and violence. A Community Health Improvement Planning process was initiated to address these five priorities. MCPHD leadership approved a Strategic Plan, Workforce Development Plan, Quality Improvement/Performance Management System Plan, and Cultural and Linguistic Competency Plan as a comprehensive approach to address all contributing factors related to our health.

Through this comprehensive collaborative approach, MCPHD understands many of our public health challenges are interrelated and involve not only personal responsibility but a long-term commitment on behalf of the community to achieve positive health outcomes. This is evidenced by MCPHD's active participation in the Indianapolis Patient Safety Coalition, Indianapolis Chamber of Commerce, Visit Indy, Top 10 Coalition, the Indy Food Council, Jump in For Healthy Kids, the Minority Health Coalition of Marion County, and Local Initiatives Support Corporation's (LISC) Quality of Life Plans for several neighborhoods, MESH Coalition, Health By Design, Greater Indianapolis Progress Committee's Plan 2020, City of Indianapolis Office of Sustainability's Thrive Indy plan, Indiana Public Health Association, and regular attendance at multiple community civic groups and neighborhood association meetings to address environmental, social and health issues. Our Epidemiology staff provides quality data and evidence-based interventions that are used as guiding principles to improve health outcomes.

During the pandemic, MCPHD has strengthened our working relationship(s) with Eskenazi Health, IEMS, Long-Term Care, and Headquarters. There continue to be equally compelling challenges in the public health landscape beyond those identified by the CHA. Hence, the greatest public health threat of the century, the COVID-19 Pandemic, led to the development of critical partnerships with the City of Indianapolis, the Indiana Department of Health, and the Indiana Family and Social Services Administration. Since 2019, MCPHD has seen an unprecedented increase in new pathogens such as COVID-19 cases, along with increased opioid overdoses, Hepatitis C, and HIV infections. MCPHD set up multiple COVID-19 testing and vaccination sites, established a contract tracing partnership with the IU Fairbanks School of Public Health, established a safe syringe exchange program, and was a major participant in a city-wide drug treatment task force in developing a regional drug treatment referral software system to address the opioid crisis. MCPHD also established homeless shelters to safeguard vulnerable populations during the continued COVID-19 response. MCPHD has continued aggressive efforts to reduce maternal and infant health, the transmission of HIV/AIDS (End the Epidemic, etc.), Hepatitis C, and other sexually transmitted diseases and expanded outreach services to the community to reduce drug addiction and reduce the prevalence of prostate, breast, colon, and lung cancer.

Other issues include addressing adolescent care, the overwhelming and critical problem of dental disease in disadvantaged children, creating optimal coordination of community-based primary care services, housing inspections, testing lead levels in water for safety in schools and healthy home testing, case management, providing clinical and environmental public health laboratory services to protect against diseases and other health hazards, and providing mental health through social work services. Through our public health preparedness and public safety efforts, MCPHD continues to mitigate public health threats and emergencies through strategic and effective planning and collaboration.

Last year was an incredible public health crisis involving diverse/multiple populations, businesses, schools, hospitals, policy makers, and other agencies for our MCPHD staff in dealing with long hours, staff shortages, and fatigue from a major response lasting years. Our staff was strong and met the challenge – thanks to all staff members making a difference in our community!

Eskenazi Health:

As the public hospital division of the Corporation, Eskenazi Health partners with the Indiana University School of Medicine whose physicians provide a comprehensive range of primary and specialty care services. During the course of 2021, Eskenazi Health treated and cared for more than 1,600 COVID-19 inpatients and thousands more through our outpatient care services.

Eskenazi Health received many awards during 2021, a sample of which includes:

- The Sidney & Lois Eskenazi Hospital was recognized as one of the World's Best Hospitals 2021 by Newsweek.
- Eskenazi Health was named Indiana's top hospital for social responsibility by the Lown Institute. The Lown Institute evaluated 3,010 hospitals throughout the country. Metrics included inclusivity, pay equity, avoiding overuse, and clinical outcomes, as well as cost efficiency.
- Eskenazi Health was named Indiana's top hospital for community health investment by the Lown Institute. The Lown Institute evaluated 3,641 hospitals throughout the country. Hospitals were ranked based on charity care spending, spending on other community health initiatives and Medicaid revenue. Per the Lown Institute, revenue from Medicaid is a measure of the hospital's commitment to taking care of low-income patients.
- The Centers for Disease Control and Prevention (CDC) published a report highlighting the success and outcomes of the Eskenazi Health Hypertension Group Education Program, a lifestyle program offered at several Eskenazi Health sites.
- Dr. Marly Bradley, J.D., FAAP, a pediatrician at Eskenazi Health Center Primary Care, was honored at this year's Patricia Treadwell Women in Medicine Lecture. Dr. Bradley served as the keynote speaker for the virtual event hosted by IU School of Medicine Faculty Affairs, Professional Development and Diversity (FAPDD). Dr. Bradley is an assistant professor in the IU School of Medicine Department of Pediatrics and is an ombudsperson with the IU School of Medicine.
- Sidney & Lois Eskenazi received the Spirit of Philanthropy Award from Indiana University.
- Dr. Curtis Wright, CEO of Eskenazi Medical Group, was selected as the 2021 Indiana Healthcare Executives Network (IHEN) Platinum Award recipient. This award is the highest honor bestowed by IHEN for an outstanding executive and member who has made significant contributions to the health care profession.
- Dr. Lisa Harris, CEO of Eskenazi Health, was recognized with the Anti-Defamation League (ADL) 2021 Indiana Person of Achievement Award. The ADL Person of Achievement Award was established to recognize individuals and companies who have demonstrated extraordinary commitment to community, justice and equal opportunity for all. Each year the ADL honors those whose involvement in business and community programs brings together people of all races, religions and ethnic backgrounds to join in the fight against bigotry and discrimination.
- Leila Mortazavi, LCSW, Eskenazi Health Center director of primary care behavioral health, and Dr. Dan O'Donnell, chief of Indianapolis Emergency Medical Services and an emergency medicine specialist with Eskenazi Health, both were recognized at the 8th Annual Indiana Overdose Awareness Day (ODAD).
- Dr. Deanna Reinoso, medical director of Eskenazi Health Social Determinants of Health and pediatrician with Eskenazi Health Center Pecar, was named the 2021 Indiana Primary Care Health Association Provider of the Year.
- Dr. Janine Fogel, medical director of the Eskenazi Health Gender Health Program, was a finalist in the Indianapolis Business Journal's Healthcare Heroes celebration in the physician category.
- Dr. Babar Khan, an Eskenazi Health intensive care physician and research scientist with Regenstrief Institute, was a finalist in the Indianapolis Business Journal's Healthcare Heroes celebration in the physician category.
- Ukamaka Oruche, a nurse practitioner with Sandra Eskenazi Mental Health Center, was a finalist in the Indianapolis Business Journal's Healthcare Heroes celebration in the non-physician category.
- Indianapolis EMS was recognized in the Indianapolis Business Journal's Healthcare Heroes celebration in a special pandemic category.
- Eskenazi Health Food & Nutrition Services was awarded the Best Menu Concept award as part of Food Management's 2021 Best Concept Awards. Designed to recognize creative and innovative initiatives by onsite dining operations in schools, health care and businesses, the awards recognize achievements in various categories, such as menus, customer service initiatives and special events.

- St. Margaret's Hospital Guild and Versiti Blood Center of Indiana announced Dr. Amy Beth Kressel, M.S., FIDSA, FSHEA, and Dr. Joseph Smith, as recipients of the 2021 Achievement in Medicine (AIM) Award. The AIM Award honors a physician or professional of the Eskenazi Health team who upholds the tradition of excellence in health care.
- Matthew Howard, DNP, RN, CEN, CPEN, CPN, and Jennifer Embree, DNP, RN, NE-BC, CCNS, FAAN, were named the winners of The Journal of Continuing Education in Nursing's 9th Annual Innovation Award.
- The Sidney & Lois Eskenazi Hospital was honored by the Indiana Hospital Association, in partnership with Gov. Eric Holcomb and State Health Commissioner Dr. Kristina Box, at the second annual INspire Hospital of Distinction recognition program. INspire was developed to encourage the implementation of best practice care for Hoosier moms and babies and recognize hospitals for excellence in addressing key drivers of maternal and infant health.
- Saura Fortin, M.D., chief medical officer for Eskenazi Health Center, was recognized as the recipient of the Indiana Latino Contributions in Health of the Year award from the Indiana Latino Expo.
- The Wellness Council of Indiana and Indiana Chamber of Commerce recognize Eskenazi Health for its efforts to encourage COVID-19 vaccinations.
- Junior Achievement of Central Indiana inducted four laureates into its Central Indiana Business Hall of Fame on December 3, including Dr. Lisa Harris, CEO of Eskenazi Health. The individuals were selected based on their "personal and professional achievements, high moral and ethical standards, dedication to civic causes and positive impact on the quality of life of central Indiana."
- The Sandra Eskenazi Mental Health Center Stabilization Treatment and Rehabilitation Services (STARS) Program was honored with the Noble Partnership Award as part of Noble's Annual Awards. The Noble Partnership Award honors individuals, businesses and organizations that champion the Noble mission in at least one of these areas: forming productive partnerships to promote Noble's vision and impact; providing media coverage of issues affecting people with disabilities; furthering of inclusive educational opportunities; fostering of inclusion within the community; and/or advocating for the rights and needs of people with disabilities.
- The Mobile Crisis Assistance Team (MCAT) was selected by the Indianapolis Metropolitan Police Department (IMPD) Honor Awards Selection Committee to receive recognition at the IMPD's Annual Year-End Honor Awards Program. The team received a Unit Citation for going above and beyond normal job requirements in the category of Behavioral Health Services.
- Eskenazi Health Center of Hope was selected by the Indianapolis Metropolitan Police Department (IMPD) Honor Awards Selection Committee to receive recognition at the IMPD's Annual Year-End Honor Awards Program. The team received a Certificate of Appreciation for going above and beyond normal job requirements in the category of Patient Care.

For more than 160 years, Eskenazi Health has provided high-quality, cost-effective, patient-centered health care to the residents of Marion County and Central Indiana. Accredited by The Joint Commission, nationally recognized programs include a Level I trauma center, regional burn center, comprehensive senior care program, women's and children's services, teen and adolescent care programs, Sandra Eskenazi Mental Health Center, and a network of primary care sites located throughout the neighborhoods of Indianapolis known as Eskenazi Health Center. Eskenazi Health also serves as the sponsoring hospital for Indianapolis Emergency Medical Services.

Long-Term Care:

During 2021 the Corporation leased and operated 78 skilled nursing facilities (SNFs) and five free-standing licensed residential/assisted living facilities (ALs) across Indiana, with multiple locations providing a continuum of care with independent apartments and garden homes in a campus-type setting. Throughout the year, the Corporation facilities served on average more than 6,500 residents. The Corporation contracts with American Senior Communities (ASC) to manage its long-term care facilities.

Overall census for the Corporation's Long-Term Care (LTC) facilities averaged 6,478 in the first quarter of 2021 and increased to an average of 6,616 at the end of the year, a 2% increase reflecting census recovery typical of the industry during the COVID-19 (C-19) pandemic in 2021.

Oversight and engagement is a daily, weekly and monthly endeavor that includes review of all operational aspects of long-term care facilities including participation in corporate compliance, quality assurance and performance improvement (QAPI), financial reviews, personnel, strategic planning, risk management and clinical services. The Corporation internal LTC Quality Review Team (QRT) consists of highly qualified long-term care experienced Registered Nurses, Health Facility Administrators and a Social Worker. Prior to the C-19 pandemic, the QRT professionals routinely visited all of the Corporation's long-term care facilities at least annually with an extensive multi-day on site and remote review, with select facilities receiving additional site visits and reviews. During the first quarter of 2021, the QRT conducted 62 outreach (i.e. goodwill and encouragement to staff) visits to the facilities, as well as 10 focused site visits performing quality reviews of C-19 related infection control practices and resident care. By the second quarter, the QRT returned to conducting full quality review onsite visits, completing 82 by the end of 2021.

Regulatory compliance is an on-going objective for the Corporation facilities, and the majority are successful in achieving or maintaining outstanding compliance with federal and state compliance measures. The Indiana Department of Health conducts annual on-site inspection surveys as part of the state licensing and federal certification of healthcare facilities and publishes online consumer reports that detail deficiencies found at the facilities during the survey (a deficiency is a regulatory requirement that a survey finds is not being met). For more than eight years, the Corporation's facilities have continued to maintain a lower average number of deficiencies cited per annual survey than both state and national averages.

Highlights from Indiana Department of Health (IDOH) surveys of the Corporation facilities during 2021 include:

- Seven facilities received a deficiency free annual licensure recertification survey: Canterbury Nursing & Rehabilitation, Heritage Park Commons, Markle Health & Rehabilitation, Rosegate Commons, Summit City Nursing & Rehabilitation, Waters Edge Village, and Willowdale Village. Deficiency free annual licensure recertification surveys are rare with approximately 5% of facilities in Indiana achieving such compliance.
- Willowdale Village received a deficiency free Life Safety Code survey.
- A total of 160 Focused COVID-19 Infection Control surveys were conducted and 144 (90%) were deficiency free.
- Twenty SNFs and two ALs received perfect Emergency Preparedness surveys: Autumn Ridge Rehabilitation Centre, Ben Hur Health & Rehabilitation, Betz Nursing Home, Canterbury Nursing & Rehabilitation Center, Columbia Healthcare Center, Coventry Meadows, Eastgate Manor Nursing & Rehabilitation, Harcourt Terrace Nursing & Rehabilitation, Heritage Park Commons (AL), Hillcrest Village, Lake Pointe Village, Lowell Healthcare, North Woods Village, Rosegate Commons (AL), Salem Crossing, Spring Mill Meadows, Summit City Nursing & Rehabilitation, The Timbers of Jasper, University Nursing Center, Valparaiso Care & Rehabilitation Center, Waters Edge Village, and Willowdale Village.

A compliance metric used by operators throughout the state as well as consumers has been the IDOH Consumer Report which "graded" facilities based on the number of deficiencies within a calendar year and the scope and severity of those findings. This consumer report has been dormant since March 2020.

The Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare rating system evaluates facilities nationwide providing a consumer report for use by the public as well as healthcare providers. The benchmark rates skilled nursing facilities on a one- to five-star grid. Metrics and scoring criteria for the system have evolved and may change from year to year.

- The Overall Star Rating includes additional benchmarks for Health Inspections and Staffing. These combined with the Quality Measures Rating, result in the Overall Star Rating. Analysis of the aggregate Corporation facility Overall Star Rating from December 2020 to December 2021 is as follows:
  - Overall rating improved slightly from an average of 3.42 Stars to 3.6 Stars, exceeding both state (3.1 Stars) and national (3.15 Stars) averages.
  - Forty-five Corporation facilities (or 58%) have an Overall Star rating of Four (above average) or Five (much above average) rating.

    - Except for the month of February 2021, Springhill Village has maintained a perfect rating of Five Stars since 2011.
    - Markle Health & Rehabilitation has maintained Five Stars since 2017.
    - Twenty-three facilities were rated Five Stars Overall, with ten having made an improvement to this rating, during the period December 2020 to December 2021.
- Analysis of the aggregate Corporation facility Quality Measures Star Rating from December 2020 to December 2021 is as follows:
    - Corporation facilities averaged of 4.5 Stars, exceeding both state (3.86 Stars) and national (3.74 Stars) averages.
    - Seventy-one of the Corporation's facilities were rated Four or Five Stars for Quality Measures, or 91% of our SNFs.

The Corporation continues to encourage its LTC facilities to partake in the American Health Care Association/National Center for Assisted Living (AHCA/NCAL) Quality Award Program. Since 2015, fifty-five (or 66%) of Corporation facilities have earned at least one AHCA/NCAL Quality Award. These national quality awards are based on the core values and health care criteria established by the Baldridge Performance Excellence Program, and they provide a pathway for facilities to journey toward program excellence.

- In 2021, two Corporation facilities earned the AHCA/NCAL National Quality Silver Award for Achievement in Quality:
    - Bethany Village, Indianapolis
    - Riverwalk Village, Noblesville

  These are the only two facilities in Indiana during 2021 to receive the Silver Award, the second level of distinction awarded to facilities recognized for achievement in quality. Bethany Village was a Bronze Award recipient in 2019, and Riverwalk Village in 2018.

Other awards bestowed on the Corporation's facilities include:

- Brownsburg Meadows and Greenwood Meadows named by US News and World Report as Best Nursing Homes 2021.
- American Village named by A Place for Mom (SeniorAdvisor.com) as Best of Senior Living 2021.

The Corporation facilities provided employment on average for 8,600 staff members during 2021. The Personal Care Aid (PCA) and Hospitality Aid (HA) positions – created at the start of the pandemic – carried over into 2021. However, the HA position was phased out March 2021 having employed 340 HA staff during its tenure. The PCA position continues and during 2021, a total of 1,169 PCA staff were employed, with 691 (or 59%) of the PCA staff advancing to Certified Nursing Aid (CNA) training. (With the approval of the state of Indiana, the PCAs could transition from PCA to CNA upon receiving credit for hours worked and successful completion of all skills competencies.)

Dedication to the professional growth of the state's workforce and particularly in addressing the growing shortage of licensed nurses continues through O2NE – Opportunities to Nursing Education. This program is a one-of-a-kind scholarship program providing tuition, a reduced work schedule, mentoring and assistance with life skills, among other supports. O2NE provides a tremendous career path to nursing and has successfully graduated 220 nurses, both RNs and LPNs, through 2021. The program boasts a high retention rate among the Corporation facilities, with many new nurse managers having emerged from this program to serve as clinical leaders including 15 Directors of Nursing Services (DNS), five Assistant DNS, three Clinical Directors, and three Regional Directors of Clinical Services.

The Corporation's emphasis on emergency preparedness and training continues to support LTC efforts in managing the ongoing pandemic, as well as a return to pre-pandemic disaster readiness activities. During the second quarter of 2021, the Corporation's LTC department began coordinating speakers and panelists for a 2 ½ hour in-person, pre-conference workshop exploring the lessons learned and newly developed best practices in response to the unique struggles LTC facilities and residents endured throughout the COVID-19 pandemic. This LTC workshop was delivered November 2021 at the National Healthcare Coalition Preparedness Conference in Orlando. In the fourth quarter of 2021, the Corporation sponsored a MESH Grand Rounds session in which the speaker presented on the evacuation of 144 LTC residents due to a facility fire.

Throughout 2021, the Corporation's LTC division continued its participation in a variety of COVID-19 related meetings with ASC, IDH, IHCA, MCPHD, MESH, District 5 Healthcare Coalition and other key stakeholder and emergency preparedness partners. Weekly updates to the Corporation website continued as communication to the public regarding the status of the C-19 effect on the health and safety of the LTC residents and staff at the Corporation facilities. By the end of 2021, the Corporation facilities had recovered nearly 5,300 COVID-19 positive residents and more than 3,900 staff had recovered from COVID-19.

Initiating the COVID-19 vaccination protocol in the long-term care facilities was a significant turning point in mitigating and managing the effects of the pandemic. During 2021, an extensive vaccine education campaign, named "Gimme a V", was initiated at the Corporation facilities for resident and staff vaccinations. These vaccination clinics were performed by a contract pharmacy provider working in concert with facilities. By the end of 2021, more than 5,400 residents (~86%) and nearly 6,000 staff (~75%) had been fully vaccinated. The COVID booster vaccinations were first made available to the residents in November 2021, and by January 2022, 3,853 skilled nursing residents (66%) and 358 assisted living residents (76%) had received the booster. Education, counseling, and encouragement were provided to residents and staff on staying up to date with the recommended vaccines.

AWARDS AND ACKNOWLEDGEMENTS

The Corporation had an annual audit of its financial statements performed for 2021 by FORVIS, 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. Health and Hospital Corporation of Marion County, Indiana has received a Certificate of Achievement for the last 36 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Annual Comprehensive Financial Report. 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 annual comprehensive 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.

This Annual Comprehensive Financial Report 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,

Paul T. Babcock F. Brooke Dunn

Paul T. Babcock	F. Brooke Dunn
President and	Chief Financial
Chief Executive Officer	Officer and Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Health and Hospital Corporation of Marion County, Indiana

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Health and Hospital Corporation

Elected Officials

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

Appointed Officials - Board of Trustees[1]

Robert W. Lazard
Chairperson
Retired CPA

Monica Crain
Vice Chairperson
Chief Human Resource Officer
Barnes & Thornburg

Gregory S. Fehribach
Attorney
Doninger Tuohy & Bailey

Thomas Hanify
Retired Firefighter

Beverly Mukes-Gaither
Retired Banking
Compliance Executive

Dr. Geeta Karnik Mantravadi
Physician
IU Health Physicians

Carl L. Drummer
VP/Co-chair, Public Affairs Strategies
Taft

(1) – The Board of Trustees listing is as of June 2022.

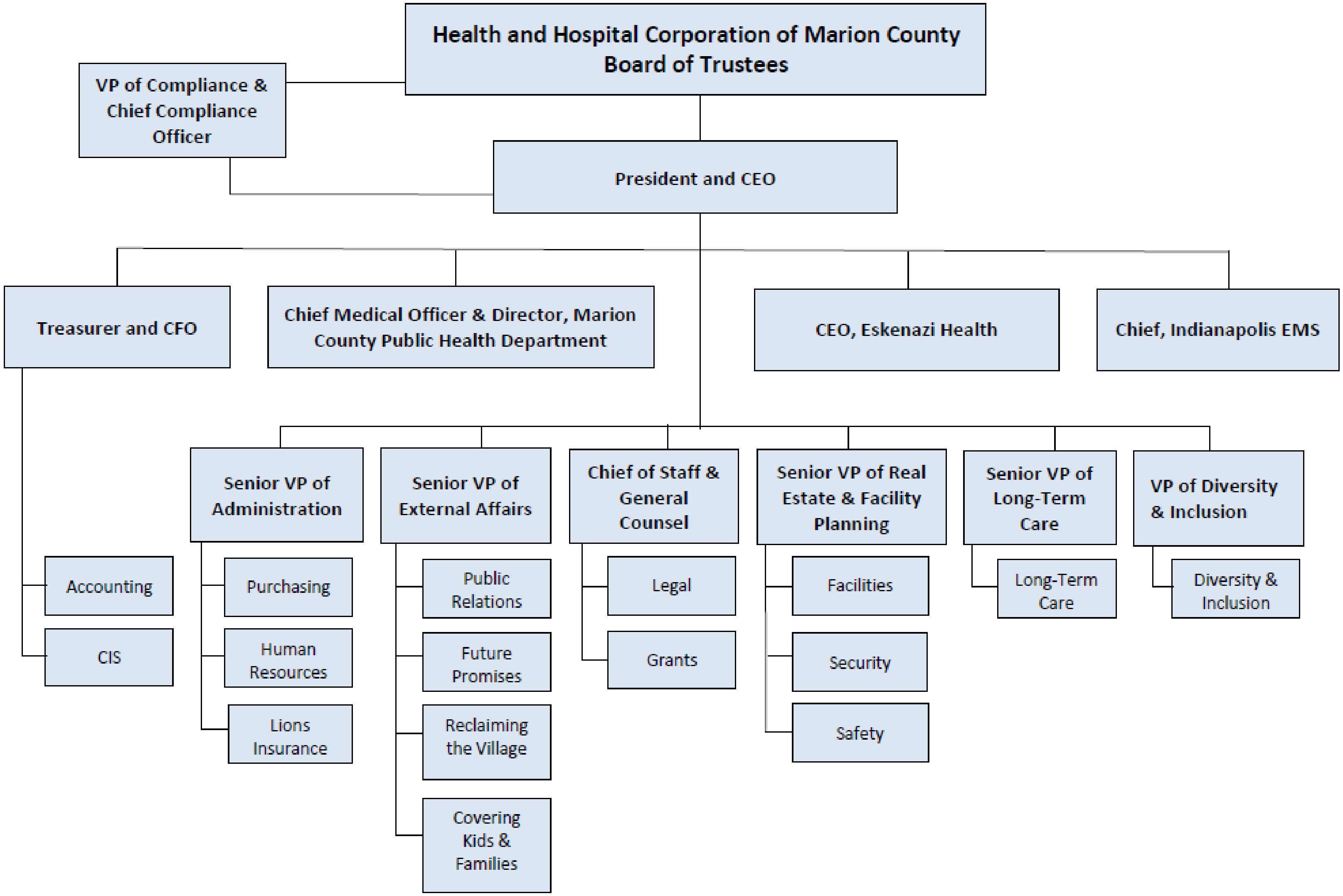
Health and Hospital Corporation

Officers

Name	Title
Paul T. Babcock	President and Chief Executive Officer
F. Brooke Dunn, Esq., MBA	Chief Financial Officer and Treasurer
Lisa E. Harris, M.D.	Chief Executive Officer, Eskenazi Health
Virginia A. Caine, M.D.	Chief Medical Officer and Director, MCPHD

Independent Auditors

FORVIS, LLP (Formerly BKD, LLP) Indianapolis, Indiana


Health and Hospital Corporation of Marion County Board of Trustees
VP of Compliance & Chief Compliance Officer
President and CEO
Treasurer and CFO
Chief Medical Officer & Director, Marion County Public Health Department
CEO, Eskenazi Health
Chief, Indianapolis EMS
Senior VP of Administration
Senior VP of External Affairs
Chief of Staff & General Counsel
Senior VP of Real Estate & Facility Planning
Senior VP of Long-Term Care
VP of Diversity & Inclusion
Accounting
CIS
Purchasing
Human Resources
Lions Insurance
Public Relations
Future Promises
Reclaiming the Village
Covering Kids & Families
Legal
Grants
Facilities
Security
Safety
Long-Term Care
Diversity & Inclusion

Financial Section

FORVIS

201 N. Illinois Street, Suite 700 / Indianapolis, IN 46204
P 317.383.4000 / **F** 317.383.4200
forvis.com

Independent Auditor's Report

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

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Corporation, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 budget and actual fund schedules 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 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 budget and actual fund schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Indianapolis, Indiana
June 29, 2022

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 Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2021. 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 and deferred outflows of resources of the Corporation exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $1.40 billion (net position). Unrestricted net position at the end of 2021 is $707.8 million.
- The Corporation's total net position increased by $249.3 million, from current year activities.
- As of the close of 2021, the Corporation's governmental funds reported combined ending fund balances of $773.4 million, an increase of $115.0 million in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $640.5 million or 302.9% of total General Fund expenditures.
- The Corporation's total debt, excluding capital leases, decreased by $6.2 million or 3.7% during the current fiscal year. This reflects scheduled principal payments on outstanding bonds. The capital lease obligations decreased by $95.5 million or 16.0% in 2021.
- During the current fiscal year, the Corporation received approximately an additional $18.0 million from CARES Act funding and paid back $30.8 million of the $69.6 million in Medicare advanced payments received in 2020.

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 of resources, liabilities, and deferred inflows of resources with the difference between these financial statement elements being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

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

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

The government-wide financial statements include the Health and Hospital Corporation of Marion County, Indiana (known as the primary government) and two blended component units, Lions Insurance Company and Eskenazi Medical Group. Since the Corporation's Board is appointed, not elected, the Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (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 funds consist of two enterprise funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The Corporation uses the enterprise fund to account for its Eskenazi Health Division (including Indianapolis EMS) and its Long-Term Care Service Division. The proprietary funds include the blended component units of Lions Insurance Company and Eskenazi Medical Group, which represent 2.1% and 3.5%, respectively, of the business-type activities total assets and deferred outflow of resources as of December 31, 2021.

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, including a schedule of proportionate share of the net pension liability, schedule of contributions in connection with the Corporation's participation in a cost-sharing, multiple-employer defined-benefit retirement plan and a budgetary comparison schedule for the General Fund. Also, budgetary schedules are provided for the Debt Service Fund and the Capital Projects Fund as other supplementary information.

Financial Analysis of the Corporation as a Whole

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets and deferred outflows exceeded liabilities and deferred inflows by $1.40 billion at December 31, 2021. The Corporation's net position increased by $249.3 million, compared to $173.1 million in 2020.

The Corporation's net position includes its investment in capital assets (e.g., land, buildings, machinery, and equipment,) plus restricted funds, less any related debt used to acquire those assets that is still outstanding. The Corporation uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Corporation's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of $707.8 million is unrestricted.

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 929,443	$ 815,162	$ 808,425	$ 838,392	$ 1,737,868	$ 1,653,554
Capital assets, net of accumulated depreciation	37,086	28,265	750,972	849,756	788,058	878,021
Total assets	966,529	843,427	1,559,397	1,688,148	2,525,926	2,531,575
Deferred Outflows of Resources	10,559	6,705	22,610	14,438	33,169	21,143
Liabilities						
Other liabilities	28,533	29,826	142,951	245,263	171,484	275,089
Long-term liabilities	580,634	615,028	250,168	394,318	830,802	1,009,346
Total liabilities	609,167	644,854	393,119	639,581	1,002,286	1,284,435
Deferred Inflows of Resources	103,878	86,243	57,117	35,478	160,995	121,721
Net Position						
Net investment in capital assets	27,492	17,222	645,501	662,601	672,993	679,823
Restricted	15,003	14,147	-	-	15,003	14,147
Unrestricted	221,548	87,666	486,270	364,926	707,818	452,592
Total net position	$ 264,043	$ 119,035	$ 1,131,771	$ 1,027,527	$ 1,395,814	$ 1,146,562

Changes in Net Position

The Corporation's total revenue was $2.01 billion during the current fiscal year. Taxes represent 7.1% of the Corporation's revenue. Medicaid special revenue represents 4.9% of revenue, while 79.9% of revenue came from fees charged for services. The remaining 8.1% came from grants and contributions, investment earnings, Build America Bond subsidies, an insurance claim proceeds, and a gain relating to divesting in certain joint ventures.

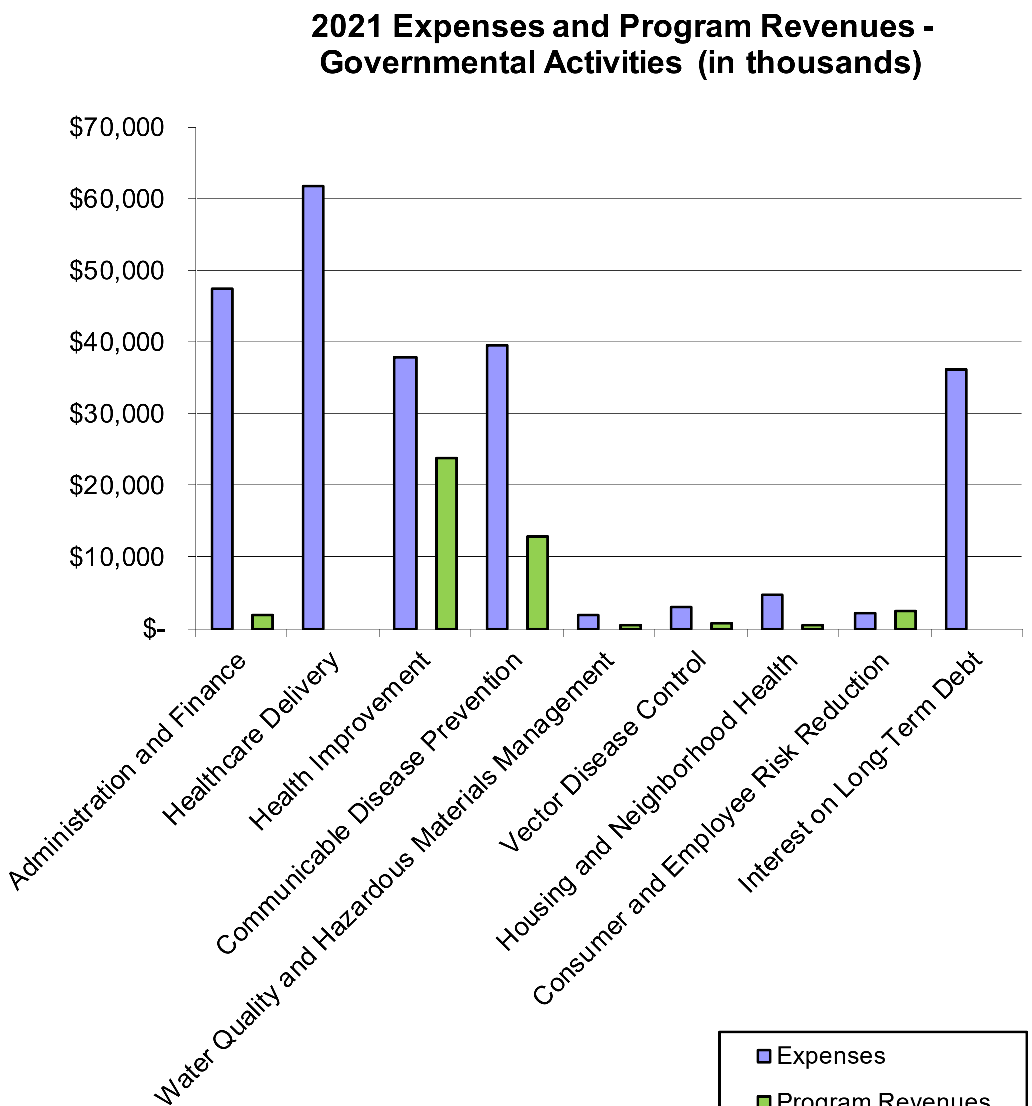
The total cost of all programs and services was $1.76 billion. This resulted in an increase in net position for the year of $249.3 million.

Governmental activities - Governmental activities increased the Corporation's net position by $145.0 million compared to the total $249.3 million increase in net position of the Corporation. Medicaid special revenue increased $55.7 million from prior year due to the cyclical nature of certain DSH settlements. Government activities received $32.0 million in operating grants and contributions in 2021. Net transfers were $85.6 million, compared to $100.9 million from prior year. 2021 transfers reflect decreases in both the Long-Term Care Fund transfer to the General Fund and the General Fund transfer to the Eskenazi Health Fund. The decrease of General Fund transfers is attributed to Long-Term Care earning less Medicaid special revenue due to reduced occupancy while also maintaining a sufficient operating cash position. The decrease in Eskenazi Health Fund operating transfers is in line with the concept to transfer the net impact of certain Eskenazi Health Fund activities on the Governmental Funds.

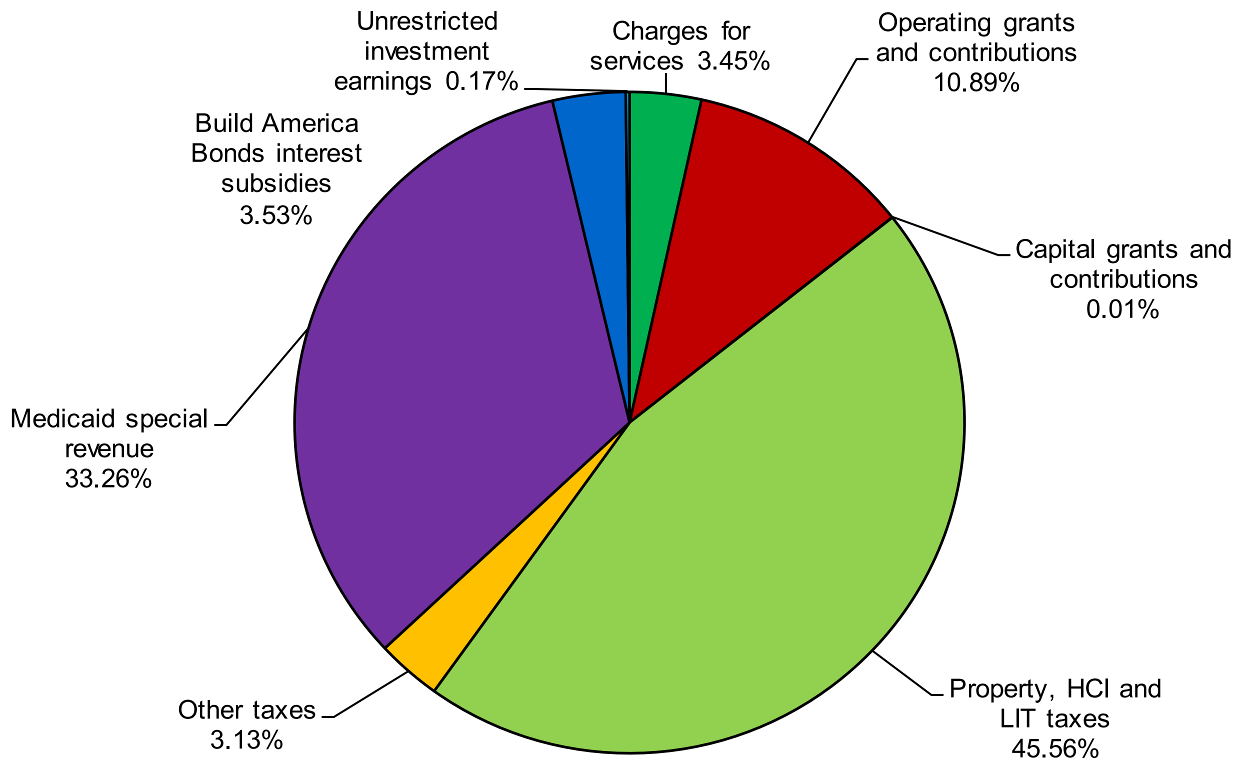
(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	$ 10,135	$ 9,261	$ 1,594,553	$ 1,588,715	$ 1,604,688	$ 1,597,976
Operating grants and contributions	31,950	35,169	106,326	112,176	138,276	147,345
Capital grants and contributions	34	66	-	-	34	66
General revenues:						
Property, HCI and local option income taxes	133,655	128,679	-	-	133,655	128,679
Other taxes	9,172	8,653	-	-	9,172	8,653
Medicaid special revenue	97,559	41,826	-	-	97,559	41,826
Build America Bonds interest subsidies	10,341	10,255	-	-	10,341	10,255
Unrestricted investment earnings	515	2,365	2,547	4,140	3,062	6,505
Total revenues	293,361	236,274	1,703,426	1,705,031	1,996,787	1,941,305
Expenses						
Administration and finance	47,430	47,949	-	-	47,430	47,949
Healthcare delivery	61,572	71,126	-	-	61,572	71,126
Health improvement	37,689	37,380	-	-	37,689	37,380
Communicable disease prevention	39,572	35,529	-	-	39,572	35,529
Water quality and hazardous material management	1,938	2,091	-	-	1,938	2,091
Vector disease control	2,963	3,032	-	-	2,963	3,032
Housing and neighborhood health	4,574	4,911	-	-	4,574	4,911
Consumer and employee risk reduction	2,065	1,752	-	-	2,065	1,752
Interest on long-term debt	36,162	37,305	-	-	36,162	37,305
Eskenazi Health	-	-	790,336	764,217	790,336	764,217
Long-term care	-	-	736,051	780,706	736,051	780,706
Total expenses	233,965	241,075	1,526,387	1,544,923	1,760,352	1,785,998
Increase (Decrease) in Net Position Before Transfers and Special Items	59,396	(4,801)	177,039	160,108	236,435	155,307
Special Items	-	-	3,115	17,766	3,115	17,766
Transfers	85,612	100,866	(85,612)	(100,866)	-	-
Increase in Net Position	145,008	96,065	94,542	77,008	239,550	173,073
Net Position, Beginning of Year	119,035	22,970	1,027,527	950,519	1,146,562	973,489
Net Position, End of Year	$ 264,043	$ 119,035	$ 1,122,069	$ 1,027,527	$ 1,386,112	$ 1,146,562

The following charts provide comparisons of the Corporation's governmental program revenues and expenses by function, as well as revenues by source. As shown, healthcare delivery 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.



2021 Revenues by Source - Governmental Activities

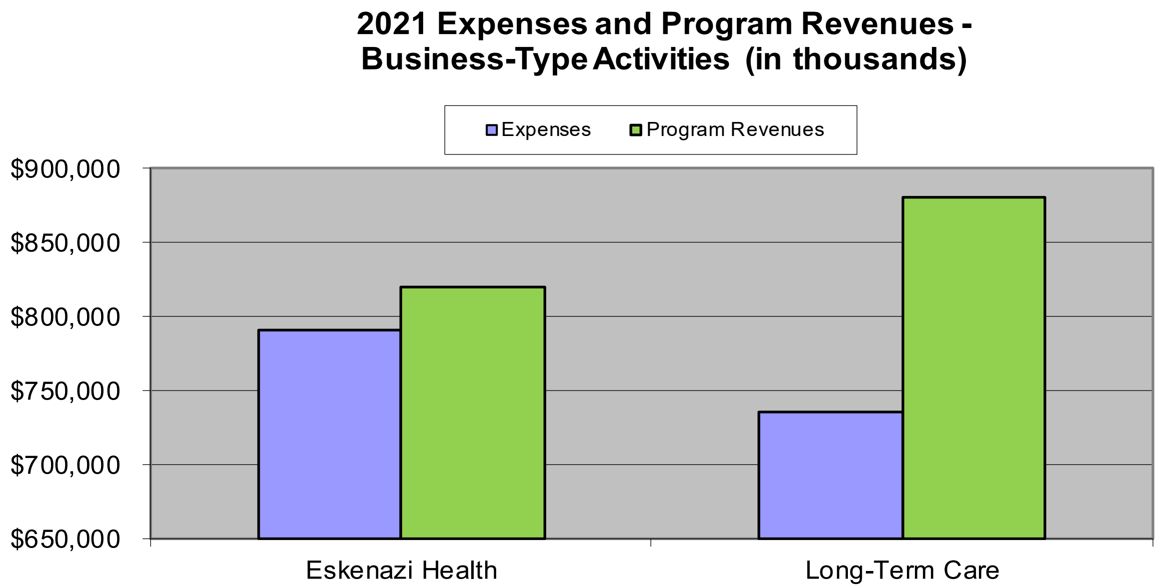


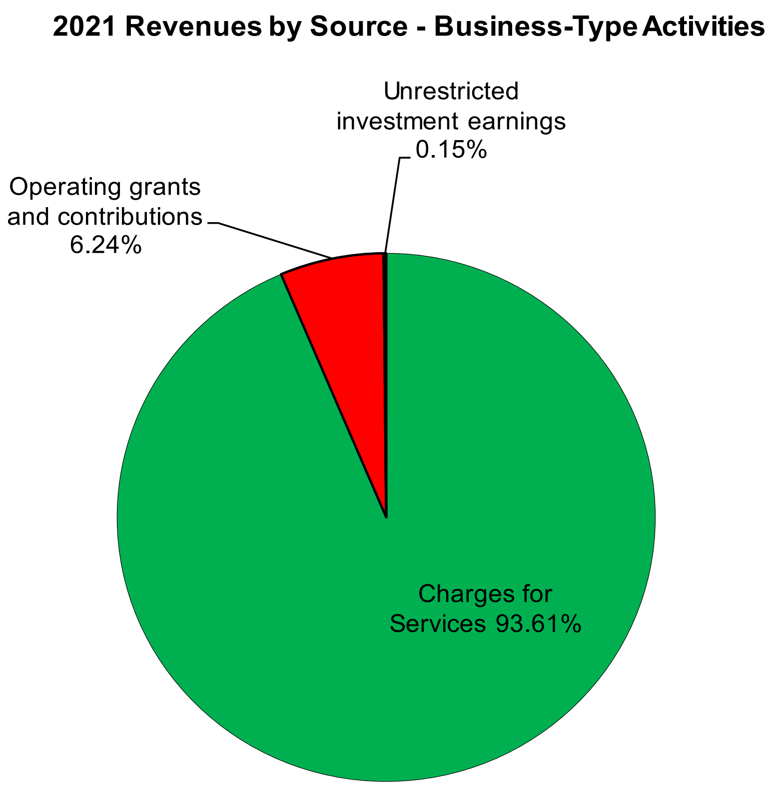
Business-type activities - The business-type activities increased the 2021 net position by $104.2 million compared to a 2020 increase in net position of $77.0 million.

Eskenazi Health's net position increased by $118.7 million in the current year. Net investment in capital assets decreased by $36.4 million; increases in capital assets totaled $27.2 million, which was offset by depreciation of $63.6 million. Operating revenues increased by $73.5 million due to an increase in net patient service revenue of $70.3 million and an increase of other revenue of $3.2 million. Eskenazi Health transfers received from the General Fund decreased by $20.0 million in 2021. Operating expenses increased by $26.1 million from 2020, in part, due to traditional salary and wage increases; increased patient volume and corresponding variable costs; unplanned expenses were also incurred due to supply and drug price increases and other expenses required to support the COVID-19 pandemic. Eskenazi Health incurred an operating loss of $62.2 million, which was offset by $72.3 million in transfers from the General Fund, $92.4 million in grants from various agencies, $9.7 million related to insurance proceeds, $2.4 million of investment income, and $3.1 million on other sale gain.

Long-Term Care's net position was $174.5 million, a decrease of $14.5 million compared to 2020. Operating revenues decreased $67.5 million due to reduced occupancy rates as a result of the pandemic and were partly offset by federal and state stimulus. Operating expenses decreased $38.3 million over 2020. This was primarily due to reduced occupancy partially offset by the COVID-19 impact on both increased staffing and personal protective equipment (PPE) costs. Income before capital contributions and transfers decreased $82.6 million. Long-Term Care has a $51.6 million net investment in capital assets, an increase of $19.3 million over 2020. All 78 facilities are recorded as capital assets under noncurrent assets.

The following charts provide a comparison of revenues and expenses, and revenues by source for the Corporation's business 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 current fiscal year end, the Corporation's governmental funds reported combined ending fund balances of $773.4 million, an increase of $115.0 million in comparison with the prior year. Approximately 17.1% of this total amount, or $132.4 million, constitutes restricted and assigned fund balance, which is related to capital outlays for the new hospital, money set aside for debt service, and year-end encumbrances. Approximately 82.8% of the total amount, or $640.5 million, is unassigned fund balance. The remaining 0.1% 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 $640.5 million, while the total fund balance increased $98.6 million to a balance of $663.4 million. 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 302.9% of total General Fund expenditures, while total fund balance represents 313.7% of that same amount.

The Corporation's General Fund total fund balance increased by $98.6 million during the current fiscal year compared to a $109.8 million increase in 2020. Tax revenue collections increased by $5.2 million from 2020 to 2021. The General Fund tax levy and assessed values increased in 2021, and collections of taxes surpassed 2021 projections. Medicaid special revenue increased $25.7 million in 2021 as one partial and one final DSH settlement occurred during the year. Intergovernmental expenditures decreased by $9.6 million in 2021 due to reduced occupancy and the Families First Coronavirus Response Act reducing the intergovernmental transfer rate for the Long-Term Care Upper Payment Limit program during the COVID-19 public health emergency period. 2021 net transfers increased the fund balance by $28.5 million, this is a result of less Eskenazi Health operating transfers in 2021 and a decrease in the Long-Term Care transfer to the General Fund. The 2021 fund balance increase for the General Fund, of $98.6 million, related to 2021 tax revenues and Medicaid special revenues exceeding projections. Also, expenditures were under budget due to year-end initiatives not occurring during 2021.

Debt Service Fund - The Debt Service Fund has a fund balance of $14.1 million compared to a fund balance of $8.9 million in 2020. The increase in fund balance during the current year was $5.2 million. The increase in fund balance was primarily due to half of the 2020 Build America Bonds subsidies being received in 2021 outside of the availability period.

Capital Projects Fund - The Capital Projects Fund has a total fund balance of $96.0 million. The increase in fund balance during the current year was $11.2 million. The fund balance increase is related to capital project outlays that were planned but did not occur in 2021.

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

Unrestricted net position of Eskenazi Health at the end of the year was $363.3 million. In 2021, the total net position for Eskenazi Health increased by $118.7 million. Other factors concerning the finances of Eskenazi Health were addressed in the discussion of the Corporation's business-type activities. Unrestricted net position of Long-Term Care at the end of the year was $123.0 million. Total net position for Long-Term Care decreased by $14.5 million in 2021. Additional information on Long-Term Care operations can be found in the discussion of the Corporation's business-type activities.

General Fund Budgetary Highlights

The original budget of $326.5 million remained unchanged during 2021, both in total and by major object of expenditure. The $326.5 million budget included $195.9 million in expenditures and $130.6 million in transfers out. Actual expenditures and transfers out totaled $278.1 million. Of the total $48.4 million underspending, $11.6 million related to personal services, $15.6 million to supplies, $17.0 million to other charges and services (including transfers out) and $4.2 million to capital outlays. Underspending for all reflects potential year-end initiatives that did not occur. General revenues and other resources were estimated at $330.4 million, and actual was $400.1 million. Medicaid special revenue was $63.1 million favorable to budget as a hospital DSH settlement expected to occur after 2021 occurred during the fiscal year. 2021 taxes and miscellaneous revenues were better than budget by $7.8 million due to tax collections exceeding projections, operating support for an Outreach program, bond call rights waiver payments, and miscellaneous administrative revenue for Lions Insurance services provided by the General Fund.

Capital Asset and Debt Administration

Capital Assets - The Corporation's capital assets for its governmental and business-type activities as of December 31, 2021, totaled $788.1 million (net of accumulated depreciation), a decrease from $878.0 million at the end of 2020. This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, and construction in progress.

Additional information on the Corporation's capital assets can be found below and in Note 9 to the financial statements.

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 4,070	$ 2,133	$ 9,224	$ 9,432	$ 13,294	$ 11,565
Land improvements	-	-	46,514	51,844	46,514	51,844
Buildings and improvements	14,214	11,759	554,434	631,774	568,648	643,533
Equipment	8,882	9,993	124,800	127,859	133,682	137,852
Vehicles	1,328	1,125	2,624	1,993	3,952	3,118
Construction in progress	8,592	3,255	13,376	26,854	21,968	30,109
Total assets	$ 37,086	$ 28,265	$ 750,972	$ 849,756	$ 788,058	$ 878,021

Long-Term Debt - At the end of 2021, the Corporation had total general obligation debt outstanding of $163.3 million. Moody's Investors Service rates the Corporation's general obligation debt "Aa2".

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 $303.7 million. Outstanding general obligation debt (excluding premiums) at December 31, 2021 represents 52.9% of this limit.

Additional information on the Corporation's long-term debt can be found in Note 11 of this report.

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
2005 general obligation bonds	$ 6,560	$ 8,535	$ -	$ -	$ 6,560	$ 10,410
2010 general obligation bonds	154,200	158,245	-	-	154,200	162,100
Unamortized bond premiums	2,521	2,705	-	-	2,521	2,888
Capital leases	395,013	408,454	104,838	186,870	499,851	681,934
Total long-term debt	$ 558,294	$ 577,939	$ 104,838	$ 186,870	$ 663,132	$ 857,332

Economic Factors and Next Year's Budgets and Rates

In March of 2020, the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) was designated as a global pandemic by the World Health Organization. The Corporation has continued to operate as an essential healthcare provider and experienced significant impacts to patient volumes, occupancy, and the related revenues as various policies were implemented by federal, state, and local governments in response to the pandemic. See Note 24 for additional COVID-19 information.

The 2022 original budget for all annually budgeted funds is $433.2 million. No revisions have been made through June 2022. The 2022 General Fund budget is $309.4 million. The 5.2% decrease from the 2021 final General Fund budget of $326.5 million reflects a $9.1 million decrease in supplies and a $11.5 million decrease in other charges and services, which includes reduced operating transfers to the Eskenazi Health Fund. The 2022 General Fund budget also reflects increases in personal services and capital outlays totaling $3.5 million to continue to appropriately position the Corporation to respond to the COVID-19 pandemic. The budget for the Corporation will continue to be challenged by increasing expenditures and declining revenue in the form of property tax caps.

Requests for Information

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

Basic Financial Statements

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2021
(Dollars in thousands)

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 555,205	$ 632,110	$ 1,187,315
Investments	4,237	12,470	16,707
Receivables, net:			
Patient services	-	143,396	143,396
Medicaid special revenue	47,701	51,770	99,471
Grants	12,347	12,231	24,578
Taxes	94,629	-	94,629
BAB subsidies	5,115	-	5,115
Other	2,976	40,493	43,469
Internal balances	158,624	(158,624)	-
Inventories	-	17,754	17,754
Joint venture escrow	-	10,141	10,141
Estimated Medicare/Medicaid settlements	-	13,801	13,801
Prepaid costs and other assets	518	16,272	16,790
Restricted cash and cash equivalents	12,722	-	12,722
Restricted investments	-	12,193	12,193
Lease acquisition costs (net of accumulated amortization)	-	1,531	1,531
Joint venture investments	35,369	-	35,369
Other long-term assets	-	2,887	2,887
Capital assets (net of accumulated depreciation):			
Land	4,070	9,224	13,294
Land improvements	-	46,514	46,514
Buildings and improvements	14,214	554,434	568,648
Equipment	8,882	124,800	133,682
Vehicles	1,328	2,624	3,952
Construction in progress	8,592	13,376	21,968
Total assets	966,529	1,559,397	2,525,926
Deferred Outflows of Resources	10,559	22,610	33,169
Liabilities			
Accounts payable	23,868	106,820	130,688
Restricted accounts payable	643	-	643
Accrued liabilities	1,536	22,422	23,958
Unearned revenue	2,486	231	2,717
Estimated Medicare/Medicaid settlements	-	13,478	13,478
Long-term liabilities:			
Due within one year	29,170	132,386	161,556
Due in more than one year	551,464	117,782	669,246
Total liabilities	609,167	393,119	1,002,286
Deferred Inflows of Resources	103,878	57,117	160,995
Net Position			
Net investment in capital assets	27,492	645,501	672,993
Restricted for:			
Health services	2,281	-	2,281
Debt service	12,722	-	12,722
Unrestricted	221,548	486,270	707,818
Total net position	$ 264,043	$ 1,131,771	$ 1,395,814

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, 2021

(Dollars in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Administration and finance	$ 47,430	$ 1,824	$ -	$ -	$ (45,606)	$ -	$ (45,606)
Healthcare delivery	61,572	-	-	-	(61,572)	-	(61,572)
Health improvement	37,689	3,704	19,892	34	(14,059)	-	(14,059)
Communicable disease prevention	39,572	1,043	11,661	-	(26,868)	-	(26,868)
Water quality and hazardous materials management	1,938	470	73	-	(1,395)	-	(1,395)
Vector disease control	2,963	642	-	-	(2,321)	-	(2,321)
Housing and neighborhood health	4,574	40	324	-	(4,210)	-	(4,210)
Consumer and employee risk reduction	2,065	2,412	-	-	347	-	347
Interest on long-term debt	36,162	-	-	-	(36,162)	-	(36,162)
Total governmental activities	233,965	10,135	31,950	34	(191,846)	-	(191,846)
Business-Type Activities							
Eskenazi Health	790,336	728,166	92,402	-	-	30,232	30,232
LT Care	736,051	866,387	13,924	-	-	144,260	144,260
Total business-type activities	1,526,387	1,594,553	106,326	-	-	174,492	174,492
Total	$ 1,760,352	$ 1,604,688	$ 138,276	$ 34	(191,846)	174,492	(17,354)
General revenues:							
Property and local income taxes					95,655	-	95,655
Health Care for the Indigent taxes					38,000	-	38,000
Excise taxes					7,084	-	7,084
Financial institution taxes					2,088	-	2,088
Medicaid special revenue (unrestricted)					97,559	-	97,559
Build America Bonds interest subsidies					10,341	-	10,341
Unrestricted investment earnings					515	2,547	3,062
Other - insurance recovery					-	9,702	9,702
Special item - gain on sale					-	3,115	3,115
Transfers					85,612	(85,612)	-
Total general revenues and transfers					336,854	(70,248)	266,606
Change in net position					145,008	104,244	249,252
Net position - beginning of year					119,035	1,027,527	1,146,562
Net position - end of year					$ 264,043	$ 1,131,771	$ 1,395,814

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, 2021

(Dollars in thousands)

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 457,225	$ 1,372	$ 96,608	$ 555,205
Restricted cash and cash equivalents	-	12,722	-	12,722
Investments	4,237	-	-	4,237
Receivables (net of allowance for uncollectibles):				
Grants	12,347	-	-	12,347
Medicaid special revenue	47,701	-	-	47,701
Taxes	92,302	2,083	244	94,629
BAB subsidies	-	5,115	-	5,115
Other	2,976	-	-	2,976
Due from other funds	164,020	-	-	164,020
Prepaid costs and other assets	518	-	-	518
Total assets	$ 781,326	$ 21,292	$ 96,852	$ 899,470
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 23,868	$ -	$ 643	$ 24,511
Salaries and related benefits	1,536	-	-	1,536
Unearned revenue	2,486	-	-	2,486
Due to other funds	281	5,115	-	5,396
Accrued self-insurance claims	1,169	-	-	1,169
Total liabilities	29,340	5,115	643	35,098
Deferred Inflows of Resources				
Unavailable revenues	88,626	2,083	244	90,953
Fund Balances				
Nonspendable	518	-	-	518
Restricted for debt service	-	12,722	-	12,722
Assigned	22,330	1,372	95,965	119,667
Unassigned	640,512	-	-	640,512
Total fund balances	663,360	14,094	95,965	773,419
Total liabilities, deferred inflows of resources and fund balances	$ 781,326	$ 21,292	$ 96,852	

Amounts reported for governmental activities in the statement of net position are different because:	
Net capital assets used in the governmental activities are not financial resources and therefore are not reported in the fund statements	37,086
Joint venture investments are not financial resources and therefore are not reported in the fund statements	35,369
Net pension liability is not due and payable in the current period and therefore is not recorded in the funds statement	(12,039)
Deferred inflows of resources not meeting availability criteria in fund statements are not in the statement of net position	5,823
Deferred inflows of resources related to pension that are not available to pay for current period expenditures and therefore are not reported in the fund statements and include:	(18,748)
Deferred outflows of resources are not financial resources and therefore are not reported in the fund statements and include:	
Loss on refunding	130
Pension	10,429
Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and therefore are not reported in the fund statements (excludes matured bond principal and interest)	(567,426)
Net position of governmental activities	$ 264,043

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, 2021

(Dollars in thousands)

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Taxes	$ 140,087	$ 2,475	$ 266	$ 142,828
Licenses and permits	4,886	-	-	4,886
Intergovernmental	30,935	-	-	30,935
Charges for services	1,674	-	-	1,674
Medicaid special revenue	97,126	-	-	97,126
Investment income	3,376	2	402	3,780
Build America Bonds interest subsidies	-	15,367	-	15,367
Miscellaneous	3,447	-	21	3,468
Total revenues	281,531	17,844	689	300,064
Expenditures				
Current				
Administrative	55,869	-	-	55,869
Population health	34,452	-	-	34,452
Environmental health	11,775	-	-	11,775
Health center program	864	-	-	864
Data processing	5,308	-	-	5,308
Grant programs	31,679	-	-	31,679
Capital outlays	9,946	-	4,499	14,445
Debt service				
Principal	-	19,461	-	19,461
Interest and fiscal charges	-	36,275	-	36,275
Intergovernmental	61,572	-	-	61,572
Total expenditures	211,465	55,736	4,499	271,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,066	(37,892)	(3,810)	28,364
Other Financing Sources (Uses)				
Transfers in	169,137	53,369	15,000	237,506
Transfers out	(140,652)	(10,229)	-	(150,881)
Total other financing sources and uses	28,485	43,140	15,000	86,625
Net change in fund balances	98,551	5,248	11,190	114,989
Fund balances - beginning of year	564,809	8,846	84,775	658,430
Fund balances - end of year	$ 663,360	$ 14,094	$ 95,965	$ 773,419

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, 2021

(Dollars in thousands)

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

Net changes in fund balances - total governmental funds	$	114,989
Depreciation expense is not reported in the fund statements, but is reported as a decrease in net position in the statement of activities		(4,621)
Capital outlays are reported as expenditures in the fund statements, but are reported as additions to capital assets in the statement of net position		14,445
Changes in joint venture investment are reported in the statement of net position but are not reported in the fund statements		(695)
Transfers of capital assets from governmental activities to the business type activities are not shown in the fund statements		(1,013)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements		(3,679)
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 bond insurance 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		19,574
Compensated absences that do not require the use of current financial resources are not reported as expenditures in the fund statements		(85)
Portion of pension expense in the statement of activities that does not require the use of current financial resources and therefore is not reported as an expenditure in the fund statements		6,054
Asserted and unasserted self-insurance claims that do not require the use of current financial resources are not reported as expenditures in the fund statements		39
Change in net position of governmental activities	$	145,008

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, 2021
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 384,216	247,894	$ 632,110
Investments	12,470	-	12,470
Receivables (net of allowance for uncollectibles):			
Patient services	83,639	59,757	143,396
Medicaid special revenue	-	51,770	51,770
Grants	12,231	-	12,231
Other	40,493	-	40,493
Estimated Medicare/Medicaid settlements	10,879	2,922	13,801
Inventories	17,754	-	17,754
Joint venture escrow	10,141	-	10,141
Due from other funds	281	7,954	8,235
Prepaid costs and other assets	11,541	4,731	16,272
Total current assets	583,645	375,028	958,673
Noncurrent assets:			
Lease acquisition cost (net of accumulated amortization)	-	1,531	1,531
Joint venture investments	-	-	-
Investments restricted for deferred compensation	12,193	-	12,193
Other long-term assets	-	2,887	2,887
Nondepreciable capital assets	20,837	1,763	22,600
Depreciable capital assets (net of accumulated depreciation)	573,105	155,267	728,372
Total noncurrent assets	606,135	161,448	767,583
Total assets	1,189,780	536,476	1,726,256
Deferred Outflows of Resources	22,610	-	22,610
Total assets and deferred outflows of resources	1,212,390	536,476	1,748,866
Liabilities			
Current liabilities:			
Accounts payable	68,507	38,313	106,820
Accrued liabilities	11,471	10,951	22,422
Due to other funds	7,954	158,905	166,859
Capital lease obligation - current	-	56,212	56,212
Estimated Medicare/Medicaid settlements	1,757	11,721	13,478
Medicare advanced payments	27,734	11,030	38,764
Unearned revenue	231	-	231
Accrued compensated absences - current	22,774	-	22,774
Asserted and unasserted self-insurance claims - current	7,980	6,656	14,636
Total current liabilities	148,408	293,788	442,196
Noncurrent liabilities:			
Asserted and unasserted self-insurance claims	4,136	19,521	23,657
Medicare advanced payments	-	-	-
Accrued compensated absences	4,841	-	4,841
Net pension liability	28,465	-	28,465
Deferred compensation	12,193	-	12,193
Capital lease payable	-	48,626	48,626
Total noncurrent liabilities	49,635	68,147	117,782
Total liabilities	198,043	361,935	559,978
Deferred Inflows of Resources	57,117	-	57,117
Total liabilities and deferred inflows of resources	255,160	361,935	617,095
Net Position			
Net investment in capital assets	593,942	51,559	645,501
Unrestricted	363,288	122,982	486,270
Total net position	$ 957,230	$ 174,541	$ 1,131,771

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 Net Position - Proprietary Funds

For the Year Ended December 31, 2021

(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Operating revenues:			
Net patient service revenue	$ 693,500	$ 642,434	$ 1,335,934
Medicaid special revenue	-	221,906	221,906
Other revenue	34,605	2,047	36,652
Total operating revenues	728,105	866,387	1,594,492
Operating expenses:			
Salaries	337,610	-	337,610
Employee benefits	70,603	-	70,603
Contract labor	3,439	424,490	427,929
Medical and professional fees	56,066	11,541	67,607
Purchased services	34,586	59,327	93,913
Supplies	76,600	43,237	119,837
Pharmaceuticals	69,993	10,459	80,452
Repairs and maintenance	11,848	6,052	17,900
Utilities	13,520	16,723	30,243
Equipment rental	6,754	9,176	15,930
Depreciation and amortization	63,571	80,958	144,529
Provider assessment fee	16,934	29,419	46,353
Other	28,812	33,223	62,035
Total operating expenses	790,336	724,605	1,514,941
Operating income (loss)	(62,231)	141,782	79,551
Nonoperating revenue (expenses):			
Noncapital gifts and grants	92,402	13,924	106,326
Investment income	2,377	170	2,547
Gain on disposal of capital assets	61	-	61
Interest expense	-	(11,446)	(11,446)
Other - Insurance Recovery	9,702	-	9,702
Total nonoperating revenue (expense)	104,542	2,648	107,190
Increase in net position before transfers and special item	42,311	144,430	186,741
Capital contributions - capital assets transferred from governmental activities	1,013	-	1,013
Special item - gain on sale	3,115	-	3,115
Transfers - General Fund	72,283	(158,908)	(86,625)
Changes in net position	118,722	(14,478)	104,244
Total net position - beginning of year	838,508	189,019	1,027,527
Total net position - end of the year	$ 957,230	$ 174,541	$ 1,131,771

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, 2021
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Cash Flows From Operating Activities			
Receipts from patient services	$ 647,353	$ 583,105	$ 1,230,458
Receipts from other operations	37,430	2,047	39,477
Medicaid special revenue	-	232,821	232,821
Payments to suppliers	(243,007)	(191,221)	(434,228)
Payments to employees and contract labor	(566,388)	(424,941)	(991,329)
Net cash provided by (used in) operating activities	(124,612)	201,811	77,199
Cash Flows From Noncapital Financing Activities			
Cash receipts from noncapital gifts and grants	20,422	19,450	39,872
Transfers from (to) the General Fund	72,283	(207,990)	(135,707)
Net cash provided by (used in) noncapital financing activities	92,705	(188,540)	(95,835)
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(26,394)	(15,113)	(41,507)
Proceeds from sale of capital assets	306	-	306
Payment of capital lease obligations	-	(82,032)	(82,032)
Interest expense payments	-	(11,446)	(11,446)
Net cash used in capital and related financing activities	(26,088)	(108,591)	(134,679)
Cash Flows From Investing Activities			
Proceeds from sale and maturities of investments	13,516	-	13,516
Purchases of investments	(6,146)	-	(6,146)
Interest and dividends received	1,887	170	2,057
Distributions from joint venture	6,631	-	6,631
Net cash provided by investing activities	15,888	170	16,058
Net Decrease in Cash and Cash Equivalents	(42,107)	(95,150)	(137,257)
Cash and Cash Equivalents, January 1	426,323	343,044	769,367
Cash and Cash Equivalents, December 31	$ 384,216	$ 247,894	$ 632,110
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by (Used in) Operating Activities:			
Operating income (loss)	$ (62,231)	$ 141,782	$ 79,551
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	63,571	80,958	144,529
Increase in carrying value of joint venture	(3,623)	-	(3,623)
Changes in operating assets and liabilities:			
Patient service receivables	(16,931)	(8,402)	(25,333)
Other receivables	6,447	10,915	17,362
Inventories	(1,083)	-	(1,083)
Prepaid costs and other assets	(1,594)	(1,305)	(2,899)
Deferred inflows and outflows of resources	13,466	-	13,466
Net pension liability	(40,189)	-	(40,189)
Accounts payable	(34,577)	(2,555)	(37,132)
Accrued liabilities and compensated absences	(37,363)	(2,139)	(39,502)
Estimated Medicare/Medicaid settlements	703	(2,327)	(1,624)
Asserted and unasserted self-insurance claims	1,775	2,720	4,495
Medicare advance payments	(12,983)	(17,836)	(30,819)
Medical claims incurred but not reported	-	-	-
Total adjustments	(62,381)	60,029	(2,352)
Net cash provided by (used in) operating activities	$ (124,612)	$ 201,811	$ 77,199
Noncash investing, capital and financing activities:			
Deferred compensation payouts from investments	$ 245	$ -	$ 245
Purchase of capital assets included in accounts payable	-	633	633
Transfers of capital assets and non-cash items from governmental activities	1,013	-	1,013
Gain on disposal of capital assets	61	-	61
Unrealized gain on investments, net	1,390	-	1,390

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 is considered a component unit of the Consolidated City of Indianapolis - Marion County (Uni-Gov).

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

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

Eskenazi Health is comprised of the Sidney and Lois Eskenazi Hospital, a 336 bed general acute care hospital; the Eskenazi Health Outpatient Care Center, an outpatient specialty care facility co-located with the Hospital; the Eskenazi Health Center, a Federally Qualified Health Center (FQHC) that operates ten primary care centers throughout Marion County; Sandra Eskenazi Mental Health Center, a Community Mental Health Center (CMHC) that provides behavioral health services throughout Marion County; and Indianapolis EMS (IEMS), the county-wide emergency ambulance service. Eskenazi Health is the only public hospital in Marion County. The Hospital is fully accredited by the Joint Commission for Accreditation of Hospitals of the American Hospital Association.

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

The Corporation operates 78 long-term care facilities through capital leases. The facilities are operated as part of the Long-Term Care operations. Long-Term 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 Long-Term Care Service Division is accounted for as a separate enterprise fund.

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 Units

The Corporation has established a nonprofit entity, Lions Insurance Company (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 Long-Term Care Enterprise Fund because its primary purpose is to provide services solely to the Long-Term Care Enterprise Fund.

Eskenazi Medical Group, Inc. (EMG) is a nonprofit entity, which is legally separate from the Corporation and whose purpose is to provide a patient-based, clinical setting needed for the education of medical students. EMG employs and contracts with physicians who are then contracted for service at Eskenazi Health facilities. The organizational documents of EMG give the Corporation significant influence and abilities within the governance structure of EMG and the Corporation also has members of management who serve as board members for EMG. This and a combination of other facts and circumstances resulted in the conclusion that EMG is a component unit of the Corporation. Because EMG's primary purpose is to provide services solely to Eskenazi Health, EMG must be blended into the Corporation's financial statements as if it were a part of the Eskenazi Health Enterprise Fund.

Complete financial statements for Lions and EMG 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

Government-wide financial statements (i.e., the statement of net position and the statement of activities) incorporate data from all of the primary government's governmental and proprietary funds, as well as from all of its blended component units. All significant 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.

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 considers all of its governmental funds to be 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. The Corporation's two enterprise funds (business-type activities), Eskenazi Health and Long-Term Care, are also considered to be major funds for reporting purposes.

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 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 expenditures 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 expenditures 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.

As mentioned previously, the Corporation has two enterprise funds: (1) the Eskenazi Health Enterprise Fund, which accounts for the activities of Eskenazi Health (including Indianapolis EMS) and (2) the Long-Term Care Enterprise Fund, which accounts for the activities of the 78 leased long-term care facilities that receive no funding from ad valorem taxes. An enterprise fund is used to account for operations that are financed and operated in a similar manner to a private business - where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Certain administrative expenses of Eskenazi Health and Long-Term Care are accounted for by the General Fund. Because the debt that has been incurred on behalf of Eskenazi Health is to be repaid from General Fund revenues, long-term debt interest expense relating to Eskenazi Health is accounted for by the Debt Service Fund and is not allocated to the Eskenazi Health Enterprise Fund. Only debt intended to be repaid by operations of Eskenazi Health are included in the Eskenazi Health Enterprise Fund. At December 31, 2021, no such debt existed. At December 31, 2021, the Long-Term Care Enterprise Fund had capital leases, which are to be repaid from operating revenues, and are therefore shown as long-term debt in the Long-Term 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 financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

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

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

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 and the resources are available. Resources received in advance are reported as unearned revenues until the period of the exchange in both the government-wide and fund financial statements.

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

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

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

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

Under the accrual basis of accounting for proprietary fund types, revenues are recognized in the period earned and expenses are recognized in the period incurred. Patient services accounts receivable and revenue are recorded at standard billing rates, net of contractual adjustments and allowance for uncollectible accounts, when patient services are performed. Eskenazi Health and Long-Term Care provide services under the Medicare and Medicaid programs for which they may be reimbursed at amounts different from the standard billing rates. Amounts reimbursed or estimated to be reimbursed by these programs are generally determined in accordance with a prospective price-per-case payment system or under the provisions of cost-reimbursement formulas. In addition, Eskenazi Health and Long-Term 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. Additional allowances are made for patients that will be unable or unwilling to pay their bills. Patient accounts receivable for services provided under contractual arrangements are also adjusted to reflect these differences.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All transactions deemed by management to be ongoing, major, or central to the provision of healthcare services for Eskenazi Health and Long-Term Care are considered to be operating activities and are reported as operating revenue and operating expenses. 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 noncapital governmental grants and contributions of capital assets funded by governmental activities, grantors and donors.

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

Cash, Cash Equivalents and Investments

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

Investments for the Corporation are reported at fair value.

Receivables and Payables

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

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

Inventories

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

Prepaid Costs and Other Assets

Prepaid costs and other assets include prepaid insurance, prepaid service contracts and other miscellaneous assets. Prepaids are charged to expense as consumed.

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 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 acquisition value as of the date of acquisition. 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

Other Long-Term Assets

Other long-term assets consist of deposits made related to the leasing of nursing homes required under vendor contracts as well as funds required under escrow agreements for certain leased facilities.

Unearned Revenue

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

Accrued Compensated Absences

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

Long-Term Obligations

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

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

Lease Acquisition Costs

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

Cost-Sharing Defined-Benefit Pension Plan

The Corporation participates in a cost-sharing, multiple-employer defined-benefit pension plan (Plan). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net assets by the Corporation that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

Interfund Transactions

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

Transfers

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

Contribution of Capital Assets

The General and Capital Project Funds make contributions of capital assets to the Eskenazi Health Enterprise Fund from time to time. The enterprise fund reports these transactions as capital contributions; however, the General or Capital Project Funds do not report the event because there has been no flow of current financial resources for the governmental fund statements other than the expenditures incurred during the year of 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.

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.

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. The general fund assigned fund balances are entirely made up of encumbrances.

(Dollars in thousands)

- **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 General Fund is the only fund that reports a positive unassigned fund balance, if other governmental funds incurred expenditures for specific purposes that exceed the amounts that are restricted, committed or assigned for those purposes, those funds may have a negative unassigned fund balance.

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

Total encumbrances found in the restricted and assigned fund balances are as follows for the Corporation as of December 31, 2021:

	General Fund	Capital Project Fund
Personal services	$ 164	$ -
Supplies	1,103	-
Other charges and services	18,892	-
Capital projects	2,171	14,396
Total encumbrances	$ 22,330	$ 14,396

Indigent Care Services

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

Eskenazi Health maintains records to identify and monitor the level of indigent care it provides. These records include the amount of charges forgone for services and supplies furnished under its indigent care policy. The costs of charity care provided under the Corporation's indigent care policy was approximately $87,544 during 2021. The cost of indigent care is estimated by applying a ratio of cost to gross charges to the gross uncompensated charges.

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.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future Adoption of New Accounting Standards

GASB has issued GASB Statement No. 87, *Leases*; GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 93, *Replacement of Interbank Offered Rates*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; GASB Statement No. 99, *Omnibus*; GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62; and GASB Statement No. 101, *Compensated Absences*. The Corporation intends to adopt these GASB Statements, as applicable, on their respective effective dates.

(Dollars in thousands)

Note 2: Deposits and Investments

As of December 31, 2021, the Corporation, including its blended component units, had the following cash deposits and investments:

Cash deposits	$ 824,411
Negotiable certificates of deposit	1,228
Repurchase agreements	62,629
State external investment pool	159,746
U.S. Government-sponsored enterprises	5
Municipal bonds	9,197
Equity mutual funds	12,193
Equity securities	5,617
Corporate bonds	226
Money market mutual funds	153,685
Total deposits and investments	$ 1,228,937

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

	2021
Carrying value	
Deposits	$ 824,411
Investments	404,526
	$ 1,228,937
Cash and cash equivalents	
Unrestricted	$ 1,187,315
Restricted	12,722
	1,200,037
Investments	
Unrestricted	16,707
Restricted	12,193
	$ 1,228,937

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.

(Dollars in thousands)

The Corporation's cash deposits are insured up to $250 at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the $250 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.

Types of Investments Authorized

Indiana statutes generally authorize the Corporation to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Government or U.S. Government agency securities, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, certificates of deposit and open-end money market mutual funds. Indiana statutes do not apply to the blended component units of the Corporation, which may invest in securities other than the aforementioned types of investments.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The Corporation's investment policy for interest rate risk requires amounts 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. In regard to mitigating interest rate risk, the Corporation is permitted to invest in securities with a stated maturity of more than two years but not more than five years, provided such investments in this group comprise no more than 25% of the total portfolio available for investment. In accordance with Indiana statutes, this policy will expire four years from its effective date of April 16, 2019.

Below is a table of segmented time distribution for the Corporation's debt investments at December 31, 2021:

		Investment Activities (in years)			
	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
Repurchase agreements	$ 62,629	$ 62,629	$ -	$ -	$ -
State external investment pool	159,746	159,746	-	-	-
U.S. Government-sponsored enterprises	5	5	-	-	-
Municipal bonds	9,197	6,938	2,259	-	-
Corporate bonds	226	-	174	52	-
Money market mutual funds	153,685	153,685	-	-	-
	$ 385,488	$ 383,003	$ 2,433	$ 52	$ -

(Dollars in thousands)

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 which, among other things, stipulates that the Corporation only invest in money market mutual funds that are rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service.

At December 31, 2021, the Corporation's investments were rated by Standard & Poor's or Moody's as follows:

	Fair Value	AAA/Aaa	AA+	AA	Not Rated
Repurchase agreements	$ 62,629	$ 62,629	$ -	$ -	$ -
State external investment pool	159,746	-	-	-	159,746
U.S. Government-sponsored enterprises	5	5	-	-	-
Municipal bonds	9,197	103	4,501	2,795	1,798
Corporate bonds	226	-	-	-	226
Money market mutual funds	153,685	153,685	-	-	-
	$ 385,488	$ 216,422	$ 4,501	$ 2,795	$ 161,770

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, 2021, all of the Corporation's investments in U.S. Government-sponsored enterprises, repurchase agreements, municipal bonds and corporate bonds were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent but not in the Corporation's name. The Corporation's investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2021, 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. Except for cash equivalents and United States Treasury and agency securities, the Corporation's total portfolio should consist of no more than 40% of any single type of security.

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 investment in foreign securities.

Investment Income

Investment income for the year ended December 31, 2021 consisted of:

	Governmental Fund-Types	Proprietary Fund-Types
Interest income	$ 533	$ 1,157
Unrealized gain/(loss) on investments, net	(18)	1,390
Total investment income	$ 515	$ 2,547

Note 3: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

(Dollars in thousands)

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021:

		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV(A)
Negotiable certificates of deposit	$ 1,228	$ -	$ 1,228	$ -	$ -
Repurchase agreements	62,629	-	62,629	-	-
State external investment pools	159,746	-	-	-	159,746
U.S. Government-sponsored enterprise securities	5	-	5	-	-
Municipal bonds	9,197	-	9,197	-	-
Equity mutual funds	12,193	12,193	-	-	-
Equity securities	5,617	5,617	-	-	-
Corporate bonds	226	-	226	-	-
Money market mutual funds	153,685	-	-	-	153,685

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Investments at NAV

The State External Investment Pool (TrustINdiana) seeks to allow local units of government, as well as the State of Indiana, to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly-liquid, and maximizes the return on the investment. The Indiana Treasurer of State has been designated by statute as the administrator of the pool and the Deputy Treasurer of State maintains general oversight over the daily operation of the pool. The unit of account is each share held and the value of the Corporation's position is equal to the fair value of the pool's share price multiplied by the number of shares held. There are no unfunded commitments or restrictions on redemptions.

Money market mutual funds invest in short-term debt securities and seeks to provide greater returns than cash deposits. There are no unfunded commitments or restrictions on redemptions.

Note 4: 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 (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. At December 31, 2021, the Corporation recognized a receivable of $85,130 for the subsequent year estimated collections as management believes they are legally entitled to these assessed property tax funds as of year-end. These funds are also included as deferred inflows of resources at year-end as their use is restricted to a future period.

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, demolition or improvements.

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

Note 5: Tax Abatements

The City of Indianapolis (City) promotes a series of real and personal property tax abatement programs available under Indiana law, including:

Real Property Tax Abatement (I.C. 6-1.1-12.1)

Real property tax abatements are achieved through the phase-in of real property tax obligations from the improvements being made. The phase-in can span a period of one to ten years and is based on a declining percentage of the increase in assessed value of such improvements.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and the economic impact of the project. The City's Metropolitan Development Commission (MDC) is responsible for approving the abatement and determining the time period for the abatement. In some cases, City-County Council approval is also required for the abatement. Required approval(s) must occur before construction permits are obtained.

Personal Property Tax Abatement (I.C. 6-1.1-12.1)

Similarly, personal property tax abatements for manufacturing, research and development, information technology and logistics/distribution equipment are accomplished through the phase-in of personal property tax obligations over a one to ten year period, based on a declining percentage of the assessed value of the newly installed equipment.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and the economic impact of the project. MDC and, in certain circumstances, the City County Council approval is required and must occur prior to the equipment being operational and the MDC determines the time period for the abatement.

Tax Exemption for Enterprise Information Technology Equipment (I.C. 6-1.1-10.44)

The City may grant up to a ten-year, 100% personal property tax exemption to a business engaged in computing, networking or data storage for new investments in qualified enterprise information technology equipment.

The tax exemption requires a minimum investment of $10 million in qualifying investment by an eligible business located in a High Technology District Area, as designated by the City-County Council. The average wage of employees must be least one hundred twenty-five percent (125%) of the county average wage. Examples of non-eligible activities are call centers, back office operations, customer service operations, and credit/claims processing operations. City-County Council approval is required to grant the exemption.

Vacant Building Abatement (I.C. 6-1.1-12.1)

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year.

The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the MDC. Prior approval of the MDC must occur before occupying the facility and the MDC determines the time period for the abatement.

All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization.

In return for such abatements, the City generally commits to permit, zoning and job training assistance. An abatement can be terminated if the MDC determines that the commitments made by the company receiving the abatement were not met and, per statute, such non-compliance was not due to factors beyond the company’s control. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential, and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

The estimated gross amount, on an accrual basis, by which the Corporation's property tax revenues were reduced as a result of the aforementioned City abatement programs totaled approximately $1,186. However, the actual extent of lost revenues is something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

(Dollars in thousands)

Note 6: Patient Services Receivables

Net patient services receivables consist of the following as of December 31, 2021:

	Eskenazi Health	LT Care	Total
Gross patient services receivables	$ 306,998	$ 66,233	$ 373,231
Allowance for estimated contractual adjustment	(123,989)	-	(123,989)
Allowance for uncollectible accounts	(99,370)	(6,476)	(105,846)
Net patient services receivables	$ 83,639	$ 59,757	$ 143,396

Note 7: Interfund Balances and Transfers

Individual due to/from other funds as of December 31, 2021 are as follows:

Interfund Receivables	Interfund Payables	Amount
General Fund	Debt Service Fund	$ 5,115
Eskenazi Health Fund	General Fund	281
General Fund	LT Care Fund	158,905
LT Care Fund	Eskenazi Health Fund	7,954

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, 2022.

Interfund transfers for the year ended December 31, 2021 on the fund statements consisted of the following:

	Transfer In:				
	General Fund	Debt Service Fund	Cap Projects Fund	Enterprise Fund - Eskenazi Health	Total
Transfer out:					
General Fund	$ -	$ 53,369	$ 15,000	$ 72,283	$ 140,652
Debt Service Fund	10,229	-	-	-	10,229
LT Care Fund	158,908	-	-	-	158,908
Governmental Activities	-	-	-	1,013	1,013
Total	$ 169,137	$ 53,369	$ 15,000	$ 73,296	$ 310,802

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.

(Dollars in thousands)

Note 8: Deferred Outflows and Inflows of Resources and Unearned Revenue

Deferred Outflows of Resources

As of December 31, 2021, deferred outflows of resources consisted of the following components:

	Governmental Activities	Business-Type Activities	Total
Deferred loss on refundings	$ 130	$ -	$ 130
Pension related deferred outflows:			
Contributions subsequent to measurement date	2,964	7,255	10,219
Changes in proportion and differences between the Corporation's contributions and proportionate share contributions	998	64	1,062
Actuarial differences	412	974	1,386
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes of assumptions	6,055	14,317	20,372
Total deferred outflows of resources	$ 10,559	$ 22,610	$ 33,169

Deferred Inflows of Resources

As of December 31, 2021, deferred inflows of resources consisted of the following components:

	Governmental Activities	Business-Type Activities	Total
Property tax receivable deferred revenue	$ 85,130	$ -	$ 85,130
Pension related deferred inflows:			
Changes in proportion	173	13,196	13,369
Actuarial differences	240	568	808
Net difference between projected and actual earnings on pension plan investments	15,631	36,959	52,590
Changes of assumptions	2,704	6,394	9,098
Total deferred inflows of resources	$ 103,878	$ 57,117	$ 160,995

(Dollars in thousands)

Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period or for which time requirements have not been met. Governmental funds also record unearned revenue in connection with resources that have been received but not yet earned. At December 31, 2021, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows	Unearned
Grant advances prior to meeting all eligibility requirements	$ -	$ 2,281
Rental revenue received in advance	-	205
Unavailable property tax revenue	85,130	-
Grant reimbursements not received within 90 days	3,013	-
Other revenues not received within 90 days	2,810	-
Total Governmental Funds	$ 90,953	$ 2,486

In addition, the Eskenazi Health Enterprise Fund had $231 of unearned revenue recorded at December 31, 2021 which related to both fee for service grants and advances received on federal grants that had not met eligibility requirements.

(Dollars in thousands)

Note 9: Capital Assets

Following is a summary of the changes in capital assets - governmental activities for the year ended December 31, 2021:

	January 1, 2021	Transfers/ Additions	Transfers/ Disposals	December 31, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,133	$ 1,937	$ -	$ 4,070
Construction in progress	3,255	7,083	(1,746)	8,592
Total capital assets not being depreciated	5,388	9,020	(1,746)	12,662
Capital assets being depreciated:				
Buildings and improvements	34,224	3,835	-	38,059
Equipment	35,556	1,654	-	37,210
Vehicles	7,209	679	(225)	7,663
Total capital assets being depreciated	76,989	6,168	(225)	82,932
Less accumulated depreciation for:				
Buildings and improvements	22,464	1,381	-	23,845
Equipment	25,563	2,766	-	28,329
Vehicles	6,085	474	(225)	6,334
Total accumulated depreciation	54,112	4,621	(225)	58,508
Total capital assets being depreciated, net	22,877	1,547	-	24,424
Governmental activities capital assets, net	$ 28,265	$ 10,567	$ (1,746)	$ 37,086

The following is a summary of changes in capital assets - business-type activities for the year ended December 31, 2021:

	January 1, 2021	Transfers/ Additions	Transfers/ Disposals	December 31, 2021
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 9,432	$ -	$ (208)	$ 9,224
Construction in progress	26,854	15,652	(29,130)	13,376
Total capital assets not being depreciated	36,286	15,652	(29,338)	22,600
Capital assets being depreciated:				
Land improvements	97,500	796	(63)	98,233
Buildings and improvements	1,530,263	22,429	(2,971)	1,549,721
Equipment	343,248	31,989	(3,060)	372,177
Vehicles	5,983	1,608	(14)	7,577
Total capital assets being depreciated	1,976,994	56,822	(6,108)	2,027,708
Less accumulated depreciation for:				
Land improvements	45,656	6,075	(12)	51,719
Buildings and improvements	898,489	99,530	(2,732)	995,287
Equipment	215,389	34,824	(2,836)	247,377
Vehicles	3,990	977	(14)	4,953
Total accumulated depreciation	1,163,524	141,406	(5,594)	1,299,336
Total capital assets being depreciated, net	813,470	(84,584)	(514)	728,372
Business-type activities capital assets, net	$ 849,756	$ (68,932)	$ (29,852)	$ 750,972

(Dollars in thousands)

The following is a summary of changes in capital assets - Eskenazi Health Enterprise Fund for the year ended December 31, 2021:

	January 1, 2021	Transfers/ Additions	Transfers/ Disposals	December 31, 2021
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 9,432	$ -	$ (208)	$ 9,224
Construction in progress	24,979	8,532	(21,898)	11,613
Total capital assets not being depreciated	34,411	8,532	(22,106)	20,837
Capital assets being depreciated:				
Land improvements	84,258	183	(63)	84,378
Buildings and improvements	674,401	14,238	(2,971)	685,668
Equipment	249,816	25,221	(1,771)	273,266
Vehicles	5,931	1,608	(14)	7,525
Total capital assets being depreciated	1,014,406	41,250	(4,819)	1,050,837
Less accumulated depreciation for:				
Land improvements	38,287	4,941	(12)	43,216
Buildings and improvements	233,883	31,946	(2,732)	263,097
Equipment	142,356	25,709	(1,547)	166,518
Vehicles	3,940	975	(14)	4,901
Total accumulated depreciation	418,466	63,571	(4,305)	477,732
Total capital assets being depreciated, net	595,940	(22,321)	(514)	573,105
Business-type activities capital assets, net	$ 630,351	$ (13,789)	$ (22,620)	$ 593,942

The following is a summary of changes in capital assets - Long-Term Care Enterprise Fund for the year ended December 31, 2021:

	January 1, 2021	Transfers/ Additions	Transfers/ Disposals	December 31, 2021
Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	$ 1,875	$ 7,120	$ (7,232)	$ 1,763
Total capital assets not being depreciated	1,875	7,120	(7,232)	1,763
Capital assets being depreciated:				
Land improvements	13,242	613	-	13,855
Buildings and improvements	855,862	8,191	-	864,053
Equipment	93,432	6,768	(1,289)	98,911
Vehicles	52	-	-	52
Total capital assets being depreciated	962,588	15,572	(1,289)	976,871
Less accumulated depreciation for:				
Land improvements	7,369	1,134	-	8,503
Buildings and improvements	664,606	67,584	-	732,190
Equipment	73,033	9,115	(1,289)	80,859
Vehicles	50	2	-	52
Total accumulated depreciation	745,058	77,835	(1,289)	821,604
Total capital assets being depreciated, net	217,530	(62,263)	-	155,267
Business-type activities capital assets, net	$ 219,405	$ (55,143)	$ (7,232)	$ 157,030

(Dollars in thousands)

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

Governmental Activities:		
Administration and finance	$	3,623
Health improvements		489
Communicable disease prevention		194
Water quality and hazardous material management		27
Vector disease control		234
Housing and neighborhood health		38
Consumer and employee risk reduction		16
Total depreciation expense, governmental activities	$	4,621
Business-Type Activities:		
Eskenazi Health	$	63,571
LT Care		77,835
Total depreciation expense, business-type activities	$	141,406

Also included in the Long-Term Care Fund in the proprietary fund statements is $3,123 of amortization expense related to lease acquisition costs.

Note 10: Estimated Medicare and Medicaid Settlements and Net Patient Service Revenue

Estimated Medicare and Medicaid settlements reflect differences between interim reimbursement and reimbursement as determined by cost reports filed or to be filed with federal and state governments after the end of each year. In addition, such settlement amounts reflect, if applicable, any differences determined to be owed to or from Eskenazi Health or the Long-Term Care Fund 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, 2021, the Medicare and Medicaid cost reports for Eskenazi Health have been audited by the fiscal intermediaries through December 31, 2017.

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

Medicare

Under the Medicare program, Eskenazi Health receives reimbursement under a prospective payment system (PPS) for both inpatient and outpatient 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 plus a loss threshold, providers may receive additional "outlier" payments. Outpatient services provided to Medicare patients are reimbursed to Eskenazi Health based on service groups called ambulatory payment classifications.

Under the Medicare program, Long-Term Care primarily receives reimbursement for services provided at its skilled nursing facilities (SNF) under the Patient Driven Payment Model (PDPM), which is a case-mix classification model that supersedes historical RUG reimbursement. Medicare reimburses Long-Term Care for 100 days of SNF care subject to certain eligibility requirements.

Medicaid

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

Long-Term 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 program (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.

During 2012, the State of Indiana established a Hospital Assessment Fee (HAF), which increased reimbursement for the state Medicaid fee for service program and the Medicaid managed care programs; such revenue is reported as net patient service revenue in the Eskenazi Health Enterprise Fund. Eskenazi Health is assessed an annual fee under the HAF program, which is reported as an operating expense in the Eskenazi Health Enterprise Fund. Fees assessed by the State of Indiana fund the UPL and DSH programs for Indiana hospitals (these programs were historically funded through an intergovernmental transfer program). There is no assurance the HAF program will continue in future periods.

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

Medicaid special revenue pertaining to Long-Term 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 Long-Term Care and Eskenazi Health Funds (for the physician access to care program). The Indiana Office of Medicaid Policy and Planning determines the level of UPL funds available for distribution and initiates a transaction with the Corporation to facilitate the IGT. The Corporation is responsible for funding the IGT for the services rendered on behalf of the Long-Term Care and Eskenazi Health Funds and such transactions are reported in the General Fund statement of revenues, expenditures and changes in fund balances while Long-Term Care and Eskenazi Health report revenues associated with their respective UPL at gross in the statement of revenue, expenses and changes in fund net position.

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

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

The General Fund recognized $97,126 in Medicaid special revenue and a receivable of $47,701 at December 31, 2021. The intergovernmental transfers made by the Corporation in 2021 under these programs totaled $61,572, with $14,237 accrued within accounts payable in the general fund as of December 31, 2021. The Long-Term Care Fund recognized revenue of $221,906 and a receivable of $51,770 at December 31, 2021.

(Dollars in thousands)

Other Payers

Eskenazi Health and Long-Term Care have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to Eskenazi Health and Long-Term 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, 2021:

	Eskenazi Health	LT Care	Total	Percentage
Patient service revenue:				
Inpatient	$ 1,170,687	$ -	$ 1,170,687	35%
Outpatient	1,493,204	-	1,493,204	45%
Long-term care	-	655,122	655,122	20%
Gross patient service less:	2,663,891	655,122	3,319,013	100%
Contractual adjustments	1,641,975	-	1,641,975	49%
Charity and indigent care	230,283	-	230,283	7%
Provision for uncollectible accounts	98,133	12,688	110,821	3%
Net patient service revenue	$ 693,500	$ 642,434	$ 1,335,934	41%

Revenue from the Medicare and Medicaid programs accounted for approximately 22% and 53%, respectively, of net patient service revenue for fiscal year 2021. 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. The 2021 net patient service revenue increased approximately $1,941 due to changes in estimates related to final settlement of Medicare cost reports, accounts receivable valuation, compliance audits and reviews, and a final settlement related to rate adjustments under the Indiana Medicaid federally qualified health centers prospective payment system. Eskenazi Health Corporate Compliance and Leadership review billing, site, licensure and other issues to ensure compliance with Federal, State and other regulations.

Note 11: Long-Term Liabilities

General Obligation Bonds of 2005

During 2005, the Corporation issued $28,960 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 2005 GO Bonds are payable from an unlimited ad valorem property tax levied to the extent necessary by the Corporation against all taxable property within Marion County, Indiana, which is coterminous with Marion County, Indiana. The 2005 GO Bonds that remain outstanding at December 31, 2021 bear interest at 4.50% to 5.25%, with principal and interest payments due January 1 and July 1 through January 1, 2025. The remaining 2005 GO Bonds are subject to redemption from mandatory sinking fund payments during 2019 to 2024 and are subject to optional redemption prior to maturity at par plus accrued interest to the redemption date.

General Obligation Bonds of 2010

During 2010, the Corporation issued $195,000 of General Obligation Bonds, Series 2010A-1 and 2010A-2 (the 2010A-1 and 2010A-2 GO Bonds, or collectively, the 2010A GO Bonds), the proceeds of which were used to finance a portion of the Eskenazi Health hospital complex, including the hospital and outpatient clinic facilities. The 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 that remain outstanding at December 31, 2021 bear interest at 5.00% to 6.004%, 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 and the 2010A GO Bonds maturing on or after January 15, 2021 were subject to optional redemption prior to maturity beginning January 15, 2020 at par plus accrued interest to the redemption date.

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 2010A-1 and 2010A-2 (the 2010A-1 and 2010A-2 Bond Bank Bonds). The 2010A-2 Bond Bank Bonds were issued as Build America Bonds (BABs) and, as such, are 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 BAB Sequester), BAB Subsidies for the October 2020 through September 2022 were reduced by 5.7%. It is too soon to predict if BAB Subsidies will continue to be cut thereafter, or if the United States Congress will rescind or otherwise alter such cuts.

Capital Lease Obligations of Governmental Activities

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

Pursuant to a Loan Agreement, dated March 1, 2010, the Authority received a loan of bond proceeds in connection with the issuance of $465,580 in The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010B-1 and Series 2010B-2 (the 2010B-1 and 2010B-2 Bond Bank Bonds), for the purposes of financing a portion of the costs of the Eskenazi Health complex. The 2010B-2 Bonds were issued as BABs for which the Corporation also receives a BAB Subsidy.

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

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

(Dollars in thousands)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2021:

	January 1, 2021	Additions	Reductions	December 31, 2021	Due Within One Year
Governmental Activities:					
General obligation bonds payable:					
Refunding Bonds of 2005					
($28,960,000 original amount),					
3.50% to 5.25%, due January 1, 2025	$ 8,535	$ -	$ (1,975)	$ 6,560	$ 2,080
General Obligation Bonds of 2010 - Series A-1, A-2					
($195,000,000 original amount),					
3.00% to 6.004%, due January 15, 2040	158,245	-	(4,045)	154,200	4,250
Plus: bond premium	2,705	-	(184)	2,521	184
Total bonds payable	169,485	-	(6,204)	163,281	6,514
Capital lease obligations	408,454	-	(13,441)	395,013	14,330
Asserted and unasserted self-insurance claims	1,515	8,097	(8,066)	1,546	1,169
Accrued compensated absences	8,670	6,867	(6,782)	8,755	7,157
Net pension liability	26,904	-	(14,865)	12,039	-
Governmental activities long-term liabilities	$ 615,028	$ 14,964	$ (49,358)	$ 580,634	$ 29,170
Business-Type Activities:					
Eskenazi Health:					
Asserted and unasserted self-insurance claims	$ 10,340	$ 45,569	$ (43,793)	$ 12,116	$ 7,980
Accrued compensated absences	25,399	30,508	(28,292)	27,615	22,774
Net pension liability	68,654	-	(40,189)	28,465	-
Medicare advanced payments	40,719	-	(12,985)	27,734	27,734
Deferred compensation	10,014	2,424	(245)	12,193	-
LT Care:					
Capital lease obligations	186,870	-	(82,032)	104,838	56,212
Asserted and unasserted self-insurance claims	23,457	5,299	(2,579)	26,177	6,656
Medicare advanced payments	28,865	-	(17,835)	11,030	11,030
Business-type activities long-term liabilities	$ 394,318	$ 83,800	$ (227,950)	$ 250,168	$ 132,386

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. The General Fund has been used in prior years to liquidate long-term liabilities other than debt related to governmental activities, including the net pension liability. The business-type capital leases will be repaid through Long-Term Care nursing home operating revenue.

(Dollars in thousands)

The governmental activities debt service requirements, including interest, on bonds and related future expected BAB subsidies as of December 31, 2021 are as follows:

	Principal	Interest	BAB Expected Subsidies
Bonds:			
2022	$ 6,330	$ 9,467	$ 3,030
2023	6,600	9,112	3,030
2024	6,870	8,751	2,948
2025	7,120	8,406	2,863
2026	7,390	7,989	2,774
2027 - 2031	41,395	33,103	11,700
2032 - 2036	50,075	19,751	7,474
2037 - 2041	34,980	4,254	2,311
	$ 160,760	$ 100,833	$ 36,130

The above future BAB Subsidies reflect an assumed reduction for the BAB Sequester adjustment in effect at December 31, 2021.

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, 2021, is as follows:

Net assessed value - 2021	$ 45,324,406
	0.67%
Debt limit	303,674
Debt applicable to debt limit:	
Bonded debt (excluding unamortized premiums)	160,760
Legal debt margin	$ 142,914

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, 2021, $6,335 of these defeased bonds remain outstanding.

(Dollars in thousands)

Note 12: 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, 2021 for the governmental activities:

2022	$ 8,684
2023	8,500
2024	8,659
2025	8,080
2026	7,307
2027 - 2031	36,455
2032 - 2036	38,935
2037 - 2041	41,922
2042 - 2043	15,788
Total future minimum payments	$ 174,330

Lease expenditures of $7,997 were reported in the governmental activities for the year ended December 31, 2021.

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, 2021 for the business-type activities:

2022	$ 3,765
2023	2,765
2024	2,480
2025	2,235
2026	2,088
2027 - 2031	8,918
2032 - 2036	8,969
2037 - 2041	9,418
2042 - 2043	3,352
Total future minimum payments	$ 43,990

The Corporation reported $7,219 of lease expense in the business-type activities for the year ended December 31, 2021.

(Dollars in thousands)

Capital

The Corporation's governmental activities include capital leases for a data center reported in the governmental activities and the Eskenazi Health hospital complex reported in the Eskenazi Health Enterprise Fund. At December 31, 2021, the gross amount of building improvements, equipment and related accumulated amortization recorded under these capital leases was as follows:

Building and land improvements	$ 278,891
Equipment	204,831
Less: accumulated amortization	(216,133)
	$ 267,589

Future minimum capital lease payments for the Corporation's governmental activities as of December 31, 2021 are:

2022	$ 39,938
2023	39,936
2024	39,614
2025	39,288
2026	38,946
2027 - 2031	189,062
2032 - 2036	177,964
2037 - 2039	100,462
Total minimum lease payments	665,210
Less amount representing interest (6.45%)	270,197
Present value of net minimum capital lease payment	395,013
Less current installments of obligations under capital leases	14,330
Obligations under capital lease, excluding current installments	$ 380,683

For business-type activities, including the Long-Term Care Enterprise Fund, the Corporation is obligated under capital leases covering 78 nursing homes. At December 31, 2021, the gross amount of buildings and related accumulated amortization recorded under capital leases was as follows:

Buildings	$ 674,498
Less: accumulated amortization	(606,117)
	$ 68,381

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

(Dollars in thousands)

Future minimum capital lease payments for the Corporation's business-type activities as of December 31, 2021 are:

2022	$	61,240
2023		20,808
2024		20,903
2025		11,023
2026		204
Total minimum lease payments		114,178
Less amount representing interest (at rates ranging from 4.58% to 11.74%)		9,340
Present value of net minimum capital lease payment		104,838
Less current installments of obligations under capital leases		56,212
Obligations under capital lease, excluding current installments	$	48,626

Note 13: 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, automobile 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 per person and $5,000 per occurrence. The Corporation also purchases commercial insurance policies for certain other risks of loss with deductibles that range from $25 to $500. Settled claims have not exceeded coverage for the past three years.

Eskenazi Health is governed by the Indiana Medical Malpractice Act, which, effective July 1, 2019, limits the maximum recovery for medical malpractice claims to $1,800 per occurrence, $500 of which would be paid by the Corporation, with the balance paid by the State of Indiana Patient Compensation Fund.

In August 2021, Eskenazi Health experienced a cyber event by a malicious state-sponsored attacker. Upon discovery, Eskenazi Health took immediate action to mitigate against further harm and to protect the integrity of patient and financial data. The Corporation, including Eskenazi Health, is insured through a cyber liability policy, with coverage limits up to $10,000. At December 31, 2021, Eskenazi Health has recorded a receivable of $9,702 for the associated insurance claim. The receivable is included in other receivables in the statement of net position, and the related revenue is recorded within other nonoperating revenue in the statement of revenues, expenses and changes in net position. The outcome of any litigation related to the attack cannot be determined at this time but could have a material adverse effect on the financial position, results of operations and liquidity of the Corporation.

(Dollars in thousands)

As mentioned previously in these notes, the Corporation established a nonprofit entity, Lions Insurance Company, which is legally separate from the Corporation and whose purpose is to provide insurance covering the professional (malpractice) and general liability exposures of the nursing homes operated by the Corporation. As with Eskenazi Health, Lions is protected by the Indiana Tort Claims Act, governed by 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 of $1,000 per occurrence and $3,000 in the aggregate.

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, 2020	$ 24,878
Change in incurred claims (including IBNRs), net	8,799
Claim payments	(4,872)
Balance at January 1, 2021	28,805
Change in incurred claims (including IBNRs), net	7,722
Claim payments	(4,229)
Balance at December 31, 2021	$ 32,298

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, 2021. 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.

(Dollars in thousands)

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, 2020	$ 989
Change in incurred claims (including IBNRs), net	8,019
Claim payments	(7,493)
Balance at January 1, 2021	1,515
Change in incurred claims (including IBNRs), net	8,097
Claim payments	(8,066)
Balance at December 31, 2021	$ 1,546

The amount recorded as a liability in the General Fund at December 31, 2021 is $1,169 and represents the claims, which are matured and due as of year-end.

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, 2020	$ 5,494
Change in incurred claims (including IBNRs), net	38,643
Claim payments	(39,145)
Balance at January 1, 2021	4,992
Change in incurred claims (including IBNRs), net	43,146
Claim payments	(42,143)
Balance at December 31, 2021	$ 5,995

Note 14: Retirement Plans

Plan Description

The Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a cost-sharing, multiple-employer defined-benefit retirement plan established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by the Indiana Public Retirement System (INPRS) and is governed by the INPRS Board of Trustees (INPRS Board). PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Substantially all of the Corporation's full-time employees hired before July 1, 2014 are eligible to participate in this plan. Eskenazi Health employees hired after June 30, 2014 are not PERF eligible.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF and can be found at http://www.inprs.in.gov. This report may be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687.

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the My Choice: Retirement Savings Plan for Public Employees ("My Choice"). During 2021, the Corporation did not participate in the My Choice Plan.

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC5-10.3, and IC 5-10.5. There are two aspects to the PERF Hybrid Plan defined-benefit structure. The first portion is PERF DB, the monthly defined-benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account ("DC Account"), formerly known as the Annuity Savings Account ("ASA"), which supplements the defined-benefit at retirement.

Funding Policy

The funding policies of INPRS provide 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 employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2021, the Corporation contributed 11.2% of employee compensation to the plan. The DC Account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the Corporation has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their DC Account. An employee's contribution and interest credits belong to the employee and do not belong to the state or the Corporation.

Retirement Benefits

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the employee's DC account. Retirement benefits vest after ten years of creditable service. The vesting period is eight years for certain elected officials. Employees are immediately vested in their respective DC Account. At retirement, an employee may choose to receive a lump-sum payment of the amount credited to the employee's DC Account, receive the amount as an annuity, or leave the contributions invested with INPRS.

Vested employees leaving a covered position, who wait 30 days after termination, may withdraw their DC Account and will not forfeit creditable service or a full retirement benefit. However, if an employee is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A nonvested employee who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. An employee who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

An employee who has reached: (1) age 65 and has at least 10 years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee’s annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to $2 are included as part of the employee’s salary.

An employee who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. An employee retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the employee’s lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89%. This amount is reduced five percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

The monthly pension benefits for employees in pay status may be increased periodically as cost of living adjustments (COLAs). Such increases are not guaranteed by statute and have historically been provided on an “ad hoc” basis and can only be granted by the Indiana General Assembly.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. An employee who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers’ compensation benefits or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is $0.2 per month, or the actuarial equivalent.

Upon the death in service of an employee with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the employee had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the employee had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of an employee who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly.

Contributions

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the Corporation, contribution rates and amounts determined by the June 30, 2020 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2021. The Corporation's contractually required contribution rate for 2021 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Corporation's contribution to the plan for the year ended December 31, 2021, exclusive of employer-paid member contributions, was $18,744, equal to the approved employer contribution and 11.2% of covered payroll for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Corporation reported a liability of $40,504 for its proportionate share of PERF's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Member census data as of June 30, 2020, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 measurement date. Wages reported by the Corporation relative to the collective wages of the plan served as the basis to determine the Corporation's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2021, the Corporation's proportion was 3.08%, which was a decrease of 0.09% from its proportion measured as of June 30, 2020.

(Dollars in thousands)

For the year ended December 31, 2021, the Corporation recognized a contra pension expense of ($14,002), which is comprised of ($530) related to governmental activities and ($13,472) related to business-type activities. At December 31, 2021, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actuarial differences	$ 1,386	$ 808
Net difference between projected and actual earnings on pension plan investments	-	52,590
Changes of assumptions	20,372	9,098
Changes in proportion and differences between the Corporation's contributions and proportionate share contributions	1,062	13,369
Corporation's contributions subsequent to the measurement date	10,219	-
	$ 33,039	$ 75,865

At December 31, 2021, the Corporation reported $2,964 in the governmental activities and $7,255 in the business-type activities as deferred outflows of resources related to Corporation contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as net deferred outflows of resources at December 31, 2021, related to pensions will be recognized in pension expense (reduction) as follows:

	Governmental Activities	Business-Type Activities	Total
2022	$ (2,887)	$ (17,160)	$ (20,047)
2023	(2,415)	(9,289)	(11,704)
2024	(1,513)	(4,747)	(6,260)
2025	(4,468)	(10,566)	(15,034)
	$ (11,283)	$ (41,762)	$ (53,045)

(Dollars in thousands)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	2.65% - 8.65% average, including inflation
Ad hoc cost of living adjustments	Varies per year as follows: 2022 - 1.00% 2023 - 0.00% 2024 through 2033 - 0.40% 2034 through 2038 - 0.50% 2039 and on - 0.60%
Long-term expected rate of return	6.25%, net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study performed for the period June 30, 2014 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted-average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20.0%	3.6%
Private markets	15.0%	7.3%
Fixed income - ex inflation linked	20.0%	1.5%
Fixed income - inflation linked	15.0%	-0.3%
Commodities	10.0%	80.0%
Real estate	10.0%	4.2%
Absolute return	5.0%	2.5%
Risk parity	20.0%	4.4%
Leverage Offset	-15.0%	-1.4%
	100%	

(Dollars in thousands)

Discount Rate

The discount rate used to measure the total pension liability was 6.25% for the year ended June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the PERF's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Corporation's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Corporation's proportionate share of the net pension liability has been calculated using a discount rate of 6.25%. The following presents the Corporation's proportionate share of the net pension liability calculated using a discount rate of 1% higher and 1% lower than the current rate.

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Corporation's proportionate share of PERF's net pension liability:			
Governmental activities	$ 31,486	$ 12,039	$ (4,183)
Business-type activities	74,448	28,465	(9,891)
Total	$ 105,934	$ 40,504	$ (14,074)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERF financial report.

Defined-Contribution Retirement Plan

The Corporation also contributes to the Health and Hospital Corporation of Marion County Retirement Plan, a defined-contribution retirement plan covering Eskenazi Health employees hired after June 30, 2014. The plan is administered by the Plan Committee of the Retirement Plan (Plan Committee), as appointed by the President and Chief Executive Officer of the Corporation. Retirement plan expense is recorded for the amount of the Corporation's required contributions, determined in accordance with the terms of the plan. Benefit and contribution provisions are contained in the plan document and were established and can be amended by action of the Plan Committee or the Corporation's governing body. The Corporation does not hold or control the assets of the defined-contribution plan as defined by GASB Statement, No. 84, *Fiduciary Activities*. The Corporation contributes 3% of eligible employee's compensation. Additionally, the Corporation contributes to the plan an amount equal to each eligible employee's contributions into their deferred compensation plan up to 4% of the employee's compensation. During 2021, the Corporation contributed $8,212 into the defined-contribution retirement plan.

Note 15: Deferred Compensation Plans

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.

Additionally, EMG has a 457(b) deferred compensation agreement with certain members of management and highly compensated employees. Under the plan, employees may elect to defer a portion of their current compensation to provide for retirement and other benefits of the employee. EMG may credit to the plan each year an amount as defined by EMG's board of directors. The Corporation records a restricted asset on the statement of net position, which is offset by a matching liability. Employer contributions for 2021 were approximately $600.

Note 16: Hospital Management Agreement

An agreement between the Corporation and Indiana University (University) was signed in February 2007. During 2021, the Corporation primarily paid for physician services under a relative value unit basis. The Corporation continued to rely on the University to supply several leadership positions for Eskenazi Health, but the operations of Eskenazi Health remains the direct responsibility of the Corporation. Eskenazi Health incurred fees for professional, management and resident physician services of approximately $48,156 during the year (recorded in medical and professional fees on the statement of revenues, expenses and changes in fund net position - proprietary funds).

Note 17: Long-Term Care Management Agreement

The Corporation has entered into a management agreement with American Senior Communities, LLC (ASC) to manage the 78 nursing homes, which are accounted for in the Long-Term Care Fund. The term of the current management agreement extends until August 2022. The Corporation has the right to extend the term to one or more facilities for an additional period that is coterminous with the terms of the underlying facility lease agreements if written notice is given to ASC at least 90 days prior to the expiration of the initial term.

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. These payments to EagleCare are included within contract labor expenses within the Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.

During 2021, the Corporation incurred approximately $43,981 in management fees to ASC and $4,600 in fees to EagleCare under the current management agreement for Long-Term Care operations. These fees are included within purchased services within the Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds. In the event the ASC management agreements are terminated or not renewed, it could have a material impact on the Corporation's financial statements

The Corporation currently leases 7 of the nursing homes from entities related to ASC through common ownership. During 2021, the Corporation paid approximately $22,560 to this organization in associated lease costs for Long-Term Care operating revenue.

At December 31, 2021, the Long-Term Care Fund had a payable to EagleCare of approximately $18,301 primarily for accrued labor and related benefits. The Long-Term Care Fund also had a payable to ASC at December 31, 2021 of approximately $14,204 for outstanding management services rendered to be paid from operations.

Note 18: 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 operations 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 $20 to $207 per home. Certain transactions require the annual 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 possible extensions available to the Corporation in five year increments. During 2021, the Corporation provided notice to one landlord to notify them of their election to exercise the first five year extension on the lease for 34 facilities which is to expire in August 2022.

The Corporation is also required to make various capital improvements for many facilities ranging from $25 to $327 annually per home. In the same way as the lease payments above, these amounts increase annually. The Corporation expects to fund the capital improvements through cash flow generated from operations of each nursing home.

The Corporation is also required to provide security deposits for 51 of the nursing homes leased. As a result, standby letters of credit in the amount of $11,374 exist to provide the required security.

Various unrelated third parties serves as the landlords for 71 of the Corporations nursing facilities. Lease payments to these third parties in 2021 approximated $72,329.

Subsequent to year end, the leases for four facilities expired without renewal.

Note 19: 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, 2021, the Corporation received $142,827 in tax cash receipts and $537 in special assessment fees cash receipts from the County for the "Clean and Lien" program to clean up vacant lots. The Corporation paid the County $464 in 2021 for autopsy and death reports, vital records, coroner fees and other matters.

Note 20: Joint Ventures

MDwise and Affiliates

The Corporation was a 50% member in MDwise, Inc. (MDwise), as well as, MDwise Medicaid Network, Inc. (Excel) through December 29, 2017, when the Corporation transferred its membership interests in MDwise and Excel to an unrelated third party which resulted in the recognition of a gain of $66,575 within the 2017 statement of activities and statement of revenues, expenses and changes in net position. Included within the membership transfer agreement was a requirement for a portion of the total purchase price to be placed in escrow and distributed to the Corporation (and the other 50% member) over a period of time from the transfer date. During 2021, no distributions were made from the escrow account to the Corporation. As of December 31, 2021, the remaining balance of $10,141 is held by the Corporation within the Eskenazi Health fund and management expects it to be distributed to the Corporation during 2022.

During 2020, a variety of actuarially determined risk rate adjustments and settlements affecting MDwise and Excel were estimated and issued by the State, relating to claims and services occurring between January 1, 2015 and December 31, 2017, for which management estimated a receivable of $17,766. During 2021, an additional estimate was recorded by management related to an expected settlement from activity during 2015, in the amount of $3,115. This increased the total estimated receivable to $20,881, which is due to the Corporation in addition to the escrow balance discussed above. The balance is included within other receivables on the statement of net position and the revenue is included as a special item within the statement of activities and statement of revenues, expenses and changes in net position.

During 2015, the Corporation entered into a joint venture to create MDwise Marketplace, Inc. (Marketplace), which is a not-for-profit corporation that operates as a health maintenance organization and contracts with health care providers, as well as, MDwise Network, Inc. (Connect), which was created to supplement the operations of Marketplace.

As a result of the transfer of the membership interests in MDwise and Excel, both Marketplace and Connect ceased ongoing operations as of December 31, 2017. Since their operations ceased, remaining activities include payments of certain administrative expenses and amounts to health providers for services prior to January 1, 2018. Both entities were officially dissolved in November 2018 and portions of their assets were distributed throughout 2019 and 2020.

In 2021, prior to complete wind up and liquidation, the entities recognized income of $3,623 related to settlements for risk adjustments and cost share reductions dating back to 2017. As part of the complete wind up and liquidation of the entities' affairs, $6,631 was distributed to the Corporation, equal to current year income, plus the prior year carrying value of $3,008.

The investments in Marketplace and Connect are recorded in the Eskenazi Health Enterprise Fund and are accounted for under the equity method, as the Corporation is a 49% member of each. Given the wind up and liquidation during the year, the carrying value of these joint ventures at December 31, 2021 is $0.

(Dollars in thousands)

Complete financial statements for Marketplace and Connect can be obtained from administrative offices at 1200 Madison Avenue, Suite 400, Indianapolis, Indiana 46225.

Eskenazi Health has entered into agreements with MDwise 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) and during 2015, this program was expanded again to include HIP 2.0. The agreements and provision of services are referred to as the delivery systems.

Prior to January 1, 2019, Eskenazi Health received payments for the care of these Medicaid beneficiaries under a full-risk capitated payment methodology from MDwise and disbursed payments through a third-party administrator based upon processed claims. Under this full-risk model, while MDwise oversees the program and services, Eskenazi Health serves as its own network under MDwise, is responsible for administration, and bears all risks and rewards associated with its network. Under this model, Eskenazi Health recognizes individual financial statement elements specific to the delivery systems within its financial statements, which have historically included cash, receivables, other assets, other liabilities, and payables, including estimates for medical claims incurred but not reported (IBNR) and any other unpaid amounts. However, on December 31, 2018, the full-risk model was terminated. All activity subsequent to December 31, 2018, relates to the runout of claims and other matters incurred in 2018 or prior. At December 31, 2021, the financial statement elements for the full-risk model delivery systems are as follows, with significantly all receivables and payables relating to amounts that remain outstanding for estimated settlements for risk rate adjustments for periods covering January 1, 2015 through December 31, 2018.

	December 31, 2021
Cash	$ 42,729
Other receivables	608
Total assets	$ 43,337
Accounts payable	$ 20,013
Net position	23,324
Total liabilities and net position	$ 43,337

During 2021, Eskenazi Health and MDwise agreed upon an arrangement in which 50% of estimated settlements related to periods covering January 1, 2015 through December 31, 2017 were liquidated, and 100% of estimated settlements related to periods covering January 1, 2018 and after were liquidated. This resulted in a net payment by Eskenazi Health of approximately $30,188.

Effective January 1, 2019, Eskenazi Health and MDwise entered into an agreement which changed the compensation model for the delivery systems, from full-risk capitation to partial risk. Under this arrangement, Eskenazi Health is no longer solely responsible for its network; rather, Eskenazi Health and MDwise share equally in the profits and losses. MDwise is responsible for all administrative services, and as such, Eskenazi Health no longer holds cash balances to pay claims or receive capitated payments. Revenues and expenses, including for IBNR estimates of claims, are set to target a predetermined medical loss ratio and Eskenazi Health is only entitled to (responsible for) receipts (claims payments) below (in excess of) the target amount. Under this revised arrangement, the only financial statement element recorded by Eskenazi Health is a receivable (or payable) for its 50% share of the profits and losses. At December 31, 2021, the partial risk delivery system is recorded as a net receivable of $2,107, which relates to its financial performance since the January 1, 2019 inception date, less payments received during 2021 totaling $6,000.

HHC-HTA, LLC

The Corporation is a 50% partner in the HHC-HTA, LLC (formerly HHC/Duke Realty Development LLC) (LLC). LLC is a limited liability corporation established by the Corporation and Duke Realty to jointly develop and construct an office building located on the Eskenazi Health Campus. The office building is owned by the LLC. The Corporation owns the land under the building and has leased the land to the LLC for 50 years. The Corporation is expected to be the sole primary lessee of the building for the next 30 years but does have the authority to sublet as it wishes. The lease entered into by the Corporation was effective November 1, 2013 and has an escalation rate of 7.75% every five years. Future minimum lease payments required to be paid under the lease are included within the governmental activities as reported earlier in these notes. The Corporation, as a partner in the LLC, also receives a return on its equity investment equal to 8.25% over the life of the lease. The LLC will continue to own the building at the end of the 30 year lease. However, the Corporation may purchase the building at market value or continue to lease the building from the LLC at the end of the original lease period. The investment in the LLC is recorded in the governmental activities of the statement of net position and is accounted for under the equity method. The carrying value of this joint venture at December 31, 2021 was $35,369. Complete financials for the LLC can be obtained from the Healthcare Trust of America administrative offices at 1300 Hospital Drive, Suite 170, Mount Pleasant, SC 29464.

(Dollars in thousands)

The financial position and results of operations of the investee for the Corporation's governmental activities are summarized below:

	HHC-HTA, LLC
Current assets	$ 11,181
Property and other long-term assets, net	64,836
Total assets	76,017
Total liabilities	5,279
Members' equity	$ 70,738
Revenues	$ 9,604
Excess of revenues over expenses	$ 4,870

Note 21: Explanation of Certain Differences Between Governmental Fund Financial Statements and the Government-Wide Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and therefore are not reported in the fund statements (excludes matured bond principal and interest)." The details of this amount are as follows:

Bonds payable (including premium)	$ 163,281
Capital lease obligations	395,013
Asserted and unasserted self-insurance claims	377
Accrued compensated absences	8,755
	$ 567,426

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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.

(Dollars in thousands)

Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance 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." The details of this amount are as follows:

Principal repayments on debt:		
General obligation bonds	$	6,020
Capital leases		13,441
Amortization of bond premium		184
Amortization of deferred loss on refunding		(71)
	$	19,574

Note 22: Concentrations of Credit Risk

Eskenazi Health and Long-Term Care grant credit without collateral to their patients, most of whom are generally insured under third-party agreements. The mix of net patient service receivables from patients and third-party payers at December 31, 2021 is as follows:

Commercial insurance	22%
Medicare	21%
Medicaid	46%
Self-pay	7%
Other	4%
	100%

Note 23: Contingencies

Litigation

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

Patient Billing Audits and Compliance Reviews

The Corporation is subject to various patient billing audits and compliance reviews by third party and governmental payers. As a result of these reviews, the Corporation has received demand letters alleging extrapolated overpayments relating to various programs. The Corporation conducts an in-depth review to determine the validity of each item noted within the reviews and vigorously defends the results of the reviews. Based on management's review and advice of legal counsel, management has recognized an estimate of the amount of ultimate expected loss as of December 31, 2021. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

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.

Note 24: COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 as a global pandemic. Over the past two years, patient volumes, occupancy, and the related revenues have been significantly affected by COVID-19 stemming from the implementation of various policies by federal, state, and local governments in response to the pandemic, as these policies led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities. While many of these policies eased over time, certain restrictions and policies enacted by businesses and governments continue to impact the Corporation's volumes and operations with varying rates of COVID-19 cases continuing. The Corporation will continue to monitor the direct and indirect impacts of the pandemic and develop responses accordingly to maintain its operational and financial flexibility.

The extent of the COVID-19 pandemic's adverse effect on the Corporation's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Corporation's control and ability to forecast.

Because of these and other uncertainties, the Corporation cannot estimate the length or severity of the effect of the pandemic on the Corporation's business. Decreases in cash flows and results of operations may have an effect on access to liquidity and on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

Provider Relief Funds

During the year ended December 31, 2021, the Corporation received $17,957 of distributions from the CARES Act Provider Relief Fund and the American Rescue Plan Act (ARPA) Relief Fund (collectively, Provider Relief Funds). These distributions from the Provider Relief Fund are not subject to repayment, provided the Corporation is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

The Corporation accounts for such payments as voluntary nonexchange transactions in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Payments are recognized as grant revenue once the applicable terms and conditions required to retain the funds have been substantially met. Revenue recognized is classified as nonoperating and the associated cash flows are included within noncapital financing activities. Guidance for reporting use of Provider Relief Fund payments received has changed significantly since distributions were authorized through the CARES Act in March 2020. The Corporation has evaluated the "Post-Payment Notice of Reporting Requirements" (Notice) and the Frequently Asked Questions (FAQs) issued by HHS subsequent to December 31, 2021 in accordance with GASB codification Section 2250.

Based on an analysis of the compliance and reporting requirements of the Provider Relief Funds and the effect of the pandemic on the Corporation's revenues and expenses through December 31, 2021, the Corporation recognized $80,441 as grant revenue within the accompanying statement of revenues, expenses and changes in net position. This represents the entirety of Provider Relief Funds received and recognized as grant revenue in 2021 and 2020 totaling $168,992.

The Corporation will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on its revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the Corporation is unable to attest to or comply with current or future terms and conditions, the Corporation's ability to retain some or all of the distributions received may be affected. Additionally, the amounts recorded in the financial statements compared to the Corporation's Provider Relief Funds reporting could differ. Provider Relief Funds payments are subject to government oversight, including potential audits.

Medicare Advance Payments

During the year ended December 31, 2020, the Corporation requested and was approved for accelerated Medicare payments as provided for in the CARES Act, which allowed for eligible health care facilities to request advance Medicare payments, including up to six months for acute care hospitals and up to three months for other health care providers.

Effective September 30, 2020, the payback provisions were revised, which extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period are at 25 percent of the remittance advice payment followed by a six-month payback period at 50 percent of the remittance advice payment. After the 17-month payback period (29 months after issuance of the advance payment), CMS expects any amount not paid back through the withhold amounts to be paid back in a lump-sum or interest will begin to accrue subsequent to the 29 months at a rate of 4 percent.

During 2020, the Corporation received approximately $69,584 in advance payments, and as of December 31, 2021, approximately $38,764 of the advances remain outstanding after recoupments began in 2021. The entire outstanding balance is recorded as a current liability given repayment in full is expected in 2022.

Other COVID-19 Funding

The Corporation received funding and/or recognized into revenue the following related to COVID-19 from other sources:

- The Corporation received $1,879 in connection with HHS funding for the COVID-19 Testing for the Uninsured program. The Corporation recognized the full amount within net patient service revenue on the statement of revenues, expenses and changes in net position, as this funding constitutes reimbursement for care or treatment provided by the Hospital.

- The Corporation's long-term care facilities were subject to Medicaid rate increases instituted in response to the COVID-19 pandemic. Additionally, certain "COVID ready" facilities received additional increases in Medicaid rates and per diems during portions of 2020. Revenue approximating $9,011 associated with these rate increases is included within net patient service revenue on the statement of revenues, expenses and changes in net position, as this funding constitutes reimbursement for care or treatment provided. Further, the federal government's response to COVID-19 temporarily reduced the non-federal share of Medicaid supplemental payments through the UPL program received by Long-Term Care, which increased supplemental payment revenue throughout 2021.

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

Health and Hospital Corporation of Marion County, Indiana

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

Required Supplementary Information
Schedule of Corporation's Proportionate Share of the Net Pension Liability
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years*

(Dollars in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Corporation's proportion of the net pension liability	3.0781%	3.1638%	3.3767%	4.0904%	4.1264%	4.4914%	4.6000%	4.8248%
Corporation's proportionate share of the net pension liability	$ 40,504	$ 95,558	$ 111,601	$ 138,952	$ 184,103	$ 203,839	$ 187,353	$ 126,794
Corporation's covered payroll	$ 169,710	$ 170,799	$ 175,927	$ 208,716	$ 204,720	$ 215,254	$ 220,331	$ 235,563
Corporation's proportionate share of the net pension liability as a percentage of its covered payroll	24%	56%	63%	67%	90%	95%	85%	54%
Plan fiduciary net position as a percentage of the total pension liability	93%	81%	80%	79%	73%	71%	73%	81%

* The amounts presented for each fiscal year were determined as of June 30 (measurement date). Ten years of information is required to be disclosed and will be added as the information becomes available.

Notes to Schedule:

Benefit changes: House Enrolled Act No. 1001 was passed in April 2021 and granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023.

Changes of assumptions: As a result of the Asset-Liability work completed and discussed at the May 7, 2021 Board meeting, the Board made portfolio revisions and adopted a new set of economic assumptions for the June 30, 2021 actuarial valuations as follows:

- The investment return assumption was lowered from 6.75% (as of June 30, 2020) to 6.25%.
- Price inflation was lowered from 2.25% (as of June 30, 2020) to 2.00%.
- General wage inflation was lowered from 2.75% (as of June 30, 2020) to 2.65%.

Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023. This replaces COLA assumption of 0.4% for fiscal years 2022 and 2023 but does not change the assumptions of future years.

Health and Hospital Corporation of Marion County, Indiana

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

Required Supplementary Information
Schedule of Corporation's Pension Contributions
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years*

(Dollars in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 18,744	$ 19,586	$ 19,173	$ 20,552	$ 22,244	$ 23,175	$ 24,534	$ 26,107
Contributions in relation to the contractually required contribution	18,744	19,586	19,173	20,552	22,244	23,175	24,534	26,107
Contribution excess (deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporation's covered payroll	$ 168,892	$ 176,111	$ 171,342	$ 183,817	$ 197,353	$ 206,962	$ 219,944	$ 195,739
Contributions as a percentage of covered payroll	11.10%	11.12%	11.19%	11.18%	11.27%	11.20%	11.15%	13.34%

* The amounts presented for each fiscal year were determined as of December 31 (measurement date). Ten years of information is required to be disclosed and will be added as the information becomes available.

Notes to Schedule:

Benefit changes: House Enrolled Act No. 1001 was passed in April 2021 and granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023.

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- Price inflation was lowered from 2.25% (as of June 30, 2020) to 2.00%.
- General wage inflation was lowered from 2.75% (as of June 30, 2020) to 2.65%.

Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023. This replaces COLA assumption of 0.4% for fiscal years 2022 and 2023 but does not change the assumptions of future years.

Changes in actuarial methods: No changes.

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Budgetary Comparison
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2021

(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 134,716	$ 134,716	$ 140,086	$ 5,370
Licenses and permits	4,669	4,669	4,886	217
Intergovernmental	350	350	537	187
Charges for services	1,210	1,210	1,674	464
Medicaid special revenue (net of intergovernmental transfers)	(7,637)	(7,637)	55,460	63,097
Interest	1,000	1,000	143	(857)
Grants	32,932	32,932	31,767	(1,165)
Miscellaneous	4,271	4,271	6,677	2,406
Total revenues	171,511	171,511	241,230	69,719
Expenditures				
Personal services	82,939	82,939	71,343	11,596
Supplies	21,079	21,079	5,430	15,649
Other charges and services	81,388	81,388	74,852	6,536
Capital outlays	10,522	10,522	6,329	4,193
Total expenditures	195,928	195,928	157,954	37,974
Other Financing Uses				
Transfers in	158,908	158,908	158,908	-
Transfers out	(130,598)	(130,598)	(120,168)	10,430
Total other financing uses	28,310	28,310	38,740	10,430
Net change in fund balances	3,893	3,893	122,016	118,123
Fund balances - beginning of year	46,448	46,448	456,018	409,570
Fund balances - end of year	$ 50,341	$ 50,341	$ 578,034	$ 527,693

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 underlying 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	$ 98,551
Add (Deduct):	
Encumbrances as of year-end	(22,330)
Change in prepaid expenditures	(126)
Change in accounts receivable	34,817
Change in accounts payable	(2,469)
Change in self-insurance claims	(448)
Change in accrued expense	14,021
Net change in fund balance - Budgetary Basis	$ 122,016

Other Supplementary Information

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2021
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 2,379	$ 2,379	$ 2,476	$ 97
Interest	1	1	2	1
Miscellaneous	10,055	10,055	20,484	10,429
Total revenues	12,435	12,435	22,962	10,527
Expenditures				
Principal retirement	6,020	6,020	19,461	(13,441)
Interest and fiscal charges	49,758	49,758	36,275	13,483
Total expenditures	55,778	55,778	55,736	42
Excess of revenues over expenditures	(43,343)	(43,343)	(32,774)	10,569
Other Financing Sources				
Transfers in	43,314	43,314	32,884	(10,430)
Total other financing sources	43,314	43,314	32,884	(10,430)
Net change in fund balances	(29)	(29)	110	139
Fund balances - beginning of year	(87,000)	(87,000)	4,301	91,301
Fund balances - end of year	$ (87,029)	$ (87,029)	$ 4,411	$ 91,440

Health and Hospital Corporation of Marion County, Indiana

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2021

(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 254	$ 254	$ 266	$ 12
Interest	150	150	402	252
Miscellaneous	-	-	21	21
Total revenues	404	404	689	285
Expenditures				
Capital outlays	25,000	25,000	18,256	6,744
Total expenditures	25,000	25,000	18,256	6,744
Excess of revenues over expenditures	(24,596)	(24,596)	(17,567)	7,029
Other Financing Sources				
Transfers in	15,000	15,000	15,000	-
Total other financing sources	15,000	15,000	15,000	-
Net change in fund balances	(9,596)	(9,596)	(2,567)	7,029
Fund Balances - beginning of year	(64,132)	(64,132)	95,945	160,077
Fund balances - end of year	$ (73,728)	$ (73,728)	$ 93,378	$ 167,106

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

(Dollars in thousands)

	December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Primary Government										
Governmental activities										
Net investment in capital assets	$ 27,492	$ 17,222	$ 26,770	$ 22,839	$ 22,108	$ 16,462	$ 29,633	$ 9,860	$ 12,506	$ 10,475
Restricted	15,003	14,147	13,539	645	243	412	165	568	640	-
Unrestricted	221,548	87,666	(17,339)	(113,452)	(148,962)	(200,702)	(300,861)	(346,636)	(400,647)	272,217
Total governmental activities net position	$ 264,043	$ 119,035	$ 22,970	$ (89,968)	$ (126,611)	$ (183,828)	$ (271,063)	$ (336,208)	$ (387,501)	$ 282,692
Business-type activities										
Net investment in capital assets	$ 645,501	$ 662,601	$ 661,701	$ 699,533	$ 732,588	$ 765,328	$ 766,711	$ 799,874	$ 825,154	$ 121,147
Restricted	-	-	-	-	-	-	-	-	1,235	-
Unrestricted	486,270	364,926	288,818	240,632	220,560	123,917	186,470	308,634	178,070	181,699
Total business-type activities net position	$ 1,131,771	$ 1,027,527	$ 950,519	$ 940,165	$ 953,148	$ 889,245	$ 953,181	$ 1,108,508	$ 1,004,459	$ 302,846
Primary Government										
Net investment in capital assets	$ 672,993	$ 679,823	$ 688,471	$ 722,372	$ 754,696	$ 781,790	$ 796,344	$ 809,734	$ 837,660	$ 131,622
Restricted	15,003	14,147	13,539	645	243	412	165	568	1,875	-
Unrestricted	707,818	452,592	271,479	127,180	71,598	(76,785)	(114,391)	(38,002)	(222,577)	453,916
Total primary government net position	$ 1,395,814	$ 1,146,562	$ 973,489	$ 850,197	$ 826,537	$ 705,417	$ 682,118	$ 772,300	$ 616,958	$ 585,538

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

(Dollars in thousands)

	Years Ended December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities										
Administration and finance	$ 47,430	$ 47,949	$ 47,103	$ 50,974	$ 41,372	$ 35,579	$ 32,283	$ 33,152	$ 27,171	$ 27,704
Healthcare delivery	61,572	71,126	81,302	100,117	103,450	120,086	85,678	108,604	100,675	93,738
Health improvement	37,689	37,380	40,226	37,377	36,061	35,062	32,540	30,227	28,528	29,487
Communicable disease prevention	39,572	35,529	17,881	17,501	17,613	17,374	16,531	15,538	15,220	13,910
Water quality and hazardous materials management	1,938	2,091	2,582	2,517	2,506	2,439	2,365	2,213	2,076	1,984
Vector disease control	2,963	3,032	3,477	3,494	3,443	3,593	3,347	3,545	3,515	3,411
Housing and neighborhood health	4,574	4,911	5,757	5,132	4,953	5,055	4,930	5,180	5,224	6,365
Consumer and employee risk reduction	2,065	1,752	2,101	2,001	2,034	1,944	1,841	1,808	1,693	1,712
Interest on long-term debt	36,162	37,305	38,384	39,439	40,425	41,250	39,406	40,572	41,925	39,583
Total governmental activities expenses	233,965	241,075	238,813	258,552	251,857	262,382	218,921	240,839	226,027	217,894
Business-type activities										
Eskenazi Health	790,336	764,217	735,835	731,439	717,858	664,886	617,220	588,246	538,715	520,311
LT Care	736,051	780,706	753,824	734,548	719,059	717,573	672,134	600,063	571,764	549,408
Total business-type activities expenses	1,526,387	1,544,923	1,489,659	1,465,987	1,436,917	1,382,459	1,289,354	1,188,309	1,110,479	1,069,719
Total primary government expenses	$ 1,760,352	$ 1,785,998	$ 1,728,472	$ 1,724,539	$ 1,688,774	$ 1,644,841	$ 1,508,275	$ 1,429,148	$ 1,336,506	$ 1,287,613
Program Revenues										
Governmental activities										
Charges for services										
Administration and finance (1)	$ 1,824	$ 2,342	$ 1,384	$ 1,323	$ 17,514	$ 4,944	$ 4,853	$ 5,019	$ 3,602	$ 982
Healthcare delivery	-	-	-	-	-	-	3,843	-	-	-
Health improvement	3,704	3,431	3,582	3,822	3,594	3,662	472	3,198	2,389	3,055
Communicable disease prevention	1,043	294	569	503	562	516	366	472	663	557
Water quality and hazardous materials management	470	457	499	474	366	373	567	360	357	356
Vector disease control	642	441	480	598	722	614	87	449	500	552
Housing and neighborhood health	40	23	89	98	92	116	2,370	361	417	413
Consumer and employee risk reduction	2,412	2,273	2,491	2,500	2,496	2,405	33,446	2,281	2,183	2,149
Operating grants and contributions (1)	31,950	35,169	22,470	25,069	27,295	33,768	336	72,403	54,429	57,702
Capital grants and contributions	34	66	75	25	2,025	13	-	-	6,000	16,148
Total governmental activities program revenues	42,119	44,496	31,639	34,412	54,666	46,411	46,340	84,543	70,540	81,914

(1) Certain intergovernmental revenues have been reclassified in 2012-2015; amounts in prior years 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

(Dollars in thousands)

	Years Ended December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities										
Charges for services										
Eskenazi Health	$ 728,166	$ 654,831	$ 577,062	$ 558,194	$ 536,369	$ 385,019	$ 393,516	$ 441,151	$ 326,832	$ 380,864
LT Care	866,387	933,884	949,995	969,592	958,177	990,101	892,469	807,418	763,693	690,329
Operating grants and contributions	106,326	112,176	25,359	26,691	29,071	26,566	27,621	24,942	20,534	20,058
Capital grants and contributions	-	-	-	-	-	-	-	-	2,224	-
Total business-type activities program revenue	1,700,879	1,700,891	1,552,416	1,554,477	1,523,617	1,401,686	1,313,606	1,273,511	1,113,283	1,091,251
Total primary government program revenues	$ 1,742,998	$ 1,745,387	$ 1,584,055	$ 1,588,889	$ 1,578,283	$ 1,448,097	$ 1,359,946	$ 1,358,054	$ 1,183,823	$ 1,173,165
Net program (expense)/revenue										
Governmental activities	$ (191,846)	$ (196,579)	$ (207,174)	$ (224,140)	$ (197,191)	$ (215,971)	$ (172,581)	$ (156,296)	$ (155,487)	$ (135,981)
Business-type activities	174,492	155,968	62,757	88,490	86,700	19,227	24,251	85,202	2,805	21,532
Total primary government net expense	$ (17,354)	$ (40,611)	$ (144,417)	$ (135,650)	$ (110,491)	$ (196,744)	$ (148,330)	$ (71,094)	$ (152,682)	$ (114,449)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property and HCI taxes	$ 133,655	$ 128,679	$ 126,457	$ 123,512	$ 119,300	$ 113,931	$ 110,577	$ 111,475	$ 106,708	$ 105,628
Excise taxes	7,084	6,963	6,648	6,525	6,413	5,949	5,604	5,762	5,518	5,552
Financial institution taxes	2,088	1,690	1,556	1,192	1,261	1,402	1,300	1,226	1,287	1,286
Medicaid special revenue	97,559	41,826	90,338	26,565	23,429	87,487	65,467	79,228	63,708	168,170
Build America Bonds interest subsidies	10,341	10,255	10,191	10,153	10,115	10,105	10,083	10,061	9,985	10,848
Unrestricted investment earnings	515	2,365	8,979	5,885	2,174	316	158	88	580	356
Special items	-	-	4,042	-	-	-	-	-	-	-
Transfers	85,612	100,866	71,901	90,642	91,716	84,016	67,697	(251)	(700,662)	(46,363)
Total governmental activities	336,854	292,644	320,112	264,474	254,408	303,206	260,886	207,589	(512,876)	245,477

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

(Dollars in thousands)

	Years Ended December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities										
Unrestricted investment earnings	$ 2,547	$ 4,140	$ 6,181	$ 1,441	$ 2,344	$ 854	$ (13)	$ 154	$ (1,853)	$ 1,451
Special items	3,115	17,766	13,317	-	66,575	-	-	-	-	-
Transfers	(85,612)	(100,866)	(71,901)	(90,642)	(91,716)	(84,016)	(67,697)	251	700,662	46,363
Total general revenues, special items and transfers	(79,950)	(78,960)	(52,403)	(89,201)	(22,797)	(83,162)	(67,710)	405	698,809	47,814
Total primary government	$ 256,904	$ 213,684	$ 267,709	$ 175,273	$ 231,611	$ 220,044	$ 193,176	$ 207,994	$ 185,933	$ 293,291
Change in Net Position										
Governmental activities	$ 145,008	$ 96,065	$ 112,938	$ 40,334	$ 57,217	$ 87,235	$ 88,305	$ 51,293	$ (668,362)	$ 109,495
Business-type activities	104,244	77,008	10,354	(711)	63,903	(63,935)	(43,459)	85,606	701,613	69,346
Total primary government	$ 249,252	$ 173,073	$ 123,292	$ 39,623	$ 121,120	$ 23,300	$ 44,846	$ 136,899	$ 33,251	$ 178,841

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
(Dollars in thousands)

	December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	$ 518	$ 391	$ 3,319	$ 619	$ 348	$ 328	$ 369	$ 342	$ 401	$ 478
Assigned	22,330	24,582	17,166	8,335	5,397	2,326	1,640	1,073	950	2,252
Unassigned	640,512	539,836	434,496	385,884	376,632	360,767	297,574	245,037	178,952	227,496
Total general fund	$ 663,360	$ 564,809	$ 454,981	$ 394,838	$ 382,377	$ 363,421	$ 299,583	$ 246,452	$ 180,303	$ 230,226
All Other Governmental Funds										
Restricted, reported in										
Debt service fund	$ 12,722	$ 7,583	$ 12,674	$ 12,744	$ 16,211	$ 16,162	$ 16,160	$ 16,148	$ 16,119	$ 16,035
Capital projects fund	-	-	-	-	-	-	-	-	845	62,634
Assigned, reported in										
Debt service fund	1,372	1,263	1,476	1,250	1,207	1,073	971	1,291	709	12
Capital projects fund	95,965	84,775	73,312	75,982	57,963	43,637	30,247	17,600	16,550	13,560
Unassigned, reported in										
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 110,059	$ 93,621	$ 87,462	$ 89,976	$ 75,381	$ 60,872	$ 47,378	$ 35,039	$ 34,223	$ 92,241

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

(Dollars in thousands)

	Years Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	$ 142,828	$ 137,332	$ 134,660	$ 131,232	$ 126,974	$ 121,282	$ 117,481	$ 118,464	$ 113,513	$ 112,466
Licenses and permits	4,886	4,403	4,663	4,684	4,576	4,487	4,464	4,342	4,112	3,902
Intergovernmental	30,935	33,767	22,616	19,814	19,343	18,502	18,126	16,329	53,467	58,177
Charges for services	1,674	765	1,364	1,575	1,456	1,855	1,105	1,182	1,314	1,148
Medicaid special revenue	97,126	71,469	63,701	26,426	26,581	89,452	58,910	104,327	37,142	167,936
Build America Bonds interest subsidies	15,367	5,117	10,191	10,153	10,115	10,105	10,083	10,061	9,985	10,848
Contributions	-	-	-	5,500	8,048	15,000	15,500	57,710	6,000	16,000
Investment income	3,780	5,492	12,136	9,023	3,899	3,366	2,208	3,413	170	356
Miscellaneous	3,468	7,524	9,249	5,786	9,468	5,770	4,511	3,779	2,399	2,747
Total revenues	300,064	265,869	258,580	214,193	210,460	269,819	232,388	319,607	228,102	373,580
Expenditures										
Administrative	55,869	50,319	47,009	53,018	42,008	35,846	31,883	29,593	25,135	24,869
Population health	34,452	29,957	28,596	27,781	26,620	26,680	25,722	25,116	24,776	22,599
Environmental health	11,775	11,423	13,071	12,514	11,781	12,213	11,958	12,503	12,333	12,791
Health center program	864	981	1,055	1,003	896	1,103	1,026	1,071	965	1,155
Data processing	5,308	6,103	5,152	5,139	4,940	4,144	3,747	3,500	3,556	3,234
Grants program	31,679	34,338	21,488	19,010	18,412	17,825	17,107	15,597	14,697	15,090
Capital outlays	14,445	5,609	26,617	5,321	4,868	2,871	3,755	15,635	275,368	286,375
Debt service										
Principal	19,461	18,327	17,256	16,209	15,239	14,426	16,280	15,119	13,810	13,300
Interest and fiscal charges	36,275	37,405	38,480	39,523	40,497	41,307	39,456	40,617	41,925	39,583
Intergovernmental	61,572	71,126	81,302	100,117	103,450	120,086	85,678	108,604	100,675	93,738
Total expenditures	271,700	265,588	280,026	279,635	268,711	276,501	236,612	267,355	513,240	512,734
Excess (deficiency) of revenues over (under) expenditures	28,364	281	(21,446)	(65,442)	(58,251)	(6,682)	(4,224)	52,252	(285,138)	(139,154)

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

(Dollars in thousands)

	Years Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other Financing Sources (Uses)										
Other debt issued	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 94	$ 151,304	$ 190,305
Transfers in	237,506	286,611	252,426	296,271	296,262	357,047	300,974	205,984	277,856	175,086
Transfers out	(150,881)	(170,905)	(173,351)	(203,773)	(204,546)	(273,031)	(231,282)	(191,364)	(251,963)	(179,886)
Total other financing sources (uses), net	86,625	115,706	79,075	92,498	91,716	84,016	69,692	14,714	177,197	185,505
Net change in fund balances	$ 114,989	$ 115,987	$ 57,629	$ 27,056	$ 33,465	$ 77,334	$ 65,468	$ 66,966	$ (107,941)	$ 46,351
Debt service as a percentage of noncapital expenditures	21.7%	21.4%	22.0%	20.3%	21.1%	21.1%	20.4%	23.9%	22.1%	20.9%
Debt service expenditures	$ 55,736	$ 55,732	$ 55,736	$ 55,732	$ 55,736	$ 55,733	$ 55,736	$ 55,736	$ 55,735	$ 52,883
Noncapital expenditures	257,255	259,979	253,409	274,314	263,843	263,843	273,630	232,857	251,999	253,072

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, 2021

(Dollars in thousands)

	Real Property		Personal Property		Total		Total
Year	Assessed Value (1)	True Tax Value	Assessed Value (1)	True Tax Value	Assessed Value (1)	True Tax Value	Direct Tax Rate
2021	$ 45,324,406	$ 45,324,406	$ 7,095,509	$ 7,095,509	$ 52,419,915	$ 52,419,915	0.2058
2020	43,112,252	43,112,252	6,906,428	6,906,428	50,018,680	50,018,680	0.2039
2019	40,967,917	40,967,917	6,837,711	6,837,711	47,805,628	47,805,628	0.2106
2018	39,556,997	39,556,997	6,700,531	6,700,531	46,257,528	46,257,528	0.2083
2017	37,570,129	37,570,129	6,659,770	6,659,770	44,229,899	44,229,899	0.2076
2016	36,739,079	36,739,079	6,325,056	6,325,056	43,064,135	43,064,135	0.2016
2015	36,808,352	36,808,352	6,160,989	6,160,989	42,969,341	42,969,341	0.1932
2014	33,971,641	33,971,641	5,972,597	5,972,597	39,944,238	39,944,238	0.2029
2013	34,038,407	34,038,407	5,841,671	5,841,671	39,880,078	39,880,078	0.1982
2012	33,922,279	33,922,279	5,467,373	5,467,373	39,389,652	39,389,652	0.1874

(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

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Table VI

Property Tax Rates - Direct and Overlapping Governments [2]

December 31, 2021

						County Direct Rates		Other Direct Rates			Total Direct and
Year	Operations	Debt	Cumulative Building	Total	City	County	Municipal Corporations	School	State	Other	Overlapping Rates (1)
2021	0.2003	0.0049	0.0006	0.2058	0.6973	0.3931	0.2310	1.3785	-	0.0559	2.9616
2020	0.1988	0.0045	0.0006	0.2039	0.7040	0.3869	0.2344	1.4284	-	0.0568	3.0144
2019	0.1993	0.0107	0.0006	0.2106	0.7092	0.3906	0.2390	1.5032	-	0.0563	3.1089
2018	0.1967	0.0110	0.0006	0.2083	0.7243	0.3893	0.2405	1.1336	-	0.0587	2.7547
2017	0.1954	0.0116	0.0006	0.2076	0.7313	0.3943	0.2441	0.9735	-	0.0619	2.6127
2016	0.1891	0.0119	0.0006	0.2016	0.7136	0.3883	0.2438	1.4170	-	0.0630	3.0273
2015	0.1816	0.0110	0.0006	0.1932	0.7069	0.3825	0.2273	1.3504	-	0.0607	2.9210
2014	0.1889	0.0134	0.0006	0.2029	0.7667	0.4034	0.2311	1.2889	-	0.0620	2.9550
2013	0.1811	0.0165	0.0006	0.1982	0.9802	0.3932	0.2332	1.4829	-	0.0607	3.3484
2012	0.1740	0.0128	0.0006	0.1874	1.0034	0.4007	0.2084	1.2711	-	0.0670	3.1380

(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

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Table VII

Principal Property Tax Payers

Current Year and Nine Years Ago

December 31, 2021

(Dollars in thousands)

	2021				2012			
Taxpayers	Net Taxable Assessed Valuation (1) (2) (in thousands)	Rank	Percentage of Total City Taxable Assessed Valuation	Taxpayers	Net Taxable Assessed Valuation (2) (3) (in thousands)	Rank	Percentage of Total City Taxable Assessed Valuation
1 Eli Lilly and Company	$ 1,388,552	1	2.649%	Eli Lilly and Company	$ 1,038,078	1	2.635%
2 Citizens Energy Group	511,463	2	0.976%	Indianapolis Power and Light Company	280,605	2	0.712%
3 Federal Express Corporation	254,753	3	0.486%	Federal Express Corporation	191,125	3	0.485%
4 White Legacy Properties, LLC	208,680	4	0.398%	Convention Hotels Headquarters, LLC	156,907	4	0.398%
5 Allison Transmission Inc.	178,039	5	0.340%	Allison Transmission Inc.	143,606	5	0.365%
6 SFT Property LLC	156,989	6	0.299%	Macquarie Office Monument Center I, LLC	117,671	6	0.299%
7 Indianapolis Power and Light Company	156,313	7	0.298%	Indiana Bell Telephone Company, Inc.	81,452	7	0.207%
8 Rolls-Royce Corporation	124,979	8	0.238%	SVC Manufacturing Inc.	77,263	8	0.196%
9 G&I IX MJW Keystone Crossing, LLC	106,125	9	0.202%	Rolls Royce	76,161	9	0.193%
10 SVC Manufacturing	91,987	10	0.175%	Hub Properties GA, LLC	73,706	10	0.187%
11 Corteva Agriscience LLC	90,579	11	0.173%	National Starch, LLC	72,913	11	0.185%
12 American United Life Insurance Company	90,116	12	0.172%	American United Life Insurance Company	72,528	12	0.184%
13 MSA North Developer LLC	88,392	13	0.169%	Motors Liquidation Company	72,256	13	0.183%
14 Castleton Square, LLC	84,751	14	0.162%	Circle Centre Development Company	67,810	14	0.172%
15 IMD2 LLC	79,489	15	0.152%	Citizens Gas & Coke Utility	67,682	15	0.172%
16 Cellco Partnership	79,342	16	0.151%	Crossroads Indiana, LLC	60,590	16	0.154%
17 Westin Indianapolis, LLC	71,976	17	0.137%	MT Acquisitions, LLC	57,404	17	0.146%
18 Axis FC LLC	71,192	18	0.136%	Castleton Square, LLC	52,022	18	0.132%
19 Comcast of Indianapolis LP	68,732	19	0.131%	Cellco Partnership	51,064	19	0.130%
20 IN-IUPUI Holdings, LLC	67,355	20	0.128%	LHO Indianapolis Hotel One, LLC	50,686	20	0.129%
	$ 3,969,804		7.572%		$ 2,861,529		7.264%

(1) Represents the January 1, 2020 valuations for taxes due and payable in 2021 as represented by the taxpayer.

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

(3) Data from the 2012 Health and Hospital Corporation’s Annual Comprehensive Financial Report.

Health and Hospital Corporation of Marion County, Indiana

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

Table VIII

Property Tax Levies and Collections

December 31, 2021

(Dollars in thousands)

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	$ 80,273	$ 77,463	96.50%	$ -	$ 77,463	96.50%
2020	75,839	72,805	96.00%	2,427	75,232	99.20%
2019	74,401	70,458	94.70%	2,530	72,987	98.10%
2018	71,625	69,476	97.00%	2,006	71,482	99.80%
2017	67,831	65,796	97.00%	1,764	67,560	99.60%
2016	63,929	61,372	96.00%	2,173	63,545	99.40%
2015	62,083	60,158	96.90%	1,553	61,711	99.40%
2014	57,993	55,905	96.40%	1,682	57,587	99.30%
2013	58,591	55,837	95.30%	2,109	57,946	98.90%
2012	57,233	54,486	95.20%	2,060	56,546	98.80%

Source: Marion County Auditor’s Office

Health and Hospital Corporation of Marion County, Indiana

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

Table IX

Ratios of Outstanding Debt by Type

December 31, 2021

(Dollars in thousands)

	Governmental Activities						Business-Type Activities			
Fiscal Year	General Obligation Bonds of 2005	General Obligation Bonds of 2010	Due to Local Government	Capital Lease	Renovation Bonds of 1988	Notes Payable	Long-Term Care Capital Leases	Total Primary Government	Percentage of Personal Income (1) (2)	Debt Per Capita (1)
2021	$ 9,081	$ 154,200	$ -	$ 395,013	$ -	$ -	$ 104,838	$ 663,132	1.16%	$ 686.34
2020	11,240	158,245	-	408,454	-	-	186,870	764,809	1.34%	792.89
2019	13,298	162,100	-	421,051	-	-	260,883	857,332	1.63%	898.04
2018	15,267	163,560	-	432,867	2,195	-	327,445	941,334	1.90%	990.79
2017	17,151	164,945	-	443,946	4,240	-	387,200	1,017,482	2.10%	1,156.99
2016	18,959	166,270	-	454,335	6,140	-	440,737	1,086,441	2.39%	1,226.82
2015	20,693	167,550	-	464,166	7,905	-	485,830	1,146,144	2.57%	1,226.82
2014	23,067	168,785	-	476,096	9,545	-	397,032	1,074,525	2.87%	1,157.54
2013	23,945	177,835	-	479,131	11,075	-	422,712	1,114,698	3.00%	1,212.98
2012	21,295	186,565	322,660	7,488	12,495	-	448,820	999,323	2.71%	1,096.59

(1) See Table XIII for personal income and population data.

(2) Personal income not available for 2021 so 2020 income was used to determine percentage.

Source: Notes to basic financial statements.

Health and Hospital Corporation of Marion County, Indiana

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

Table X

Ratio of Net General Obligation Debt Outstanding

December 31, 2021

(Dollars in thousands)

	Net General Bonded Debt Outstanding			Percentage of	
Fiscal Year	General Obligation Bonds	Less: Amounts in Debt Service Funds	Total Net Bonded Debt	Actual Taxable Value of Property	Per Capita
2021	$ 163,281	$ 12,722	$ 150,559	0.29%	$ 155.83
2020	169,485	12,721	156,764	0.31%	162.52
2019	175,398	12,674	162,724	0.34%	177.20
2018	181,022	12,663	168,359	0.36%	180.75
2017	186,336	16,211	170,125	0.38%	186.58
2016	191,369	16,162	175,207	0.41%	209.95
2015	196,148	16,160	179,988	0.42%	216.96
2014	201,397	16,148	185,249	0.46%	231.62
2013	212,855	16,119	196,736	0.49%	241.80
2012	220,355	16,035	204,320	0.52%	255.56

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

December 31, 2021

(Dollars in thousands)

	Assessed Value (5)	Bonding Limit %	Bonding Limit Dollar Amount	Debt Outstanding (6)
Direct Debt:				
Health and Hospital Corporation of Marion County	$ 45,324,406	0.67%	$ 303,674	$ 163,281
Other Direct Debt:				
Capital lease obligations - governmental activities				395,013
Total Health and Hospital Corporation debt				$ 558,294
Overlapping:				
Marion County	$ 46,796,021	0.67%	$ 313,533	$ -
City of Indianapolis				
Civil City	$ 43,814,316	0.67%	$ 293,556	$ 50,145
Park District	46,796,021	0.67%	313,533	24,385
Redevelopment District	43,814,316	(3)	-	-
Flood Control District	46,796,021	0.67%	313,533	-
Metropolitan Thoroughfare District	46,796,021	1.33%	622,387	203,515
Solid Waste Disposal District	43,877,609	2.00%	877,552	-
Pub Safety Comm and Comp Facilities District	46,796,021	0.67%	313,533	44,240
Premiums on general obligation debt			-	22,552
Total city general obligation debt			$ 2,734,096	344,837
Other Direct Debt:				
Tax increment revenue bonds				592,530
Net revenue bonds				296,342
Note payable and certificate of participations				130,723
Capital lease obligations - governmental activities				41,291
Total city direct debt				$ 1,405,723
Other Municipal Corporations				
Indianapolis Airport Authority	$ 46,796,021	0.67%	$ 313,533	$ -
Capital Improvement Board	46,796,021	0.67%	313,533	-
Indianapolis-Marion County Building Authority	46,796,021	(1)	-	-
Indianapolis-Marion County Library	46,135,412	0.67%	309,107	73,820
Indianapolis Public Transportation Corp.	44,343,703	0.67%	297,103	-
Total municipal corporations			$ 1,233,278	$ 73,820
School Districts				
Beech Grove	$ 501,114	(4)	$ 3,357	$ 1,937
Decatur	1,883,231	(4)	12,618	6,490
Franklin	3,039,188	(4)	20,363	4,780
Indianapolis Public Schools	12,939,104	(4)	86,692	44,354
Lawrence	5,599,537	(4)	37,517	22,690
Perry	4,114,993	(4)	27,570	22,835
Pike	5,223,628	(4)	34,998	20,940
Speedway	660,609	(4)	4,426	1,360
Warren	2,968,372	(4)	19,888	-
Washington	6,684,971	(4)	44,789	18,805
Wayne	3,181,274	(4)	21,315	5,275
Total school districts	$ 46,796,021		$ 313,533	$ 149,466

Health and Hospital Corporation of Marion County, Indiana

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

Table XI - Continued

Schedule of Direct and Overlapping Debt and Bonded Debt Limit

December 31, 2021

(Dollars in thousands)

	Assessed Value (5)	Bonding Limit %	Bonding Limit Dollar Amount	Bonds Outstanding (6)
Other Cities and Towns				
Beech Grove	$ 529,388	0.67%	$ 3,547	$ 350
Lawrence	1,728,415	0.67%	11,580	1,994
Southport	63,293	0.67%	424	98
Speedway	660,609	0.67%	4,426	2,799
Total Other Cities and Towns	$ 2,981,705		$ 19,977	$ 5,241
Townships				
Center	$ 7,615,556	0.67%	$ 51,024	$ -
Decatur	1,885,649	0.67%	12,634	-
Franklin	3,183,826	0.67%	21,332	-
Lawrence	6,012,437	0.67%	40,283	1,115
Perry	4,491,061	0.67%	30,090	-
Pike	5,062,131	0.67%	33,916	-
Warren	3,996,038	0.67%	26,773	-
Washington	9,534,038	0.67%	63,878	-
Wayne	4,747,975	0.67%	31,811	518
Total Townships	$ 46,528,711		$ 311,742	$ 1,633
Excluded Library Districts				
Speedway	$ 660,609	0.67%	$ 4,426	$ 75
Total Excluded Library Districts	$ 660,609		$ 4,426	$ 75
Ben Davis Conservancy District	$ 402,164	(2)	$ -	$ -
Total Overlapping Debt				$ 1,635,958
Total Direct and Overlapping Debt				$ 2,194,252

Source: City of Indianapolis, Office of Finance and Management

(1) There is no debt limit for the Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Building Authority’s enabling legislation.
(2) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.
(3) There is no statutory constitutional debt limitation to the Redevelopment Districts.
(4) A statutory 0.67% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation’s annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
(5) Represents the January 1, 2020 (Marion County Auditor’s “certified abstract”) assessment for taxes due and payable in 2021.

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

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

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XII
Legal Debt Margin Calculation
December 31, 2021
(Dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year Ended December 31, 2021		
Net assessed value - 2020	$	45,324,406
Debt limit (.67% of assessed values)		303,674
Debt applicable to limit		
Bonded Debt		160,760
Notes payable from tax levy		-
Total net debt applicable to limit		160,760
Legal Debt Margin	$	142,914

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	$ 303,674	$ 288,852	$ 274,485	$ 265,032	$ 251,720	$ 246,152	$ 246,616	$ 227,610	$ 228,057	$ 227,279
Total net debt applicable to limit	160,760	166,780	172,510	177,950	183,080	187,930	192,525	197,590	208,865	220,355
Legal debt margin	$ 142,914	$ 122,072	$ 101,975	$ 87,082	$ 68,640	$ 58,222	$ 54,091	$ 30,020	$ 19,192	$ 6,924
Total net debt applicable to the limit as a percentage of debt limit	52.94%	57.74%	62.85%	67.14%	72.73%	76.35%	78.07%	86.81%	91.58%	96.95%

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

Health and Hospital Corporation of Marion County, Indiana

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

Table XIII

Demographic and Economic Statistics

December 31, 2021

(Dollars in thousands)

Year	(1) (2) Population	(2) Personal Income	(2) Per Capita Personal Income	Public School Enrollment	(3) Unemployment Rate
2021	966,183	$ 57,259,810	$ 59	127,552	1.9%
2020	964,582	57,259,810	54	131,830	5.7%
2019	954,670	52,478,123	52	131,292	2.9%
2018	950,082	49,585,841	51	132,838	3.4%
2017	941,229	48,413,129	48	132,596	3.0%
2016	939,020	45,416,786	43	131,754	4.0%
2015	934,243	44,610,603	40	130,371	4.6%
2014	928,281	37,438,602	40	130,007	5.9%
2013	918,977	37,096,641	40	149,697	6.8%
2012	911,296	36,880,741	38	146,175	8.3%

(1) Source: Census Bureau-Population Estimates for 2012-2021 reflect county population estimates.

(2) Source: U.S. Bureau of Economics Census Bureau mid-year population estimates. Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for 2012-2021 reflect county population estimates available as of March 2022. Data was not yet available for 2021 personal income.

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

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XIV
Principal Employers
Current Year and Nine Years Ago (2)
December 31, 2021

	2021			2012		
Taxpayer	(1) Employees	(1) Rank	(1) Percentage of Total Metropolitan Statistical Area Employment	(2) Employees	(2) Rank	(2) Percentage of Total Metropolitan Statistical Area Employment
Indiana University Health	23,187	1	2.40%			
Ascension St. Vincent	17,398	2	1.80%	11,075	2	1.22%
Community Health Network	15,000	3	1.55%	8,079	3	0.89%
IUPUI	14,000	4	1.45%	7,066	4	0.78%
Eli Lilly and Company	10,317	5	1.07%	11,550	1	1.27%
Walmart	9,582	6	0.99%			
Kroger Co	7,520	7	0.78%			
Federal Express	6,500	8	0.67%	4,311	6	0.47%
Anthem	4,870	9	0.50%			
Meijer	4,707	10	0.49%			
Rolls-Royce				4,316	5	0.47%
Roche Diagnostic Corporation				4,300	7	0.47%
WellPoint Inc.				3,950	8	0.43%
St. Francis Hospital & Health Centers				3,628	9	0.40%
Allison Transmission/Div of GMC				3,400	10	0.37%

(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 Health and Hospital Corporation's 2012 Annual Comprehensive Financial Report.

Health and Hospital Corporation of Marion County, Indiana

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

Table XV

Full-Time Equivalent City Government Employees by Function/Program

December 31, 2021

Function/Program	Full-Time Equivalent Employees at December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Primary Government Employees:										
Administration	144	157	149	149	143	135	128	131	139	136
Health improvement	365	391	392	376	373	366	354	349	351	340
Communicable disease prevention	190	138	132	130	129	127	125	123	128	133
Water quality and hazardous materials	26	28	29	28	27	27	28	26	26	25
Housing and neighborhood health	63	71	72	72	71	71	72	80	84	96
Consumer and employee risk reduction	28	26	27	27	27	27	27	26	26	28
Vector disease control	41	44	46	48	49	52	50	53	53	51
Business-type Employees:										
Eskenazi Health	4,130	4,073	4,047	4,284	4,310	4,177	3,853	3,828	3,726	3,667
Long-Term Care (1)	-	-	-	-	-	-	-	-	-	-
Total Employees	4,987	4,928	4,894	5,114	5,129	4,982	4,637	4,616	4,533	4,476

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

Source: SAP Payroll System and ADP Payroll System used by Health and 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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Health Improvement										
Community Based Clinics Services										
Vaccine doses administered	28,615	28,811	64,491	53,557	57,262	61,000	58,034	62,100	75,075	68,151
Vital Statistics - certified birth copies issued	41,102	46,803	58,171	52,247	47,074	46,392	48,552	47,062	47,162	60,011
Vital Statistics - certified death copies issued	54,421	58,174	50,729	50,048	50,922	48,226	51,621	54,205	51,768	58,210
WIC Services - transactions *(per month)* (i)	192,198	168,641	165,133	260,583	56,083	24,023	30,959	32,223	31,495	29,426
WIC Services - nutrition education	18,239	14,053	13,761	13,086	11,041	7,059	9,378	29,150	21,214	24,916
Dental Health/Education Services	21,401	13,097	65,712	63,650	62,220	35,765	45,847	50,625	72,533	55,524
Communicable Disease Prevention										
Chronic Disease										
Hepatitis A,B,C shots	764	617	1,443	1,431	1,382	1,383	1,216	1,114	1,055	1,182
AIDS cases	97	88	23	36	38	36	29	35	44	35
HIV infection - total cases	231	163	166	209	196	166	148	192	158	202
Tuberculosis cases reported	53	35	57	33	39	43	54	52	36	38
Sexually transmitted diseases total cases	16,779	15,167	13,878	14,123	15,213	14,228	12,272	12,952	13,406	13,317
Influenza-Like Illness	11,912	13,273	11,918	10,055	6,534	5,836	4,510	4,807	6,332	5,165
Water Quality and Hazardous Materials										
Water Quality										
Laboratory services performed	39,123	44,327	62,784	61,274	68,733	58,807	56,235	47,175	49,517	46,972
Swimming pool samples	1,173	1,547	4,395	4,155	5,155	4,055	4,250	4,360	4,438	2,598
Surface water samples taken	2,849	2,400	2,595	2,614	2,598	2,590	2,598	2,531	4,778	5,492
Hazardous Materials Management										
Responses to emergency situations	703	685	617	763	707	281	266	659	776	947
Drinking water wells surveyed for toxins	385	446	840	572	489	396	300	541	564	439
Septic systems permits	160	132	111	87	128	100	79	79	81	71
Well construction permits	171	162	121	105	97	105	87	97	114	112
Well pump permits	575	650	426	266	266	212	167	163	200	236
Housing and Neighborhood Health										
Initial housing orders	1,932	1,317	2,538	2,288	2,247	3,126	4,660	4,863	2,699	2,263
Housing compliances	5,189	3,874	6,734	5,432	5,571	4,783	4,613	4,977	4,577	4,553
Initial sanitation orders	13,117	11,479	14,279	13,294	13,513	14,934	15,429	13,571	11,147	12,354
Sanitation compliances	10,604	11,819	5,655	10,491	16,422	14,135	10,738	12,323	12,247	14,272
Court cases filed	931	1,516	3,352	3,312	3,379	3,906	3,921	3,841	3,540	3,546
Court cases resolved	987	1,837	2,582	2,900	3,545	2,566	2,004	2,500	1,565	1,671
Unsafe buildings-structures demolished	**	**	**	**	**	**	**	223	4,934	578
Unsafe buildings-structures boarded	**	**	**	**	**	**	**	5,037	3,913	7,820
Unsafe buildings-structures repaired	**	**	**	**	**	**	**	777	1,156	1,090
Lead - children screened	11,185	14,475	14,073	12,087	11,499	9,618	4,721	7,779	13,038	12,354

Health and Hospital Corporation of Marion County, Indiana

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

Table XVI - Continued

Operating Indicators by Function

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Consumer and Employee Risk Reduction										
Foodborne disease prevention										
Foodborne inspections	18,519	13,229	15,316	16,382	18,043	16,822	19,734	17,735	19,557	19,174
Foodborne investigations	138	118	261	238	196	207	207	241	166	199
Foodborne complaints	1,091	3,374	1,118	1,062	975	972	920	917	801	711
Foodborne licenses issued	6,316	6,438	7,443	7,112	7,147	7,090	6,981	6,635	6,501	6,424
Occupational health										
Radon investigations	198	112	144	113	115	215	95	46	74	7
Related indoor air inspections	470	865	1,898	2,115	2,044	2,480	3,017	2,999	2,984	3,894
Vector Disease Control										
Environmental/Rodent Control										
Total premises baited for rodents	1,339	1,414	1,675	2,420	2,914	3,103	2,232	2,034	2,255	1,121
Abandoned property cleanups	1,611	1,625	1,838	2,327	2,490	3,944	2,911	4,021	3,693	3,149
Assisted cleanups of neighborhoods	21	-	8	11	4	9	7	10	8	13
Total weight (lbs.) of trash removed	8,052,180	7,549,800	7,437,680	10,258,440	11,210,480	14,798,225	14,272,760	15,263,180	15,991,960	16,418,780
Mosquito Control										
Inspections of mosquito breeding sites	14,000	14,000	16,929	14,266	17,429	17,987	18,744	21,716	20,672	11,744
Mosquito breeding sites treated	6,557	6,668	7,407	5,470	7,491	8,410	9,835	9,829	8,942	4,510
Adulticiding, lineal miles sprayed	3,574	4,328	4,249	3,954	4,512	4,775	4,514	3,673	3,043	2,563
Complaint services, adulticiding	7,148	8,657	8,720	7,989	9,230	8,521	5,374	4,123	4,271	3,750
Combination complaints	7,523	9,324	9,646	8,790	10,286	9,935	6,772	5,011	5,301	4,760
Long-Term Care										
Total Beds	9,524	9,524	9,524	9,524	9,524	9,524	9,524	7,944	7,969	8,062
Eskenazi Health										
Admissions (Acute, Behavioral, Lockefield)	16,224	15,959	17,151	16,596	15,896	15,492	14,977	14,788	15,090	14,112
Patient Days (Acute, Behavioral, Lockefield)	87,855	85,854	82,350	75,541	77,496	72,741	67,403	68,253	67,061	69,979
OP Encounters (net of ED)	1,004,282	956,057	953,299	859,145	815,999	804,189	747,007	736,130	876,161	841,180
ED Visits	92,038	86,679	103,981	103,046	91,675	94,733	87,624	95,258	101,240	109,412
Advantage Members	10,221	11,621	11,630	12,714	9,139	12,531	15,811	32,916	39,594	54,204
Uncompensated Care (000's Omitted)	321,351	284,294	390,959	376,046	293,617	410,579	535,005	381,110	410,383	237,639
Surgeries	9,101	8,131	9,062	9,078	8,967	8,400	7,715	7,242	7,406	7,447
Births	2,481	2,471	2,704	2,677	2,306	2,316	2,233	2,046	1,849	2,045

n/a = Not available.

** Beginning October 2014, Indianapolis City obtained Unsafe Building Program jurisdiction.

(i) Beginning January 2017, WIC vouchers were replaced with EBT cards. Data from 2017 and forward is EBT transactions per month.

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

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XVII
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Health Improvement										
Dental chairs	26	26	25	25	25	25	25	25	25	25
Dental x-ray units	24	24	23	23	23	23	23	23	23	23
Fiberoptic Dentalite	10	10	10	10	10	10	10	10	10	10
Dental Portable Scaler	7	7	7	7	7	7	7	7	7	7
Kiosk Touchscreen system	5	5	5	5	5	5	5	5	5	5
Vital Statistics scanners/readers	7	7	7	1	1	1	1	1	1	1
Generators/power source	5	5	5	5	5	5	5	5	5	4
Planmeca digital panoramic machine	4	4	4	4	2	2	2	2	2	2
Community Health vehicles	3	3	3	3	2	-	-	-	-	-
Communicable Disease Prevention										
Water purification systems for lab	3	3	3	3	3	3	3	3	3	3
Agglutination Processor	1	1	1	1						
Refrigerators/freezer for lab	43	35	34	24	24	23	23	23	22	16
Incubator for lab	8	8	7	7	7	7	7	7	7	7
Trailer with hitch	11	11	11	11	11	11	8	8	8	8
Generator power-diesel	3	3	3	3	3	3	3	3	3	3
Storage area network w/cabinet	2	2	2	2	2	2	2	2	2	2
Kodak color scanners	6	6	6	6	6	6	6	6	5	5
Truck-Super 4X4	4	4	3	3	3	3	3	3	3	3
Water Quality and Hazardous Materials										
Water quality trucks for site cleanups	14	14	14	14	17	17	17	17	17	17
Analyzers for hazardous materials	5	5	5	5	5	5	5	5	5	5
Housing and Neighborhood Health										
Analyzers for lead testing	10	10	10	10	10	9	9	8	8	8
Vans/cars for housing visits	17	17	15	10	10	8	8	7	7	6
Vector Disease Control										
Environmental trucks/vans for cleanup	29	29	28	28	27	27	27	24	23	23
Dump Trucks	19	19	19	17	20	18	18	17	17	17
Tractors/Trailers	29	29	29	27	28	28	28	28	28	28
Rodent/Mosquito control trucks for spraying	79	76	71	67	69	65	64	64	62	57
Rodent/Mosquito control - sprayers	19	16	16	12	12	12	12	12	12	10
Rodent/Mosquito Control - generators	6	6	6	6	6	6	6	6	6	6
Long-Term Care										
# of buildings	78	78	78	78	78	78	78	61	59	59
Eskenazi Health										
# of beds	336	336	336	336	336	336	346	315	315	281

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