# Health and Hospital Corporation of Marion County, Indiana

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

Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

# The Health and Hospital Corporation of Marion County, Indiana

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

**Comprehensive Annual Financial Report**
**For the Year Ended December 31, 2011**

Matthew R. Gutwein
President and Chief Executive Officer

Daniel E. Sellers
Treasurer and Chief Financial Officer

Prepared by: The Treasurer's Office

# Health and Hospital Corporation of Marion County, Indiana

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

## For the Year Ended December 31, 2011

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# Health and Hospital Corporation of Marion County, Indiana

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

**For the Year Ended December 31, 2011**

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# Introductory Section

HEALTH & HOSPITAL CORPORATION

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June 30, 2012

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

The Comprehensive Annual Financial Report of the Health and Hospital Corporation of Marion County, Indiana (Corporation) (a component unit of the Consolidated City of Indianapolis - Marion County), for the fiscal year ended December 31, 2011, is submitted herewith. This report is presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and is audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Corporation has a responsibility to inform both the taxpayers of Marion County and its investors of its financial condition. We believe that this report fulfills that responsibility.

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

The Corporation's financial statements have been audited by BKD LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Corporation for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the Corporation's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

## PROFILE OF THE CORPORATION

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

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

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

Wishard is comprised of Wishard Memorial Hospital, a general acute care facility with 316 staffed beds, excluding newborn nursery; nine community health centers, Midtown Community Mental Health Center, Regenstrief Health Center, Wishard's Emergency Trauma Service, Indianapolis EMS Ambulance Service and the Richard M. Fairbanks Burn Center. Wishard is accounted for as an Enterprise Fund.

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

The Corporation also has a long-term care (LT Care) Enterprise Fund, which operates 52 nursing homes throughout Indiana at the end of 2011. LT Care supports the Corporation's mission and goal to provide quality care and services to elderly and disabled people. There have been six additional purchases in 2012, which are reported as subsequent events in the footnotes of the financial section of this report.

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

### *INTERNAL CONTROL STRUCTURE*

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

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

### *BUDGET*

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

## ECONOMIC CONDITION AND OUTLOOK

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

### *LOCAL ECONOMY*

Indianapolis is the nation's 14th largest city. According to the U.S. Census Bureau's Statistics for the period 2006 - 2008, the estimated population of Marion County is 876,198 and 1,692,148 for the Indianapolis Metropolitan Area. Indianapolis is well-known for the multitude of cultural, educational, sporting, shopping and dining opportunities offered to its residents and visitors. Indianapolis is the home of “Hoosier Hospitality” the perfect blend of Midwest, small town welcome and big city attractions and opportunities. Employers and employees discover that a dollar goes further here. Residents and business owners alike enjoy an extremely competitive cost of living, along with a high quality of life.

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

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

## *LONG-TERM FINANCIAL PLANNING*

Along with the changes in healthcare finance, the Corporation is constructing a new campus for Wishard Health Services. The new hospital is expected to open by the end of 2013 and the system will be renamed Eskenazi Health in recognition of a $40 million capital campaign gift from Sidney and Lois Eskenazi made in the summer of 2011. The campus will have a 315-bed inpatient hospital, an outpatient clinic with 200 exam rooms, a 2,400-car parking garage, the largest emergency department in the State, a women's health clinic, a central energy plant and offices for faculty, research and administrative functions.

Eskenazi Hospital is being built on land formerly owned by IUPUI. The Corporation exercised a land-swap option agreement and has paid $3.95 million to date to Indiana University in connection with this agreement. The agreement allowed the Corporation to take control of the hospital site right away, while gradually ceding ownership of its current hospital site over the next four years to IUPUI.

Eskenazi Health is pursuing LEED Silver certification which would make it one of only ten newly constructed hospitals in America to achieve LEED certification at the level of Silver or higher, and the only one of its kind in Indiana.

To fund Eskenazi Hospital, the Corporation sought and was granted approval from the citizens of Marion County to issue up to $703.04 million of debt. The Corporation also committed to using $150 million of its reserves to help pay for the new hospital. A historic level of support was given to the project in a November 3, 2009 referendum election - in which an overwhelming 85 percent of Marion County voters approved the project. Only four months later, $660.68 million in bonds were issued to finance the project. The aggregate interest rate was 3.9% on the 30-yr fixed rate issuance. By year-end 2011, the Eskenazi Health project was more than 50% contracted and committed. The parking garage and power plant were preparing for initial use in spring 2012. The office building and the clinic building were in the initial construction phases and the hospital building was fully enclosed and internal work was on-going.

## *MAJOR INITIATIVES FOR THE YEAR*

### Marion County Public Health Department:

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

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

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

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

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

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

**Wishard Health Services:**

Wishard received many awards during 2011, a sample of which includes:

- The Center for Youth and Adults with Conditions of Childhood (CYACC) was honored as the winner of the 2011 Indianapolis Business Journal's Health Care Heroes Award in the community achievement in health care category. CYACC was credited with successfully addressing not only the medical needs of youth who have disabilities or chronic illnesses and are aging out of the pediatric care system, but for providing them with community and educational resources.

- Wishard Health Services was presented with the 2011 "SIGHTation of Merit" award from the Indiana Lions Eye & Tissue Bank for exemplary leadership and commitment to their donor program, and community.

- Midtown Community Mental Health Center received the 2011 Rural Indiana Smoke-Free Environment Award (R.I.S.E.) from the Indiana Tobacco Prevention and Cessation Agency.

- Wishard Health Services received the Malden Mills Promise Award from the Greater Indianapolis NAACP Branch for its outstanding dedication to workforce diversity, its commitment to employee relations and its contributions to the advancement of the Indianapolis community.

- Wishard Health Services was recognized with the Mayor's Diversity in Business Award at the 2011 Mayor's Breakfast as part of the Indiana Black Expo Summer Celebration's Black Business Conference.

- Wishard Health Services was selected as a finalist at this year's Healthiest Employers of Indiana awards presented by the Indianapolis Business Journal.

- The Indiana chapter of Associated Builders and Contractors, Inc. presented the Award of Excellence to Wishard Health Services for its collaboration with Summit Construction Co., Inc. on the Interventional Radiology and Cardiac Diagnostic Suite, located on the third floor of the Dunlap Building. The award was given for demonstrated excellence in merit shop construction.

- The Wishard Volunteer Advocates Program and Dr. Malaz Boustani, medical director of the Wishard Healthy Aging Brain Center, earned the 2011 Tony and Mary Hulman Health Achievement Award in the fields of preventive medicine and public health and in health science research, respectively.

- HealthyMe, formerly Take ChargeLite, was presented with the Health Award at the Black Nurses Association of Indianapolis' 8th annual luncheon and fundraising banquet on October 21.

- Midtown Community Mental Health Center's STARS team received the Heroes for Recovery - Treatment Team award from Mental Health America of Indiana.

Wishard continued its focus on primary and preventive care as evidenced by the expansion of its outpatient delivery system. During 2011, Wishard completed the design phase of its largest community health center, which will be located on the west side of Indianapolis. Construction of this center will begin in 2012 and is scheduled to open during the second half of 2013. Wishard continues to investigate and implement strategies that increase its ability to serve an increased number of patients in the outpatient setting.

The Corporation continued to operate the Wishard Advantage program. The program provides a managed care approach to the County's underserved population. Many Advantage patients previously did not participate in primary or preventative care for themselves or their families, instead relying on the emergency room for primary care. Advantage helps the patients receive better care and at the same time reduce costs by providing care before a trip to the emergency room becomes necessary.

**LT Care:**

At the end of 2011, the Corporation had 52 nursing homes and two free standing licensed residential facilities (Coventry Meadows and Rosewalk at Lutherwoods). It also had two unlicensed assisted living facilities (Rosegate Commons and Heritage Park) and two unlicensed independent Living facilities (Heritage Park and Lincoln Lodge at American Village). The Corporation purchased nine nursing homes in 2011 and two assisted living facilities - Rosegate Commons and Lutherwoods.

The Corporation recognizes a financial benefit from owning and operating nursing homes and takes very seriously its responsibility to use the funds wisely to improve healthcare outcomes in all of its Medicaid venues. The Corporation invests more than three times the capital improvements as the average home in Indiana. A goal was established in 2010 and funds allocated in the individual facility operating budgets to increase RN coverage in direct care positions from a minimum of eight (8) hours per day to twenty-four (24) hours per day. All facilities are making a concerted effort to meet this goal. Funds were allocated in 2011 to allow all HHC nursing homes to implement electronic medical record systems. The Corporation continues to spend time and resources to provide the highest quality care to the residents of our homes around the State.

**<u>AWARDS AND ACKNOWLEDGEMENTS</u>**

The Corporation had an annual audit of its financial statements performed for 2011 by BKD LLP, Certified Public Accountants. The independent auditor's report on the Corporation's financial statements is included in the financial section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Health and Hospital Corporation of Marion County, Indiana for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010. Health and Hospital Corporation of Marion County, Indiana has received a Certificate of Achievement for the last 27 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

| | |
|---|---|
| Matthew R. Gutwein<br>President and<br>Chief Executive Officer | Daniel E. Sellers<br>Treasurer and<br>Chief Financial Officer |

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## The Health and Hospital Corporation of Marion County Indiana

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2010

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

Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

# Health and Hospital Corporation

## Elected Officials

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

## Appointed Officials - Board of Trustees

James D. Miner, M.D.
Chairman
Physician

Lula M. Journey
Vice Chairman
Retired

David W. Crabb, M.D.
Physician

Gregory S. Fehribach
Attorney
Stark, Doninger & Smith

Joyce D. Irwin
Director, State
Government Affairs
Roche Diagnostics

Marjorie H. O'Laughlin
Retired

Robert B. Pfeifer,
C.P.A.

# Health and Hospital Corporation

## Officers

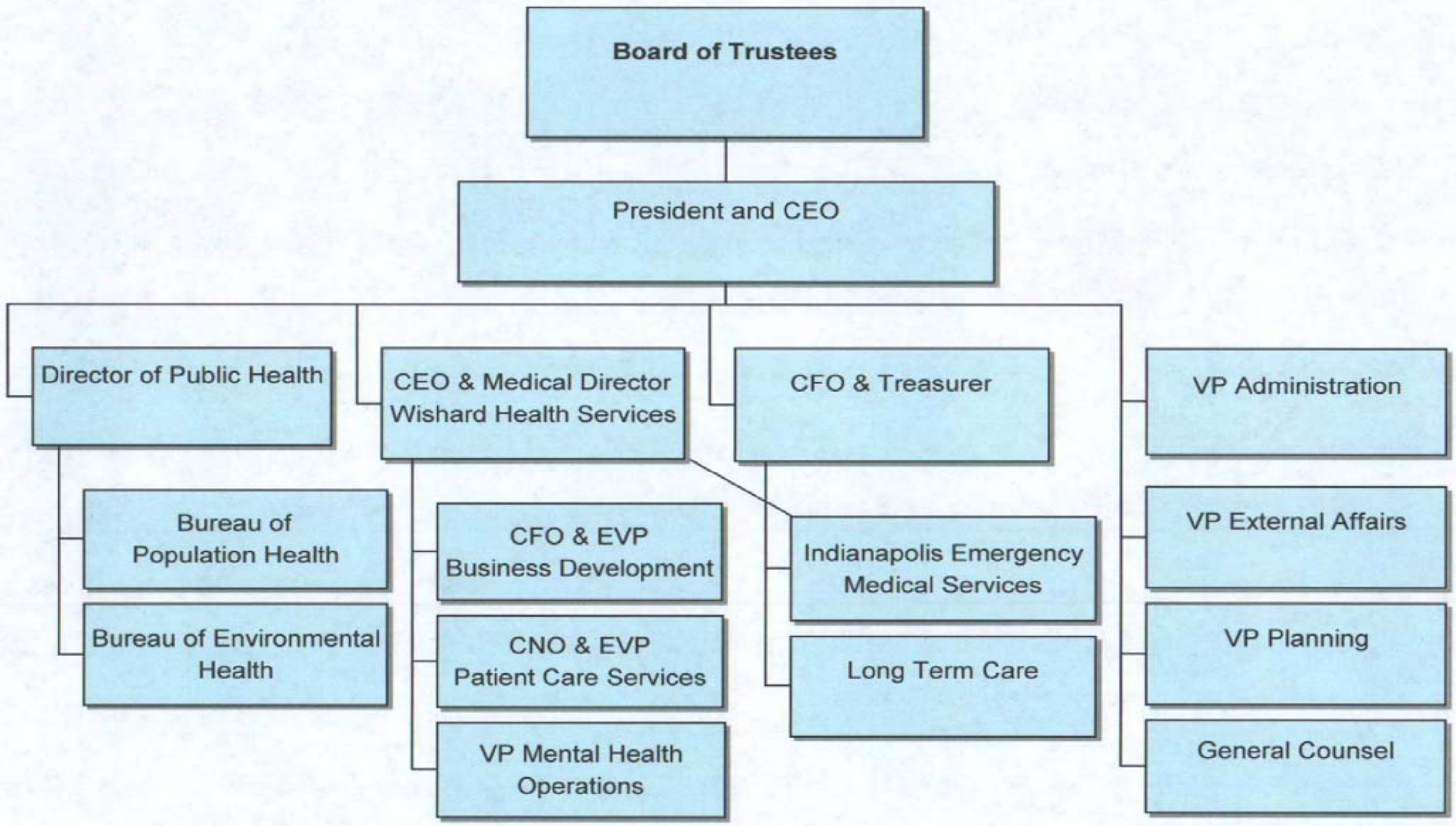
| Name | Title |
|---|---|
| Matthew R. Gutwein | President and Chief Executive Officer |
| Daniel E. Sellers | Treasurer and Chief Financial Officer |
| Lisa E. Harris, M.D. | CEO and Medical Director, Wishard Health Services |
| Virginia A. Caine, M.D. | Director, Marion County Public Health Department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

## Independent Auditors

| | |
|---|---|
| **BKD, LLP** | Indianapolis, Indiana |

Officers of the Health and Hospital Corporation during 2011 were (left to right): Matthew R. Gutwein, President and Chief Executive Officer; Lisa E. Harris, M.D., CEO and Medical Director, Wishard Health Services; Virginia A. Caine, M.D., Director, Marion County Public Health Department; and Daniel E. Sellers, Treasurer and Chief Financial Officer.

# HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY



# Financial Section

BKD LLP
CPAs & Advisors

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P.O. Box 44998
Indianapolis, IN 46244-0998
317.383.4000 Fax 317.383.4200 www.bkd.com

# Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Health and Hospital Corporation of Marion County, Indiana (a component unit of the Consolidated City of Indianapolis - Marion County) (Corporation) as of and for the year ended December 31, 2011, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Health and Hospital Corporation of Marion County, Indiana as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, in 2011, the Corporation changed its method of accounting for governmental fund balances.

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

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

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

BKD, LLP

June 29, 2012

# Management's Discussion and Analysis

As management of the Health and Hospital Corporation of Marion County, Indiana, (Corporation), we offer readers of this Corporation's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter at the front of this report along with the financial statements, including the footnotes that follow the basic financial statements.

**Financial Highlights**

- The assets of the Corporation exceeded its liabilities at the close of the most recent fiscal year by $406,697,087 (net assets). Of this amount, $288,501,245 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Corporation's total net assets decreased by $19,268,323.
- As of the close of 2011, the Corporation's governmental funds reported combined ending fund balances of $276,115,899, a decrease of $89,252,431 in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $131,936,536 or 157% of total general fund expenditures.
- The Corporation's total debt, excluding capital leases, decreased by $2,481,485 million or 1% during the current fiscal year. This reflects scheduled principal payments on outstanding bonds. The capital lease obligation increased by $76,144,833 or 26.8% in 2011.

**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 assets presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

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

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

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

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

## Financial Analysis of the Corporation as a Whole

### Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets exceeded liabilities by $406,697,087 at December 31, 2011.

A portion of the Corporation's net assets, 29.0%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Corporation uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Corporation's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net assets, $288,501,245, may be used to meet the government's ongoing obligations to citizens and creditors.

The Corporation's net assets decreased by $19,268,323 during the current fiscal year. The majority of the decrease reported in connection with the Corporation's governmental activities resulted from the decrease in Medicaid special revenue receipts and the increase in the payment of interest on long-term debt.

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| **Assets** | | | | | | |
| Current and other assets | $ 340,965,307 | $ 396,567,728 | $ 271,486,313 | $ 235,881,263 | $ 612,451,620 | $ 632,448,991 |
| Capital assets, net of accumulated depreciation | 272,513,722 | 120,130,094 | 452,547,488 | 404,397,251 | 725,061,210 | 524,527,345 |
| Total Assets | 613,479,029 | 516,697,822 | 724,033,801 | 640,278,514 | 1,337,512,830 | 1,156,976,336 |
| **Liabilities** | | | | | | |
| Long-term liabilities | 383,280,696 | 300,223,375 | 391,399,769 | 319,372,724 | 774,680,465 | 619,596,099 |
| Other liabilities | 57,001,025 | 25,949,785 | 99,134,253 | 85,465,042 | 156,135,278 | 111,414,827 |
| Total Liabilities | 440,281,721 | 326,173,160 | 490,534,022 | 404,837,766 | 930,815,743 | 731,010,926 |
| **Net Assets** | | | | | | |
| Invested in capital assets, net of related debt | 19,442,084 | (823,835) | 98,753,758 | 120,295,667 | 118,195,842 | 119,471,832 |
| Restricted | - | 6,980,523 | - | 171,034 | - | 7,151,557 |
| Unrestricted | 153,755,224 | 184,367,974 | 134,746,021 | 114,974,047 | 288,501,245 | 299,342,021 |
| Total Net Assets | $ 173,197,308 | $ 190,524,662 | $ 233,499,779 | $ 235,440,748 | $ 406,697,087 | $ 425,965,410 |

## Changes in Net Assets

The Corporation's total revenue was $1,058,084,536 during the current fiscal year. Taxes represent 10.5% of the Corporation's revenue. Medicaid special revenue represents 1.4% of revenue, while 79.9% of revenue came from fees charged for services. The remaining 8.2% came from grants and contributions, interest earnings and miscellaneous revenues.

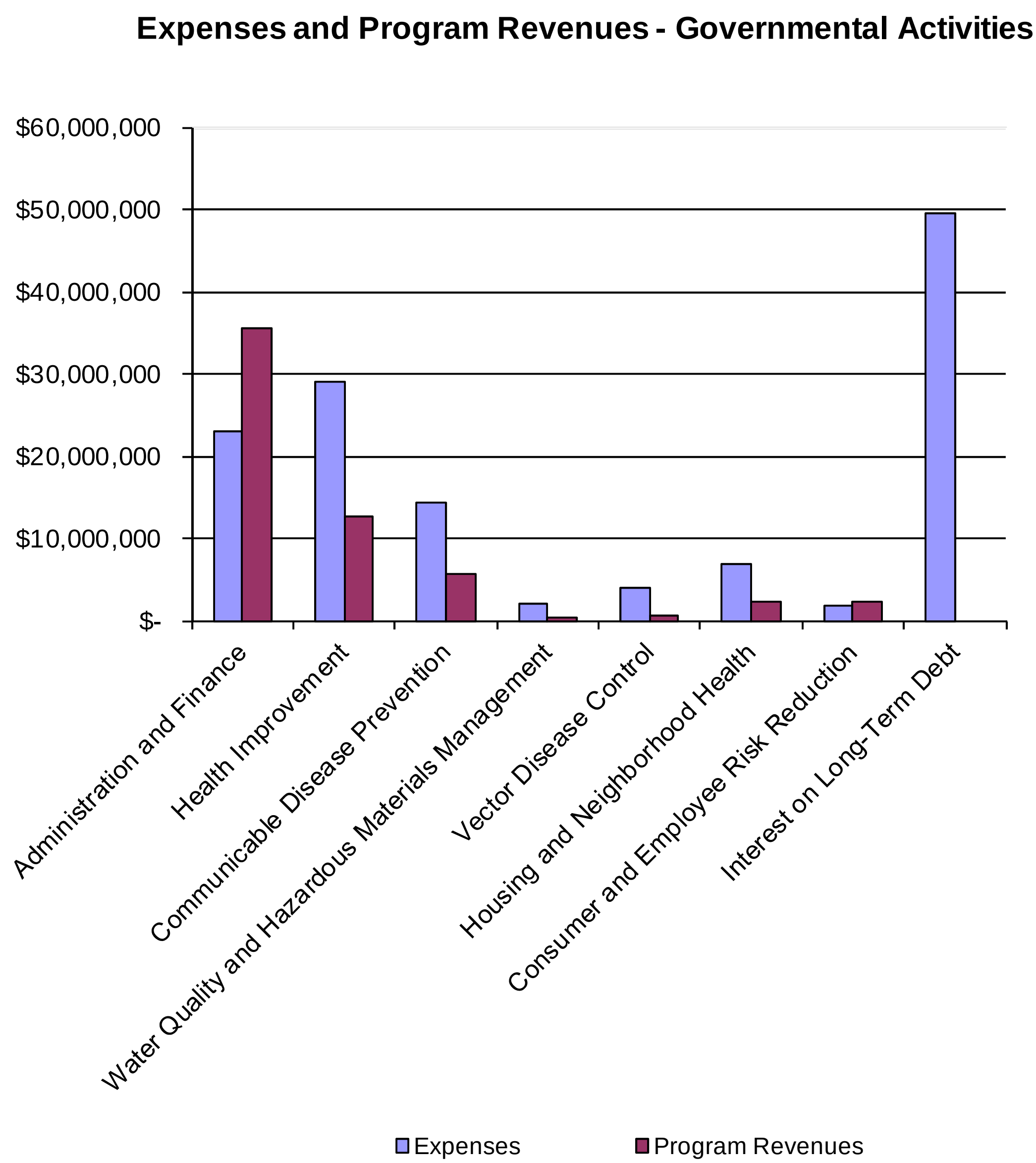
The total cost of all programs and services was $1,077,352,859. This resulted in a decrease in net assets for the year of $19,268,323.

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 9,757,151 | $ 7,168,092 | $ 836,052,653 | $ 682,253,524 | $ 845,809,804 | $ 689,421,616 |
| Operating grants and contributions | 47,974,400 | 44,126,964 | 20,460,189 | 18,703,315 | 68,434,589 | 62,830,279 |
| Capital grants and contributions | 1,532,905 | 3,104,698 | - | 769,000 | 1,532,905 | 3,873,698 |
| General revenues | | | | | | |
| Property, HCI and local option income taxes | 104,742,264 | 105,792,726 | - | - | 104,742,264 | 105,792,726 |
| Other taxes | 6,588,282 | 6,527,542 | - | - | 6,588,282 | 6,527,542 |
| Medicaid special revenue | 14,374,161 | 39,048,278 | - | - | 14,374,161 | 39,048,278 |
| Build America Bonds interest subsidies | 13,775,283 | - | - | - | 13,775,283 | - |
| Unrestricted investment earnings | 1,316,116 | 2,482,149 | 1,511,132 | 1,377,344 | 2,827,248 | 3,859,493 |
| Total revenues | 200,060,562 | 208,250,449 | 858,023,974 | 703,103,183 | 1,058,084,536 | 911,353,632 |
| **Expenses** | | | | | | |
| Administration and finance | 23,045,390 | 28,400,818 | - | - | 23,045,390 | 28,400,818 |
| Health improvement | 28,917,502 | 28,146,044 | - | - | 28,917,502 | 28,146,044 |
| Communicable disease prevention | 14,388,516 | 14,696,779 | - | - | 14,388,516 | 14,696,779 |
| Water quality and hazardous material management | 2,005,942 | 1,918,932 | - | - | 2,005,942 | 1,918,932 |
| Vector disease control | 3,954,524 | 3,905,768 | - | - | 3,954,524 | 3,905,768 |
| Housing and neighborhood health | 6,986,843 | 6,992,305 | - | - | 6,986,843 | 6,992,305 |
| Consumer and employee risk reduction | 1,795,884 | 1,916,259 | - | - | 1,795,884 | 1,916,259 |
| Interest on long-term debt | 49,636,823 | 2,359,635 | - | - | 49,636,823 | 2,359,635 |
| Wishard Health Services | - | - | 519,774,867 | 487,807,076 | 519,774,867 | 487,807,076 |
| Long-term care | - | - | 426,846,568 | 366,852,811 | 426,846,568 | 366,852,811 |
| Total expenses | 130,731,424 | 88,336,540 | 946,621,435 | 854,659,887 | 1,077,352,859 | 942,996,427 |
| **Increase (Decrease) in Net Assets Before Transfers** | 69,329,138 | 119,913,909 | (88,597,461) | (151,556,704) | (19,268,323) | (31,642,795) |
| **Transfers** | (86,656,492) | (142,989,585) | 86,656,492 | 142,989,585 | - | - |
| **Decrease in Net Assets** | (17,327,354) | (23,075,676) | (1,940,969) | (8,567,119) | (19,268,323) | (31,642,795) |
| **Net Assets, Beginning of Year** | 190,524,662 | 213,600,338 | 235,440,748 | 244,007,867 | 425,965,410 | 457,608,205 |
| **Net Assets, End of Year** | $ 173,197,308 | $ 190,524,662 | $ 233,499,779 | $ 235,440,748 | $ 406,697,087 | $ 425,965,410 |

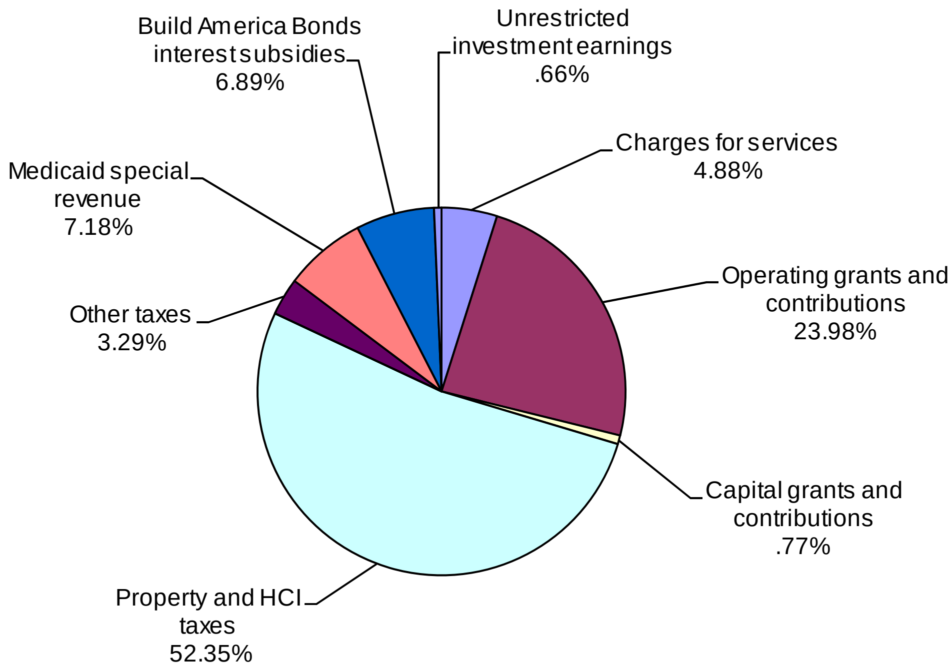
**Governmental activities -** Governmental activities decreased the Corporation's net assets by $17,327,354 compared to the total $19,268,323 decrease in net assets of the Corporation. Medicaid special revenue decreased due to less funding being received than anticipated for the 2011 year. Interest on long-term debt increased substantially due to the issuance of bonds in the previous year.

Transfers were $86,656,492 (net), a decrease of $56,333,093 million from last year. Transfers reflect support to Wishard and equity transfers from long-term care.

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



## Revenues by Source - Governmental Activities

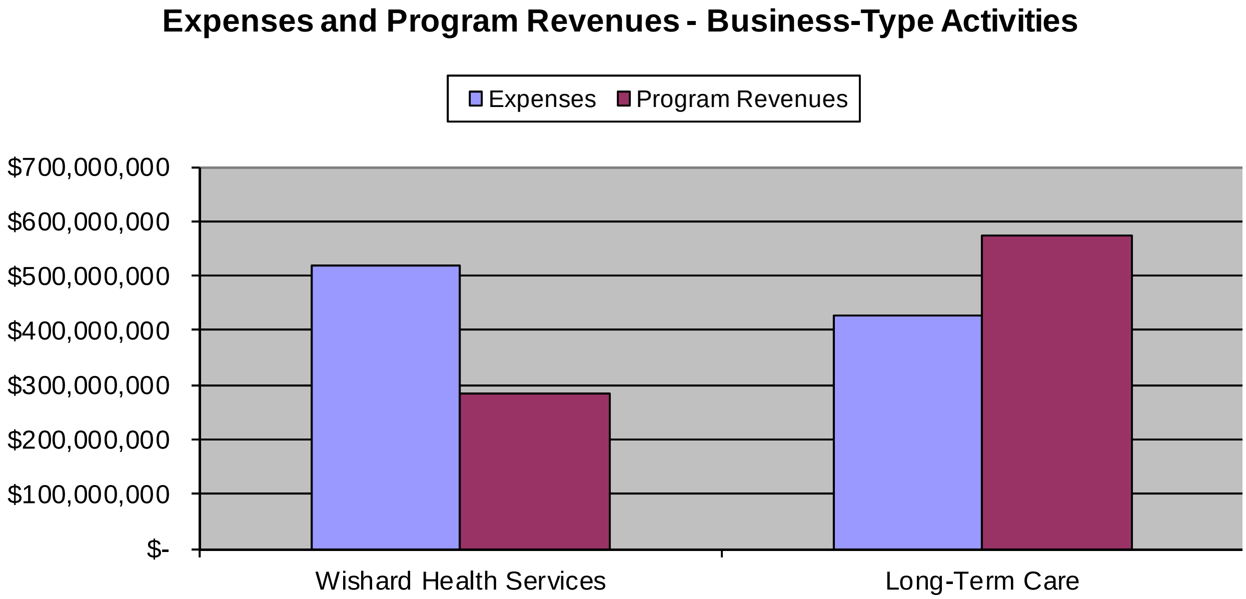


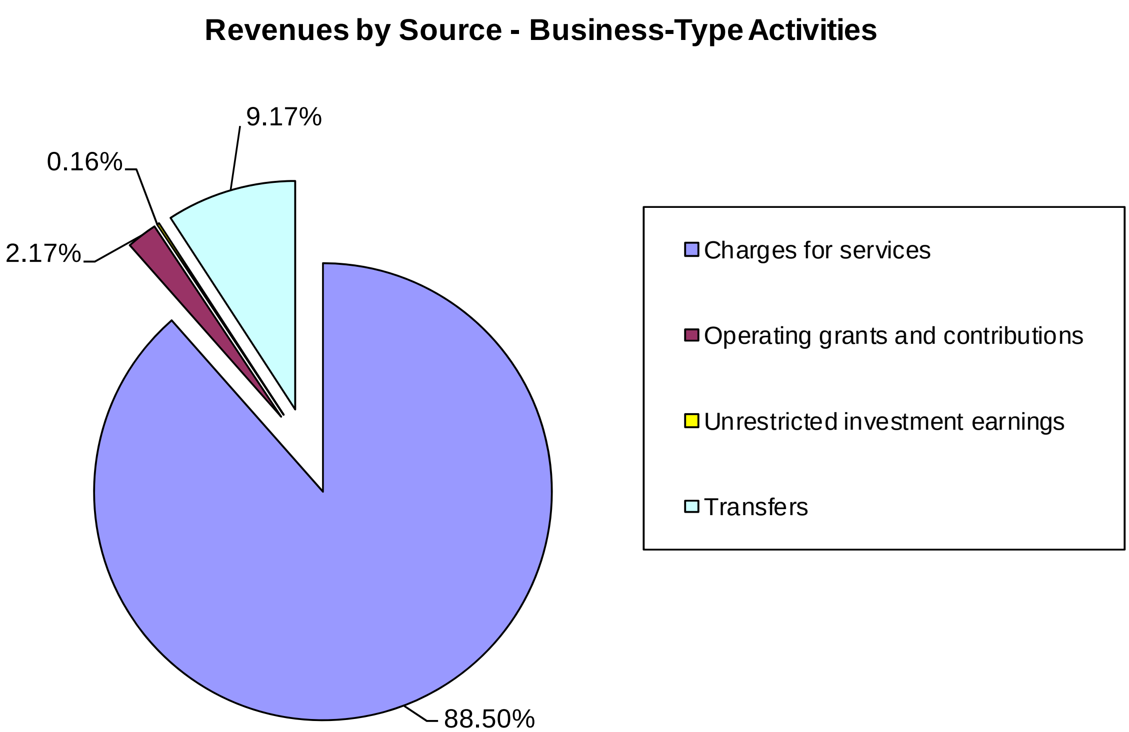

**Business-type activities -** Business-type activities decreased the Corporation's net assets by $1,940,969 compared to a decrease of $8,567,119 in 2010.

Wishard's net assets decreased by $40,773,161 million in the current year. Net assets invested in capital assets decreased by $30,415,748 million primarily due to increases in capital asset acquisition and construction in progress totaling $11.3 million reduced by ordinary depreciation of $26.9 million and an additional $14.8 million of accelerated depreciation to write down assets in accordance with the remaining useful life of the current Wishard facility. Wishard's unrestricted net assets decreased by $10.2 million. Operating revenues increased by $9,351,017 due to a $4.6 million increase in net patient services revenue and a $4.7 million increase in other revenue. Operating expenses increased $31,967,791 due to cost inflation, staffing changes, increased cost of employee health insurance coverage, increased cost of the PERF retirement program and the increased depreciation expense noted above. Wishard incurred an operating loss of $257,955,631, which was offset by approximately $195.2 million in transfers from the General Fund, approximately $20.5 million in mental health grants from various agencies, and approximately $1.5 million in investment income.

LT Care net assets were $116,659,442, which was an increase of $38,832,192 over 2010. Operating revenues increased $144,448,112 due to increased Medicare and Managed Care reimbursements and increased patient revenue related to new homes. Operating expenses increased $59,494,326. This was primarily due to the addition of several nursing homes in 2011. LT Care has a negative $2,626,837 invested in capital assets, net of related debt. All 52 facilities are recorded as capital leases under noncurrent assets.

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



## Financial Analysis of the Corporation's Funds

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

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

As of the end of the current fiscal year, the Corporation’s governmental funds reported combined ending fund balances of $276,115,899, a decrease of $89,252,431 in comparison with the prior year. Approximately 51% of this total amount, $141,220,367 constitutes restricted fund balance, which is related to capital outlays for the new hospital and money set aside for debt service. Approximately 48% of the total amount, or $131,302,843 is unassigned fund balance. The remaining 1% of fund balance is nonspendable or assigned.

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 $131,936,536, while the total fund balance decreased to $135,529,225. 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 157.1% of total general fund expenditures, while total fund balance represents 161.4% of that same amount.

The fund balance of the Corporation’s General Fund decreased by $17,628,676 during the current fiscal year, in comparison to an $8,388,340 increase in 2010. Tax revenue decreased in 2011 since 2010 was a year where additional taxes were received related to 2009. Medicaid special revenue decreased due to all budgeted dollars for 2011 were not received. Expenses decreased slightly due to decreased capital outlays and decreased expenditures related to grants. Transfers out reflect an increase in support to Wishard of approximately $15 million and an additional 26 million to cover new debt service payments. Transfers in reflect an equity transfer from long-term care.

***Debt Service Fund*** **-** The Debt Service Fund has a fund balance of $16,860,613 compared to a fund balance of $22,137,744 in the prior year. The net decrease in fund balance during the current year was $5,277,131. This decrease is due to debt service payments related to the 2010 General Obligation Bonds.

***Capital Projects Fund*** **-** The Capital Projects Fund has a total fund balance of $123,726,061. The net decrease in fund balance during the current year was $66,346,624 due to capital outlays related to the new hospital.

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

Unrestricted net assets of Wishard Health Services at the end of the year amounted to $15,459,742. Total net assets for Wishard decreased by $40,773,161. Other factors concerning the finances of Wishard have already been addressed in the discussion of the Corporation’s business-type activities.

Unrestricted net assets of LT Care at the end of the year were $119,286,279. The increase in net assets was $38,832,192. Other information on LT Care operations can be found in the discussion of the Corporation’s business-type activities.

## General Fund Budgetary Highlights

The original budget of $307,737,000 was increased during 2011 to $327,737,000. All budget categories except capital outlays were increased to accommodate anticipated expenditures through year end.

The final General Fund budget of $327,737,000 included $147,737,000 in expenditures and approximately $180,000,000 in transfers. Actual expenditures and transfers out were $311,017,036. Of the total underspending, $1.2 million related to personal services, $765,000 to supplies, $56.0 million to contractual services, and $588,000 to capital outlays. Underspending for contractual service reflects a change in accounting treatment in which intergovernmental transfers for special Medicaid are now being netted against revenue rather than shown as expense. This accounting treatment change was intended to be reflected in the 2011 budget for the Corporation but was not due to an error. It is reflected properly in the 2012 budget. Additional underspending in other categories reflects potential year-end initiatives that did not occur. General revenues and other resources were estimated at $258,944,134, and actual was $293,445,859. Taxes collected were approximately $5.2 million over budget due to LOIT and other taxes being higher than expected. Medicaid special revenue was approximately $9.3 million over budget due to more dollars being received than anticipated. Miscellaneous revenue was approximately 20.2 million over budget due to increased cash collection of medical education revenues from Indiana University and an additional contribution from Indiana University Health Foundation.

## Capital Asset and Debt Administration

***Capital Assets*** **-** The Corporation's capital assets for its governmental and business-type activities as of December 31, 2011, amounts to $725,061,210 (net of accumulated depreciation), compared to $524,527,345 at the end of 2010. This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, and construction in progress.

Major capital asset events during 2011 included the following:

- Construction in progress related to Eskenazi Health
- Purchase and subsequent renovation of the Shoemaker Building

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Land | $ 4,114,896 | $ 4,114,896 | $ 2,897,993 | $ 2,897,993 | $ 7,012,889 | $ 7,012,889 |
| Land improvements | - | - | 3,747,817 | 3,550,585 | 3,747,817 | 3,550,585 |
| Buildings and improvements | 17,357,516 | 8,455,979 | 380,147,213 | 330,081,520 | 397,504,729 | 338,537,499 |
| Equipment | 7,884,287 | 2,608,167 | 50,838,881 | 41,960,631 | 58,723,168 | 44,568,798 |
| Vehicles | 613,677 | 615,642 | 1,573,134 | 1,442,427 | 2,186,811 | 2,058,069 |
| Construction in progress | 242,543,346 | 104,335,410 | 13,342,450 | 24,464,095 | 255,885,796 | 128,799,505 |
| Total assets | $ 272,513,722 | $ 120,130,094 | $ 452,547,488 | $ 404,397,251 | $ 725,061,210 | $ 524,527,345 |

***Long-Term Debt*** **-** At the end of 2011, the Corporation had total general obligation debt outstanding of $234,470,364. Moody's Investors Service rates the Corporation's general obligation debt "Aaa".

State statutes limit the amount of general obligation debt a governmental entity may issue to 0.67% of its total assessed valuation. The current debt limitation for the Corporation is $243,021,408. Outstanding debt at December 31, 2011 represents 95% of this limit.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| 1988 renovation bonds | $ 13,815,000 | $ 15,045,000 | $ - | $ - | $ 13,815,000 | $ 15,045,000 |
| 2005 general obligation bonds | 22,570,000 | 23,795,000 | - | - | 22,570,000 | 23,795,000 |
| 2010 general obligation bonds | 195,000,000 | 195,000,000 | - | - | 195,000,000 | 195,000,000 |
| Deferred bond premiums | 4,357,617 | 4,541,260 | - | - | 4,357,617 | 4,541,260 |
| Deferred amount on refunding | (1,272,253) | (1,429,411) | - | - | (1,272,253) | (1,429,411) |
| Due to local government | 135,659,802 | 52,839,395 | - | - | 135,659,802 | 52,839,395 |
| Capital leases | 6,452,687 | - | 353,793,730 | 284,101,584 | 360,246,417 | 284,101,584 |
| Total long-term debt | $ 376,582,853 | $ 289,791,244 | $ 353,793,730 | $ 284,101,584 | $ 730,376,583 | $ 573,892,828 |

## Economic Factors and Next Year's Budgets and Rates

The 2012 original budget for all annually budgeted funds is $345,920,469. No revisions have been made through June 2012. The 2012 General Fund budget is $263,037,000 a 14.5% decrease from the 2011final General Fund budget of $307,737,000. The 2012 General fund expenditure budget is lower than 2011 due to change in accounting treatment mentioned above related to the intergovernmental transfers for Medicaid special revenue. The budget for the Corporation will continue to be challenged by increasing expenditures and declining revenue in the form of property tax caps and reduced Medicaid special revenue.

## Requests for Information

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

# Basic Financial Statements

# Health and Hospital Corporation of Marion County, Indiana

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

## Statement of Net Assets
## December 31, 2011

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 156,546,836 | $ 84,229,993 | $ 240,776,829 |
| Investments | - | 5,429,812 | 5,429,812 |
| Receivables, net: | | | |
| Patient services | - | 75,780,924 | 75,780,924 |
| Medicaid special revenue | - | 32,290,788 | 32,290,788 |
| Grants | 4,199,002 | 3,978,253 | 8,177,255 |
| Interest | - | 33,637 | 33,637 |
| Other | 8,352,501 | 4,632,840 | 12,985,341 |
| Internal balances | 2,493,906 | (2,493,906) | - |
| Inventories | - | 4,886,753 | 4,886,753 |
| Prepaid costs and other assets | 417,843 | 8,550,559 | 8,968,402 |
| Restricted cash and cash equivalents | 119,860,057 | - | 119,860,057 |
| Restricted investments | 42,926,803 | - | 42,926,803 |
| Bond issuance costs | 1,962,360 | - | 1,962,360 |
| Lease acquisition costs (net of accumulated amortization) | - | 27,551,943 | 27,551,943 |
| Joint venture investment | 4,205,999 | 16,881,330 | 21,087,329 |
| Other long-term assets | - | 9,733,387 | 9,733,387 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 4,114,896 | 2,897,993 | 7,012,889 |
| Land improvements | - | 3,747,817 | 3,747,817 |
| Buildings and improvements | 17,357,516 | 380,147,213 | 397,504,729 |
| Equipment | 7,884,287 | 50,838,881 | 58,723,168 |
| Vehicles | 613,677 | 1,573,134 | 2,186,811 |
| Construction in progress | 242,543,346 | 13,342,450 | 255,885,796 |
| Total assets | 613,479,029 | 724,033,801 | 1,337,512,830 |
| **Liabilities** | | | |
| Accounts payable | 15,323,133 | 59,989,402 | 75,312,535 |
| Restricted accounts payable | 29,275,645 | - | 29,275,645 |
| Accrued liabilities | 947,754 | 26,656,982 | 27,604,736 |
| Unearned revenue | 11,126,031 | 2,876,858 | 14,002,889 |
| Estimated Medicare/Medicaid settlements | - | 1,119,038 | 1,119,038 |
| Medical claims incurred but not reported | - | 5,776,548 | 5,776,548 |
| Net pension obligation | 328,462 | 2,715,425 | 3,043,887 |
| Long-term liabilities | | | |
| Due within one year | 18,983,628 | 46,069,712 | 65,053,340 |
| Due in more than one year | 364,297,068 | 345,330,057 | 709,627,125 |
| Total liabilities | 440,281,721 | 490,534,022 | 930,815,743 |
| **Net Assets** | | | |
| Invested in capital assets, net of related debt | 19,442,084 | 98,753,758 | 118,195,842 |
| Unrestricted | 153,755,224 | 134,746,021 | 288,501,245 |
| Total net assets | $ 173,197,308 | $ 233,499,779 | $ 406,697,087 |

# 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, 2011

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|---|---|---|---|---|---|---|
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| **Governmental Activities** | | | | | | | |
| Administration and finance | $ 23,045,390 | $ 3,375,608 | $ 32,253,328 | $ - | $ 12,583,546 | $ - | $ 12,583,546 |
| Health improvement | 28,917,502 | 2,259,188 | 10,205,469 | 97,476 | (16,355,369) | - | (16,355,369) |
| Communicable disease prevention | 14,388,516 | 559,475 | 4,586,362 | 431,028 | (8,811,651) | - | (8,811,651) |
| Water quality and hazardous materials management | 2,005,942 | 353,215 | 68,913 | - | (1,583,814) | - | (1,583,814) |
| Vector disease control | 3,954,524 | 563,276 | - | - | (3,391,248) | - | (3,391,248) |
| Housing and neighborhood health | 6,986,843 | 468,733 | 860,328 | 1,004,401 | (4,653,381) | - | (4,653,381) |
| Consumer and employee risk reduction | 1,795,884 | 2,177,656 | - | - | 381,772 | - | 381,772 |
| Interest on long-term debt | 49,636,823 | - | - | - | (49,636,823) | - | (49,636,823) |
| Total governmental activities | 130,731,424 | 9,757,151 | 47,974,400 | 1,532,905 | (71,466,968) | - | (71,466,968) |
| **Business-Type Activities** | | | | | | | |
| Wishard Health Services | 519,774,867 | 261,819,236 | 20,460,189 | - | - | (237,495,442) | (237,495,442) |
| LT Care | 426,846,568 | 574,233,417 | - | - | - | 147,386,849 | 147,386,849 |
| Total business-type activities | 946,621,435 | 836,052,653 | 20,460,189 | - | - | (90,108,593) | (90,108,593) |
| Total | $ 1,077,352,859 | $ 845,809,804 | $ 68,434,589 | $ 1,532,905 | (71,466,968) | (90,108,593) | (161,575,561) |
| General revenues: | | | | | | | |
| Property and local option income taxes | | | | | 66,742,264 | - | 66,742,264 |
| HCI taxes from State of Indiana | | | | | 38,000,000 | - | 38,000,000 |
| Excise taxes | | | | | 5,269,274 | - | 5,269,274 |
| Financial institution taxes | | | | | 1,319,008 | - | 1,319,008 |
| Medicaid special revenue (unrestricted) | | | | | 14,374,161 | - | 14,374,161 |
| Build America Bonds interest subsidies | | | | | 13,775,283 | - | 13,775,283 |
| Unrestricted investment earnings | | | | | 1,316,116 | 1,511,132 | 2,827,248 |
| Transfers | | | | | (86,656,492) | 86,656,492 | - |
| Total general revenues and transfers | | | | | 54,139,614 | 88,167,624 | 142,307,238 |
| Change in net assets | | | | | (17,327,354) | (1,940,969) | (19,268,323) |
| Net assets - beginning of year | | | | | 190,524,662 | 235,440,748 | 425,965,410 |
| Net assets - end of year | | | | | $ 173,197,308 | $ 233,499,779 | $ 406,697,087 |



*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, 2011

| | General | Debt Service | Capital Projects | Total Governmenta Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 139,082,797 | $ 225,307 | $ 17,238,732 | $ 156,546,836 |
| Restricted cash and cash equivalents | - | 1,098,423 | 118,761,634 | 119,860,057 |
| Restricted investments | - | 16,395,883 | 26,530,920 | 42,926,803 |
| Receivables (net of allowance for uncollectibles) | | | | |
| Grants | 4,400,471 | - | - | 4,400,471 |
| Other | 7,882,081 | - | 470,420 | 8,352,501 |
| Due from other funds | 3,833,359 | - | - | 3,833,359 |
| Prepaid costs and other assets | 417,843 | - | - | 417,843 |
| Total assets | $ 155,616,551 | $ 17,719,613 | $ 163,001,706 | $ 336,337,870 |
| **Liabilities and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts payable | $ 15,323,133 | $ - | $ 29,275,645 | $ 44,598,778 |
| Salaries and related benefits | 947,754 | - | - | 947,754 |
| Deferred and unearned revenue | 2,330,449 | - | 10,000,000 | 12,330,449 |
| Due to other funds | 681,922 | 859,000 | - | 1,540,922 |
| Accrued self-insurance claims | 804,068 | - | - | 804,068 |
| Total liabilities | 20,087,326 | 859,000 | 39,275,645 | 60,221,971 |
| **Fund Balances** | | | | |
| Nonspendable | 417,843 | - | - | 417,843 |
| Restricted | - | 17,494,306 | 123,726,061 | 141,220,367 |
| Assigned | 3,174,846 | - | - | 3,174,846 |
| Unassigned | 131,936,536 | (633,693) | - | 131,302,843 |
| Total fund balances | 135,529,225 | 16,860,613 | 123,726,061 | 276,115,899 |
| Total liabilities and fund balances | $ 155,616,551 | $ 17,719,613 | $ 163,001,706 | |

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Net capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds statement. | 272,513,722 |
| Joint venture investments are not financial resources and, therefore, are not reported in the funds statement. | 4,205,999 |
| Net pension obligations are not due and payable in the current period and, therefore, are not recorded in the funds statement. | (328,462) |
| Deferred revenues not meeting availability criteria in funds statement are not in the statement of net assets. | 1,204,418 |
| Bond issuance costs are reported in the governmental activities but are not reported in the funds statement. | 1,962,360 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds statement. | (382,476,628) |
| Net assets of governmental activities | $ 173,197,308 |

# 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, 2011

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | $ 105,817,016 | $ 5,313,038 | $ 200,492 | $ 111,330,546 |
| Licenses and permits | 3,933,300 | - | - | 3,933,300 |
| Intergovernmental | 36,824,648 | - | - | 36,824,648 |
| Charges for services | 1,170,890 | - | - | 1,170,890 |
| Medicaid special revenue | 14,374,161 | - | - | 14,374,161 |
| Investment income | 237,566 | 1,077,240 | 1,310 | 1,316,116 |
| Build America Bonds interest subsidies | - | 10,847,662 | 2,927,621 | 13,775,283 |
| Contributions | 12,900,000 | - | - | 12,900,000 |
| Miscellaneous | 4,410,403 | - | - | 4,410,403 |
| Total revenues | 179,667,984 | 17,237,940 | 3,129,423 | 200,035,347 |
| **Expenditures** | | | | |
| Current: | | | | |
| Administrative | 23,875,423 | - | - | 23,875,423 |
| Population health | 23,718,257 | - | - | 23,718,257 |
| Environmental health | 12,401,862 | - | - | 12,401,862 |
| Health center program | 1,615,344 | - | - | 1,615,344 |
| Data processing | 3,034,812 | - | - | 3,034,812 |
| Grant programs | 16,546,600 | - | - | 16,546,600 |
| Capital outlays | 2,798,739 | - | 155,821,520 | 158,620,259 |
| Debt service: | | | | |
| Principal | - | 2,455,000 | - | 2,455,000 |
| Interest and fiscal charges | - | 49,636,823 | - | 49,636,823 |
| Total expenditures | 83,991,037 | 52,091,823 | 155,821,520 | 291,904,380 |
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | 95,676,947 | (34,853,883) | (152,692,097) | (91,869,033) |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | 108,597,652 | 29,576,752 | - | 138,174,404 |
| Transfers out | (221,903,275) | - | (2,927,621) | (224,830,896) |
| Other debt issued | - | - | 89,273,094 | 89,273,094 |
| Total other financing sources and uses | (113,305,623) | 29,576,752 | 86,345,473 | 2,616,602 |
| Net change in fund balances | (17,628,676) | (5,277,131) | (66,346,624) | (89,252,431) |
| Fund balances - beginning of year | 153,157,901 | 22,137,744 | 190,072,685 | 365,368,330 |
| Fund balances - end of year | $ 135,529,225 | $ 16,860,613 | $ 123,726,061 | $ 276,115,899 |

# 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, 2011

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

| | |
|---|---|
| Net changes in fund balances - total governmental funds | $ (89,252,431) |
| Depreciation expense is not reported in the funds statement, but is reported as a decrease in net assets in the statement of activities. | (2,030,631) |
| Capital outlays are reported as expenditures in the funds statement, but are reported as additions to capital assets in the statement of net assets. | 154,414,259 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds statement. | 2,473,167 |
| 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences (as applicable) in the treatment of long-term debt and related items. | (86,892,423) |
| Compensated absences that do not require the use of current financial resources are not reported as expenditures in the funds statement. | (149,769) |
| Asserted and unasserted self-insurance claims that do not require the use of current financial resources are not reported as expenditures in the funds statement. | 4,688,125 |
| The decrease in the net pension asset is not reported in the funds statement, but is reported as a decrease in net assets in the statement of activities. | (577,651) |
| Change in net assets of governmental activities | $ (17,327,354) |

# Health and Hospital Corporation of Marion County, Indiana
## (A Component Unit of the Consolidated City of Indianapolis - Marion County)
## Statement of Net Assets - Proprietary Funds
## December 31, 2011

| | Wishard Health Services | LT Care | Total |
|---|---|---|---|
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 26,335,400 | $ 57,894,593 | $ 84,229,993 |
| Investments | 5,429,812 | - | 5,429,812 |
| Receivables (net of allowance for uncollectibles): | | | |
| Patient services | 39,582,022 | 36,198,902 | 75,780,924 |
| Medicaid special revenue | - | 32,290,788 | 32,290,788 |
| Grants | 3,776,784 | - | 3,776,784 |
| Interest | 33,637 | - | 33,637 |
| Other | 4,632,840 | - | 4,632,840 |
| Inventories | 4,886,753 | - | 4,886,753 |
| Due from other funds | 681,922 | - | 681,922 |
| Prepaid costs and other assets | 5,880,059 | 2,670,500 | 8,550,559 |
| Total current assets | 91,239,229 | 129,054,783 | 220,294,012 |
| Noncurrent assets: | | | |
| Lease acquisition cost (net of accumulated amortization) | - | 27,551,943 | 27,551,943 |
| Joint venture investments | 16,881,330 | - | 16,881,330 |
| Other long-term assets | - | 9,733,387 | 9,733,387 |
| Capital assets (net of accumulated depreciation) | | | |
| Land | 2,897,993 | - | 2,897,993 |
| Land improvements | 1,472,649 | 2,275,168 | 3,747,817 |
| Building and improvements | 62,392,444 | 317,754,769 | 380,147,213 |
| Equipment | 25,758,871 | 25,080,010 | 50,838,881 |
| Vehicles | 1,564,767 | 8,367 | 1,573,134 |
| Construction in progress | 7,293,871 | 6,048,579 | 13,342,450 |
| Total capital assets (net accumulated depreciation) | 101,380,595 | 351,166,893 | 452,547,488 |
| Total noncurrent assets | 118,261,925 | 388,452,223 | 506,714,148 |
| Total assets | 209,501,154 | 517,507,006 | 727,008,160 |
| **Liabilities** | | | |
| Current liabilities: | | | |
| Accounts payable | 36,887,933 | 23,101,469 | 59,989,402 |
| Accrued liabilities | 14,225,472 | 12,431,510 | 26,656,982 |
| Due to other funds | 2,974,359 | - | 2,974,359 |
| Capital lease obligation - current | - | 23,598,060 | 23,598,060 |
| Estimated Medicare/Medicaid settlements | 722,359 | 396,679 | 1,119,038 |
| Unearned revenue | 2,876,858 | - | 2,876,858 |
| Medical claims incurred but not reported | 5,776,548 | - | 5,776,548 |
| Accrued compensated absences - current | 17,697,182 | - | 17,697,182 |
| Asserted and unasserted self-insurance claims - current | 1,660,404 | 3,114,066 | 4,774,470 |
| Total current liabilities | 82,821,115 | 62,641,784 | 145,462,899 |
| Noncurrent liabilities: | | | |
| Asserted and unasserted self-insurance claims | 4,711,025 | 8,010,110 | 12,721,135 |
| Accrued compensated absences | 2,413,252 | - | 2,413,252 |
| Net pension liability | 2,715,425 | - | 2,715,425 |
| Capital lease payable | - | 330,195,670 | 330,195,670 |
| Total noncurrent liabilities | 9,839,702 | 338,205,780 | 348,045,482 |
| Total liabilities | 92,660,817 | 400,847,564 | 493,508,381 |
| **Net Assets** | | | |
| Invested in capital assets, net of related debt | 101,380,595 | (2,626,837) | 98,753,758 |
| Unrestricted | 15,459,742 | 119,286,279 | 134,746,021 |
| Total net assets | $ 116,840,337 | $ 116,659,442 | $ 233,499,779 |

# Health and Hospital Corporation of Marion County, Indiana
## (A Component Unit of the Consolidated City of Indianapolis - Marion County)
## Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds
## For the Year Ended December 31, 2011

| | Wishard Health Services | LT Care | Total |
|---|---|---|---|
| Operating revenues: | | | |
| Net patient service revenue | $ 240,561,481 | $ 416,740,969 | $ 657,302,450 |
| Medicaid special revenue | - | 155,821,249 | 155,821,249 |
| Other revenue | 21,257,755 | 1,671,199 | 22,928,954 |
| Total operating revenues | 261,819,236 | 574,233,417 | 836,052,653 |
| Operating expenses: | | | |
| Salaries | 203,386,001 | - | 203,386,001 |
| Employee benefits | 67,594,550 | - | 67,594,550 |
| Contract labor | 1,022,658 | 224,238,824 | 225,261,482 |
| Medical and professional fees | 64,308,457 | 19,882,524 | 84,190,981 |
| Purchased services | 35,766,324 | 31,969,210 | 67,735,534 |
| Supplies | 46,580,052 | 28,954,050 | 75,534,102 |
| Pharmaceuticals | 34,732,868 | 15,170,807 | 49,903,675 |
| Repairs and maintenance | 5,017,106 | 2,530,534 | 7,547,640 |
| Utilities | 7,996,541 | 9,496,200 | 17,492,741 |
| Equipment rental | 3,544,359 | 3,207,140 | 6,751,499 |
| Depreciation and amortization | 41,786,536 | 39,729,317 | 81,515,853 |
| Other | 8,039,415 | 21,501,330 | 29,540,745 |
| Total operating expenses | 519,774,867 | 396,679,936 | 916,454,803 |
| Operating income (loss) | (257,955,631) | 177,553,481 | (80,402,150) |
| Nonoperating revenue (expenses): | | | |
| Noncapital gifts and grants | 20,460,189 | - | 20,460,189 |
| Loss on termination of lease | - | (1,505,080) | (1,505,080) |
| Investment income | 1,468,137 | 42,995 | 1,511,132 |
| Interest expense | - | (28,661,552) | (28,661,552) |
| Total nonoperating revenue (expense) | 21,928,326 | (30,123,637) | (8,195,311) |
| Income (loss) before capital contributions and transfers | (236,027,305) | 147,429,844 | (88,597,461) |
| Transfers - General Fund | 195,254,144 | (108,597,652) | 86,656,492 |
| Changes in net assets | (40,773,161) | 38,832,192 | (1,940,969) |
| Total net assets at beginning of year | 157,613,498 | 77,827,250 | 235,440,748 |
| Total net assets at end of the year | $ 116,840,337 | $ 116,659,442 | $ 233,499,779 |

# 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, 2011

| | Wishard Health Services | LT Care | Total |
|---|---|---|---|
| **Cash Flows From Operating Activities** | | | |
| Receipts from patient services | $ 244,356,707 | $ 408,100,563 | $ 652,457,270 |
| Receipts from other operations | 22,515,579 | 2,187,885 | 24,703,464 |
| Medicaid special revenue | - | 142,128,113 | 142,128,113 |
| Payments to suppliers | (201,236,181) | (79,656,402) | (280,892,583) |
| Payments to employees and contract labor | (265,733,002) | (273,340,038) | (539,073,040) |
| Net cash provided by (used in) operating activities | (200,096,897) | 199,420,121 | (676,776) |
| **Cash Flows From Noncapital Financing Activities** | | | |
| Cash receipts from noncapital gifts and grants | 21,718,013 | - | 21,718,013 |
| Transfers (to) from the General Fund | 195,254,144 | (108,597,652) | 86,656,492 |
| Net cash provided by (used in) noncapital financing activities | 216,972,157 | (108,597,652) | 108,374,505 |
| **Cash Flows From Capital and Related Financing Activities** | | | |
| Purchases of capital assets | (11,370,788) | (28,633,158) | (40,003,946) |
| Reimbursement from capital project fund for capital assets | - | - | - |
| Deposits paid | - | (2,049,592) | (2,049,592) |
| Lease acquisition cost payments | - | (10,278,945) | (10,278,945) |
| Lease termination costs | - | (1,000,000) | (1,000,000) |
| Payment of capital lease obligations | - | (18,173,158) | (18,173,158) |
| Interest expense payments | - | (28,661,552) | (28,661,552) |
| Net cash used in capital and related financing activities | (11,370,788) | (88,796,405) | (100,167,193) |
| **Cash Flows From Investing Activities** | | | |
| Proceeds from sale and maturities of investments | 2,983,420 | - | 2,983,420 |
| Purchases of investments | (3,008,997) | - | (3,008,997) |
| Interest and dividends received | 213,137 | 42,995 | 256,132 |
| Net cash provided by investing activities | 187,560 | 42,995 | 230,555 |
| **Net Increase in Cash and Cash Equivalents** | 5,692,032 | 2,069,059 | 7,761,091 |
| **Cash and Cash Equivalents (Including Restricted), January 1** | 20,643,368 | 55,825,534 | 76,468,902 |
| **Cash and Cash Equivalents (Including Restricted), December 31** | $ 26,335,400 | $ 57,894,593 | $ 84,229,993 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:** | | | |
| Operating income (loss) | $ (257,955,631) | $ 177,553,481 | $ (80,402,150) |
| Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization | 41,786,536 | 39,729,317 | 81,515,853 |
| Changes in operating assets and liabilities: | | | |
| Patient service receivables | 3,100,429 | (8,614,923) | (5,514,494) |
| Other receivables | 1,257,824 | (13,693,136) | (12,435,312) |
| Inventories | 97,899 | - | 97,899 |
| Prepaid costs and other assets | 269,552 | (1,926,307) | (1,656,755) |
| Net pension asset/liability | 3,032,664 | - | 3,032,664 |
| Accounts payable | 3,784,524 | 685,907 | 4,470,431 |
| Accrued liabilities and compensation absences | 5,558,306 | 5,352,262 | 10,910,568 |
| Estimated Medicare/Medicaid settlements | 384,040 | (25,483) | 358,557 |
| Asserted and unasserted self-insurance claims | 50,975 | 359,003 | 409,978 |
| Risk-share payable | (1,910,357) | - | (1,910,357) |
| Medical claims incurred but not reported | 446,342 | - | 446,342 |
| Total adjustments | 57,858,734 | 21,866,640 | 79,725,374 |
| Net cash provided by (used in) operating activities | $ (200,096,897) | $ 199,420,121 | $ (676,776) |
| Noncash investing, capital and financing activities: | | | |
| Lease acquisition costs included in accounts payable | $ - | $ 1,500,000 | $ 1,500,000 |
| Purchase of assets held under capital lease | | 87,865,304 | 87,865,304 |
| Increase in carrying value of joint venture investment | 1,212,822 | - | 1,212,822 |
| Unrealized loss on investment, net | (42,995) | - | (42,995) |

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

### *Financial Reporting Entity*

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

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

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

Wishard comprises Wishard Memorial Hospital, a general acute care facility with 316 staffed beds; nine community health centers, Midtown Community Mental Health Center, Regenstrief Health Center, Wishard Emergency Trauma Service, Wishard Ambulance Service, and the Richard M. Fairbanks Burn Center. On December 26, 2010, the Corporation entered into an interlocal agreement with the Department of Public Safety for the City of Indianapolis to own, manage and operate the Transport Emergency Medical Services system for Marion County, Indiana (Indianapolis EMS). The activities of Indianapolis EMS are therefore included in the Wishard division. For purposes of financial reporting, the Wishard division is accounted for as a separate enterprise fund.

The Corporation operates 52 long-term care facilities through capital leases. The homes are operated as part of the LT Care operations. LT Care supports the Corporation's mission and goal to provide quality care and services to elderly and disabled people. For purposes of financial reporting, the LT Care division is accounted for as a separate enterprise fund.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (Uni-Gov). Accordingly, the financial statements of the Corporation are required to be included in the comprehensive annual financial report of Uni-Gov.

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 State of Indiana Department of Local Government Finance (DLGF), operating deficits and debt. The Corporation's executive and legislative powers include the power to levy taxes and incur debt. The Corporation's ordinances have the effect of local law governing health matters.

**Component Unit**

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

### *Financial Statement Presentation, Measurement Focus and Basis of Accounting*

**Government-Wide and Fund Financial Statements**

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

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

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

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

**Governmental Fund Types**

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

The following are the Corporation's major governmental funds:

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

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

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

**Proprietary Fund Type**

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

As mentioned previously, the Corporation has two enterprise funds: (1) The Wishard Health Services Enterprise Fund, which accounts for the activities of Wishard (including Indianapolis EMS) and (2) the LT Care Enterprise Fund, which accounts for the activities of the 52 leased long-term care facilities that receive no funding from ad valorem taxes. An enterprise fund is used to account for operations that are financed and operated in a similar manner to a private business - where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Certain administrative expenses of Wishard and LT Care are accounted for by the General Fund. Because the capital outlay for Wishard is funded through ad valorem taxes, long-term debt interest expense relating to Wishard is accounted for by the Debt Service Fund and is not allocated to the Wishard Health Services Enterprise Fund. Only debt intended to be repaid by operations of Wishard are included in the Wishard Enterprise Fund. At December 31, 2011, no such debt existed. At December 31, 2011, the LT Care Enterprise Fund had capital leases, which are to be repaid from revenues from operations, and are therefore shown as long-term debt in the LT Care Enterprise Fund.

Effective January 1, 2011, the Corporation adopted GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in Paragraph 7 of that Statement for business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. This Statement has been applied retrospectively and had no impact on the Corporation's net assets, changes in net assets or financial reporting disclosures.

**Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

Voluntary nonexchange transactions, such as grants and assistance received from other governmental units and Build America Bonds interest subsidies, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues. Government-mandated nonexchange transactions, with the exception of Medicaid special revenue, are accounted for in the same manner as voluntary nonexchange transactions. See the discussion later in the notes regarding the accounting treatment of Medicaid special revenue.

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the Corporation’s policy to utilize such resources in the following order of priority: committed, assigned and then unassigned.

### *Cash, Cash Equivalents and Investments*

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

Investments for the Corporation are reported at fair value. The Corporation also invests in an external investment pool held by the State of Indiana. The Corporation reports its share of the underlying portfolio for this pool 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 inventories of the Wishard Fund are determined by physical count of items on hand and are priced at weighted-average cost or at fair value, whichever is less. Inventory in the LT Care Fund is immaterial.

### *Prepaid Costs and Other Assets*

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

### *Capital Assets*

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

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

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

Estimated useful lives used to compute depreciation are as follows:

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

### *Capitalization of Interest*

Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental fund types.

### *Other Long-Term Assets*

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

### *Deferred and Unearned Revenue*

Deferred revenue is recorded in the governmental fund financial statements for receivables that are not considered either measurable or available at December 31, 2011. Unearned revenue is recorded when the related revenues have not been earned for enterprise fund activities. Deferred revenue for governmental funds in the fund statements is recognized as revenue when it is earned and considered measurable and available.

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

### *Risk Share Payable*

Risk share payable relates to undistributed profits and withholdings that are due to other providers who participate in Wishard's network as part of the risk-based Medicaid program. At December 31, 2011, there were no amounts due to other providers.

### *Accrued Compensated Absences*

Corporation employees are paid for vacation and other absences by prescribed formulas based primarily on length of service and staff classification. In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and other absences are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. A liability for the cost of accumulated earned but unused vacation and other absences is recognized in the government-wide statements and in the statement of net assets 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the respective bonds using the effective interest method. Deferred losses on refundings are amortized as a component of interest expense over the remaining life of the old bonds or the remaining life of the refunding bonds, whichever is shorter, using the effective interest method.

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

### *Lease Acquisition Costs*

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

### *Interfund Transactions*

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

**<u>Transfers</u>**

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

**Contribution of Capital Assets**

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

**Interfund Services Provided/Used**

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

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

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

### *Net Assets/Fund Balances*

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as follows:

- *Invested in Capital Assets, Net of Related Debt* - This category groups all capital assets into one component of net assets. 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 assets.
- *Restricted Net Assets* - This category presents 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 Net Assets* - This category represents net assets 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 or rescinded through formal action (by ordinance or resolution) of the Board of Trustees.
- **Assigned fund balances** include amounts for which it is the intent of the Corporation, through action of the President or President's designee, that they be used for specific purposes. Such constraints can be modified or rescinded without formal action of the Board of Trustees as long as they do not result in an additional budgetary appropriation.
- **Unassigned fund balances** represent the residual portion of the General Fund that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

### *Indigent Care Services*

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

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

### *Net Patient Service Revenue*

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

### *New Accounting Standard*

During 2011, the Corporation adopted GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* which requires reclassifications of certain governmental fund types and changes in fund balance categories. The effect of the adoption on the governmental fund balances as of January 1, 2011, was as follows:

| | |
|---|---|
| Fund balances, as previously reported: | |
| Reserved for: | |
| Prepaid costs and other assets | $ 331,782 |
| Encumbrances | 169,965,674 |
| Debt service | 23,397,584 |
| Unreserved, undesignated | 171,673,290 |
| Total fund balances | $ 365,368,330 |
| Fund balances, as restated: | |
| Nonspendable | $ 331,782 |
| Restricted for debt service | 23,399,237 |
| Restricted for capital outlays | 158,776,913 |
| Assigned for contractual obligations and other | 3,788,420 |
| Assigned for capital outlay | 31,295,772 |
| Unassigned | 147,776,206 |
| Total fund balances | $ 365,368,330 |

## Note 2: Deposits and Investments

As of December 31, 2011, the Corporation had the following cash deposits and investments:

| | |
|---|---|
| Cash deposits | $ 316,763,412 |
| Negotiable certificates of deposit | 1,965,887 |
| Repurchase agreements | 10,328,094 |
| State external investment pool | 33,545,379 |
| U.S. Government obligations | 454,409 |
| U.S. Government-sponsored enterprises | 45,795,965 |
| Money market mutual funds | 140,355 |
| | $ 408,993,501 |

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

| | 2011 |
|---|---|
| Carrying value | |
| Deposits | $ 316,763,412 |
| Investments | 92,230,089 |
| | $ 408,993,501 |
| Cash and cash equivalents | |
| Unrestricted | $ 240,776,829 |
| Restricted | 119,860,057 |
| | 360,636,886 |
| Investments | |
| Unrestricted | 5,429,812 |
| Restricted | 42,926,803 |
| | $ 408,993,501 |

### *Deposits*

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

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

### *Investments*

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

The state external investment pool is an investment pool created and subject to regulatory oversight pursuant to Indiana Code, Section 5-13-9-11. Portfolio securities in this pool are valued at amortized cost, which approximates market value. The amortized cost valuation method involves initially valuing a security at its cost on the date of purchase and thereafter accreting any discount to maturity and/or amortizing any premium to maturity.

### *Interest Rate Risk*

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

Below is a table of segmented time distribution for the Corporation's debt investments at December 31, 2011:

| | | Investment Activities (in years) | | | |
|---|---|---|---|---|---|
| | Fair Value | Less Than 1 | 1 - 5 | 6 - 10 | More Than 10 |
| Repurchase agreements | $ 10,328,094 | $ 10,328,094 | $ - | $ - | $ - |
| State external investment pool | 33,545,379 | 33,545,379 | - | - | - |
| U.S. Government obligations | 454,409 | - | 297,480 | 113,992 | 42,937 |
| U.S. Government sponsored enterprises | 45,795,965 | 43,172,167 | 1,153,903 | 1,245,001 | 224,894 |
| Money market mutual funds | 140,355 | 140,355 | - | - | - |
| | $ 90,264,202 | $ 87,185,995 | $ 1,451,383 | $ 1,358,993 | $ 267,831 |

### *Credit Risk*

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

At December 31, 2011, the Corporation's investments were rated by Standard & Poor's or Moody's as follows:

| | Fair Value | AAA/Aaa | Aa | A | Not Rated |
|---|---|---|---|---|---|
| Repurchase agreements | $ 10,328,094 | $ 10,328,094 | $ - | $ - | $ - |
| State external investment pool | 33,545,379 | - | - | - | 33,545,379 |
| U.S. Government obligations | 454,409 | 454,409 | - | - | - |
| U.S. Government-sponsored enterprises | 45,795,965 | 42,785,516 | 3,010,449 | - | - |
| Money market mutual funds | 140,355 | 140,355 | - | - | - |
| | $ 90,264,202 | $ 53,708,374 | $ 3,010,449 | $ - | $ 33,545,379 |

### *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, 2011, all of the Corporation's investments in overnight repurchase agreements (which are secured by U.S. Government or U.S. agency obligations) were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent in the Corporation's name. The Corporation's investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2011, as their existence is not evidenced by securities that exist in physical book entry form. The Corporation's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

### *Concentration of Credit Risk*

The Corporation places no limit on the amount that may be invested in any one issuer. At December 31, 2011, 5% or more of the Corporation's investments are in repurchase agreements with JP Morgan, Federal National Mortgage Association securities, and Federal Home Loan Mortgage Corporation securities. These investments represent 6.5%, 12.9%, and 30.9%, respectively of the Corporation's total investments. Additionally, all of the investments reported in the Corporation's Debt Service and Capital Projects funds are government-sponsored enterprise securities.

### *Foreign Currency Risk*

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

### *Investment Income*

Investment income for the year ended December 31, 2011 consisted of:

| | Governmental Fund-Types | Proprietary Fund-Types |
|---|---|---|
| Interest income | $ 1,085,185 | $ 1,554,127 |
| Unrealized gain (loss) on investments, net | 230,931 | (42,995) |
| Investment income | $ 1,316,116 | $ 1,511,132 |

## Note 3: Property Taxes

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

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

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

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

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

Changes in assessed values of real property occur periodically as a result of general reassessments required by the State legislature, as well as when changes occur in the property value due to new construction or demolition of improvements. The next reassessment is scheduled to be effective as of the March 1, 2012 assessment date and affects taxes payable beginning in 2013, and reassessments are scheduled to occur every five years thereafter.

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

## Note 4: Patient Services Receivables

Net patient services receivables consist of the following as of December 31, 2011:

| | Wishard | LT Care | Total |
|---|---|---|---|
| Gross patient services receivables | $ 197,889,067 | $ 41,730,184 | $ 239,619,251 |
| Allowance for estimated contractual adjustment | (111,057,034) | (126,364) | (111,183,398) |
| Allowance for uncollectible accounts | (47,250,011) | (5,404,918) | (52,654,929) |
| Net patient services receivables | $ 39,582,022 | $ 36,198,902 | $ 75,780,924 |

## Note 5: Interfund Balances and Transfers

Individual due to/from other funds as of December 31, 2011 are as follows:

| Interfund Receivables | Interfund Payables | Amount |
|---|---|---|
| General Fund | Debt Service Fund | $ 859,000 |
| General Fund | Wishard | 2,974,359 |
| Enterprise Fund - Wishard | General Fund | 681,922 |

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, 2012.

Interfund transfers for the year ended December 31, 2011 on the fund statements consisted of the following:

| | Transfer In: | | | |
|---|---|---|---|---|
| | General Fund | Debt Service Fund | Enterprise Fund - Wishard | Total |
| **Transfer out:** | | | | |
| General Fund | $ - | $ 26,649,131 | $ 195,254,144 | $ 221,903,275 |
| Capital Projects Fund | - | 2,927,621 | - | 2,927,621 |
| Enterprise Fund - LTC | 108,597,652 | - | - | 108,597,652 |
| Total | $ 108,597,652 | $ 29,576,752 | $ 195,254,144 | $ 333,428,548 |

Interfund transfers were generally used for the following: 1) to move revenues from the funds that are required by ordinance or budget to collect them to the funds that will ultimately expend them or 2) to cover deficits of other funds. For the government-wide statements, capital contributions received by the Wishard Health Services Fund from other funds (if any) are reported as transfers; however, for the fund statements, such transfers are shown as capital contributions since they represent the actual transfer of capital assets.

## Note 6: Deferred and Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2011, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

| | Unavailable | Unearned |
|---|---|---|
| Grant advances prior to meeting all eligibility requirements | $ - | $ 11,126,031 |
| Grant reimbursements not received within 90 days | 1,141,404 | - |
| Other revenues not received within 90 days | 63,014 | - |
| Total General Fund | $ 1,204,418 | $ 11,126,031 |

In addition, the Wishard Health Services Enterprise Fund had $745,688 and $2,131,170 of unearned revenue recorded at December 31, 2011, related to advances received on federal grants that had not met eligibility requirements and the Healthy Indiana Plan, respectively.

## Note 7: Capital Assets

Following is a summary of the changes in capital assets - governmental activities for the year ended December 31, 2011:

| | January 1, 2011 | Transfers/ Additions | Transfers/ Disposals | December 31, 2011 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 4,114,896 | $ - | $ - | $ 4,114,896 |
| Construction in progress | 104,335,410 | 152,759,409 | (14,551,473) | 242,543,346 |
| Total capital assets not being depreciated | 108,450,306 | 152,759,409 | (14,551,473) | 246,658,242 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 18,437,321 | 9,910,677 | - | 28,347,998 |
| Equipment | 16,192,954 | 6,034,418 | - | 22,227,372 |
| Vehicles | 4,794,036 | 261,228 | - | 5,055,264 |
| Total capital assets being depreciated | 39,424,311 | 16,206,323 | - | 55,630,634 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 9,981,342 | 1,009,140 | - | 10,990,482 |
| Equipment | 13,584,787 | 758,298 | - | 14,343,085 |
| Vehicles | 4,178,394 | 263,193 | - | 4,441,587 |
| Total accumulated depreciation | 27,744,523 | 2,030,631 | - | 29,775,154 |
| Total capital assets being depreciated, net | 11,679,788 | 14,175,692 | - | 25,855,480 |
| Governmental activities capital assets, net | $ 120,130,094 | $ 166,935,101 | $ (14,551,473) | $ 272,513,722 |

The following is a summary of changes in capital assets - business-type activities for the year ended December 31, 2011:

| | January 1, 2011 | Transfers/ Additions | Transfers/ Disposals | December 31, 2011 |
|---|---|---|---|---|
| **Business-Type Activities:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 2,897,993 | $ - | $ - | $ 2,897,993 |
| Construction in progress | 24,464,095 | 22,736,778 | (33,858,423) | 13,342,450 |
| Total capital assets not being depreciated | 27,362,088 | 22,736,778 | (33,858,423) | 16,240,443 |
| Capital assets being depreciated: | | | | |
| Land improvements | 8,924,642 | 797,322 | (8,733) | 9,713,231 |
| Buildings and improvements | 617,024,480 | 105,307,678 | - | 722,332,158 |
| Equipment | 193,228,989 | 31,883,650 | (254,092) | 224,858,547 |
| Vehicles | 6,755,851 | 1,010,822 | - | 7,766,673 |
| Total capital assets being depreciated | 825,933,962 | 138,999,472 | (262,825) | 964,670,609 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 5,374,057 | 591,720 | (363) | 5,965,414 |
| Buildings and improvements | 288,393,379 | 53,791,566 | - | 342,184,945 |
| Equipment | 149,817,939 | 24,225,007 | (23,280) | 174,019,666 |
| Vehicles | 5,313,424 | 880,115 | - | 6,193,539 |
| Total accumulated depreciation | 448,898,799 | 79,488,408 | (23,643) | 528,363,564 |
| Total capital assets being depreciated, net | 377,035,163 | 59,511,064 | (239,182) | 436,307,045 |
| Business-type activities capital assets, net | $ 404,397,251 | $ 82,247,842 | $ (34,097,605) | $ 452,547,488 |

The following is a summary of changes in capital assets - Wishard enterprise fund for the year ended December 31, 2011:

| | January 1, 2011 | Transfers/ Additions | Transfers/ Disposals | December 31, 2011 |
|---|---|---|---|---|
| **Business-Type Activities:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 2,897,993 | $ - | $ - | $ 2,897,993 |
| Construction in progress | 22,445,425 | 11,226,230 | (26,377,784) | 7,293,871 |
| Total capital assets not being depreciated | 25,343,418 | 11,226,230 | (26,377,784) | 10,191,864 |
| Capital assets being depreciated: | | | | |
| Land improvements | 6,683,990 | 6,042 | - | 6,690,032 |
| Buildings and improvements | 249,749,336 | 8,237,208 | - | 257,986,544 |
| Equipment | 156,584,144 | 17,271,325 | - | 173,855,469 |
| Vehicles | 6,596,143 | 1,007,767 | - | 7,603,910 |
| Total capital assets being depreciated | 419,613,613 | 26,522,342 | - | 446,135,955 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 4,863,352 | 354,031 | - | 5,217,383 |
| Buildings and improvements | 173,201,176 | 22,392,924 | - | 195,594,100 |
| Equipment | 129,927,524 | 18,169,074 | - | 148,096,598 |
| Vehicles | 5,168,636 | 870,507 | - | 6,039,143 |
| Total accumulated depreciation | 313,160,688 | 41,786,536 | - | 354,947,224 |
| Total capital assets being depreciated, net | 106,452,925 | (15,264,194) | - | 91,188,731 |
| Business-type activities capital assets, net | $ 131,796,343 | $ (4,037,964) | $ (26,377,784) | $ 101,380,595 |

The following is a summary of changes in capital assets - LT Care enterprise fund for the year ended December 31, 2011:

| | January 1, 2011 | Transfers/ Additions | Transfers/ Disposals | December 31, 2011 |
|---|---|---|---|---|
| **Business-Type Activities:** | | | | |
| Capital assets not being depreciated: | | | | |
| Construction in progress | $ 2,018,670 | $ 11,510,548 | $ (7,480,639) | $ 6,048,579 |
| Total capital assets not being depreciated | 2,018,670 | 11,510,548 | (7,480,639) | 6,048,579 |
| Capital assets being depreciated: | | | | |
| Land improvements | 2,240,652 | 791,280 | (8,733) | 3,023,199 |
| Buildings and improvements | 367,275,144 | 97,070,470 | - | 464,345,614 |
| Equipment | 36,644,845 | 14,612,325 | (254,092) | 51,003,078 |
| Vehicles | 159,708 | 3,055 | - | 162,763 |
| Total capital assets being depreciated | 406,320,349 | 112,477,130 | (262,825) | 518,534,654 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 510,705 | 237,689 | (363) | 748,031 |
| Buildings and improvements | 115,192,203 | 31,398,642 | - | 146,590,845 |
| Equipment | 19,890,415 | 6,055,933 | (23,280) | 25,923,068 |
| Vehicles | 144,788 | 9,608 | - | 154,396 |
| Total accumulated depreciation | 135,738,111 | 37,701,872 | (23,643) | 173,416,340 |
| Total capital assets being depreciated, net | 270,582,238 | 74,775,258 | (239,182) | 345,118,314 |
| Business-type activities capital assets, net | $ 272,600,908 | $ 86,285,806 | $ (7,719,821) | $ 351,166,893 |

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

| | | |
|---|---|---|
| **Governmental Activities:** | | |
| Administration and finance | $ | 1,142,328 |
| Health improvements | | 393,877 |
| Communicable disease prevention | | 269,393 |
| Water quality and hazardous material management | | 20,562 |
| Vector disease control | | 168,303 |
| Housing and neighborhood health | | 34,040 |
| Consumer and employee risk reduction | | 2,128 |
| Total depreciation expense, governmental activities | $ | 2,030,631 |
| **Business-Type Activities:** | | |
| Wishard | $ | 41,786,536 |
| LT Care | | 37,701,872 |
| Total depreciation expense, business-type activities | $ | 79,488,408 |

Included in the LT Care Fund depreciation expense in the proprietary fund statements is $2,027,445 of amortization expense related to lease acquisition costs.

As discussed elsewhere in these notes, the Corporation is in the process of constructing Eskenazi Health. Accordingly, the Corporation reevaluated the service utility of the assets associated with the current hospital campus that will be closed at the end of 2013. This resulted in the acceleration of depreciation on certain assets relating to the latter. The Wishard enterprise fund recorded approximately $14,800,000 of additional depreciation as a result of the reevaluation, which is included in total Wishard depreciation expense above.

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

Estimated Medicare and Medicaid settlements reflect differences between interim reimbursement and reimbursement as determined by cost reports filed or to be filed with federal and state governments after the end of each year. In addition, such settlement amounts reflect, if applicable, any differences determined to be owed to or from Wishard after an audit of such reports. Changes to any previous years' estimated settlements are reflected in the period such changes are identified. At December 31, 2011, Wishard's Medicare and Medicaid cost reports have been audited by the fiscal intermediaries through December 31, 2006.

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

### *Medicare*

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

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

### *Medicaid*

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

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

### *Medicaid Special Revenue*

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

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

Medicaid special revenue associated with services provided at Wishard is comprised of UPL and DSH payments, which are all recorded in the Corporation's General Fund. Such payments are limited to a Hospital Specific Limit, which is defined by the State of Indiana Office of Medicaid Planning and Policy and are codified in the Indiana State Medicaid Plan and IC 12-15-15. Methodologies supporting such payments are complex and the timing and levels of payment may vary materially from year to year, often times resulting in material recoupment of the net receipts previously made to the Corporation. The Corporation does not have access to reasonable information to estimate levels of combined DSH and UPL 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. Medicaid special revenue associated with LT Care is based upon UPL payments, which is more predictable than the payments related to Wishard's services. Accordingly, management recognizes such payments on an accrual basis at the LT Care Fund level.

The General Fund recognized $14,374,161 in Medicaid special revenue during the period. The LT Care Fund recognized revenue of $155,821,249 and a receivable of $32,290,788 at December 31, 2011.

### *Other Payers*

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

Following is a summary of total patient service revenue, contractual adjustments, and charity and indigent care for the year ended December 31, 2011:

| | Wishard Health Service | LT Care | Total | Percentage |
|---|---|---|---|---|
| Patient service revenue: | | | | |
| Inpatient | $ 427,034,225 | $ - | $ 427,034,225 | 30% |
| Outpatient | 601,782,301 | - | 601,782,301 | 41% |
| Long-term care | - | 432,675,262 | 432,675,262 | 29% |
| Gross patient service less: | 1,028,816,526 | 432,675,262 | 1,461,491,788 | 100% |
| Contractual adjustments | 411,670,814 | 8,653,222 | 420,324,036 | 29% |
| Charity and indigent care | 326,030,092 | - | 326,030,092 | 22% |
| Provision for uncollectible accounts | 50,554,139 | 7,281,071 | 57,835,210 | 4% |
| Net patient service revenue | $ 240,561,481 | $ 416,740,969 | $ 657,302,450 | 45% |

Revenue from the Medicare and Medicaid programs accounted for approximately 40% and 42%, respectively, of net patient service revenue for the year ended 2011. 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.

## Note 9: Long-Term Liabilities

### *Renovation Bonds of 1988*

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

### *General Obligation Bonds of 2005*

The Corporation has issued $28,960,000 of General Obligation Refunding Bonds, Series 2005 (the 2005 GO Bonds), the proceeds of which were used to refund the outstanding principal of the Corporation's General Obligation Bonds, Series 2000A (the 2000A GO Bonds). The 2005 GO Bonds are payable from an unlimited ad valorem property tax levied on all taxable property in the Corporation, which is coterminous with Marion County, Indiana. The 2005 GO Bonds bear interest at 3.50% to 5.25%, with principal and interest payments due January 1 and July 1 through January 1, 2025. The 2005 GO Bonds are subject to redemption from mandatory sinking fund payments during 2016 to 2024.

### *General Obligation Bonds of 2010*

During 2010, the Corporation issued $195,000,000 of General Obligation Bonds, Series 2010 A-1 and 2010 A-2 (the 2010 A-1 and 2010 A-2 GO Bonds, or collectively, the 2010A GO Bonds), the proceeds of which are to be used to finance a portion of a new hospital complex (Eskenazi Health). Eskenazi Health will be comprised of a new 11-story replacement hospital facility of approximately 850,000 square feet with 315 beds, 12 labor delivery recovery beds, and 15 nursery beds and an adjacent six-story structure of approximately 175,000 square feet housing the outpatient clinic facilities. Also included as part of Eskenazi Health, will be a five-story office building of approximately 207,000 square feet to provide administrative offices for Eskenazi Health, a six-story parking garage of approximately 2,300 spaces, a consolidated utility plant and a data center to be housed at the Marion County Public Health Department. The 2010A GO Bonds are payable from ad valorem property taxes to be levied on all taxable property within Marion County, to the extent other revenues of the Corporation are not sufficient to cover the annual debt service. The 2010A GO Bonds bear interest at 3% to 6%, with principal and interest payments due January 15 and July 15 through January 15, 2040. The 2010A GO Bonds are subject to redemption from mandatory sinking fund payments during 2023 to 2040.

The 2010A GO Bonds were acquired in their entirety with proceeds from the issuance of The Indianapolis Local Public Improvement Bond Bank (the Bond Bank) Bonds, Series 2010 A-1 and 2010 A-2 (the 2010 A-1 and 2010 A-2 Bond Bank Bonds). The 2010 A-2 Bond Bank Bonds were issued as Build America Bonds (BABs) and, as such, will be eligible to receive a credit (BAB Subsidy) equal to 35% of the interest payable on such bonds. The benefit of such credit will be passed on to the Corporation at each interest payment date, thus effectively reducing the Corporation's cost of financing. The first BAB Subsidy was received in January 2011.

### *Due to Local Government*

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

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

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

As financing proceeds are spent on costs of Eskenazi Health, the Corporation is recording such activity in capital assets with an offsetting entry to the due to local government balance reflected in long-term liabilities in the statement of net assets. These amounts will accumulate until such time as the facilities are placed in service and the lease rentals begin, at which time the respective portions of the due to local government balance will be reclassified as capital lease obligations. During 2011, a portion of this balance representing the aforementioned data center to be housed at the Marion County Public Health Department was reclassified as a capital lease obligation.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2011:

| | January 1, 2011 | Additions | Reductions | December 31, 2011 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| General obligation bonds payable: | | | | | |
| Renovation Bonds of 1988 ($28,000,000 original amount), 6.00% to 7.40%, due January 1, 2020 | $ 15,045,000 | $ - | $ (1,230,000) | $ 13,815,000 | $ 1,320,000 |
| Refunding Bonds of 2005 ($28,960,000 original amount), 3.50% to 5.25%, due January 1, 2025 | 23,795,000 | - | (1,225,000) | 22,570,000 | 1,275,000 |
| General Obligation Bonds of 2010 - Series A-1, A-2 ($195,000,000 original amount), 3.00% to 6.00%, due January 15, 2040 | 195,000,000 | - | - | 195,000,000 | 8,435,000 |
| Deferred Amounts: | | | | | |
| Less: loss on refunding | (1,429,411) | - | 157,158 | (1,272,253) | (157,158) |
| Plus: bond premium | 4,541,260 | - | (183,643) | 4,357,617 | 183,643 |
| Total bonds payable | 236,951,849 | - | (2,481,485) | 234,470,364 | 11,056,485 |
| Due to local government | 52,839,395 | 89,273,094 | (6,452,687) | 135,659,802 | - |
| Capital lease payable | - | 6,452,687 | - | 6,452,687 | 2,270,000 |
| Asserted and unasserted self-insurance claims | 5,134,155 | 36,965,040 | (40,849,097) | 1,250,098 | 804,068 |
| Accrued compensated absences | 5,297,976 | 4,529,397 | (4,379,628) | 5,447,745 | 4,853,075 |
| Governmental activities long-term liabilities | $ 300,223,375 | $ 137,220,218 | $ (54,162,897) | $ 383,280,696 | $ 18,983,628 |
| **Business-Type Activities:** | | | | | |
| Wishard Health Services: | | | | | |
| Asserted and unasserted self-insurance claims | $ 6,320,454 | $ 1,431,346 | $ (1,380,371) | $ 6,371,429 | $ 1,660,404 |
| Accrued compensated absences | 18,822,553 | 17,055,557 | (15,767,676) | 20,110,434 | 17,697,182 |
| LT Care: | | | | | |
| Capital leases | 284,101,584 | 87,865,304 | (18,173,158) | 353,793,730 | 23,598,060 |
| Asserted and unasserted self-insurance claims | 10,128,133 | 1,982,851 | (986,808) | 11,124,176 | 3,114,066 |
| Business-type activities long-term liabilities | $ 319,372,724 | $ 108,335,058 | $ (36,308,013) | $ 391,399,769 | $ 46,069,712 |

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

The governmental activities debt service requirements, including interest, on bonds and related future BAB subsidies as of December 31, 2011 are as follows:

| | Principal | Interest | BAB Subsidies |
|---|---|---|---|
| **Bonds:** | | | |
| 2012 | $ 11,030,000 | $ 12,961,468 | $ 3,213,243 |
| 2013 | 11,490,000 | 12,500,538 | 3,213,243 |
| 2014 | 11,990,000 | 11,997,783 | 3,213,243 |
| 2015 | 4,350,000 | 11,449,278 | 3,213,243 |
| 2016 | 4,595,000 | 11,201,363 | 3,213,243 |
| 2017 - 2021 | 27,170,000 | 51,808,231 | 16,066,213 |
| 2022 - 2026 | 34,310,000 | 43,725,051 | 15,113,269 |
| 2027 - 2031 | 41,395,000 | 33,103,410 | 11,586,194 |
| 2032 - 2036 | 50,075,000 | 19,751,359 | 6,912,976 |
| 2037 - 2041 | 34,980,000 | 4,254,134 | 1,488,947 |
| | $ 231,385,000 | $ 212,752,615 | $ 67,233,814 |

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, 2011, is as follows:

| | |
|---|---|
| Net assessed value - 2011 | $ 36,271,852,000 |
| | 0.67% |
| Debt limit | 243,021,408 |
| Debt applicable to debt limit: | |
| Bonded debt | 231,385,000 |
| Legal debt margin | $ 11,636,408 |

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, 2011, $20,965,000 of these defeased bonds remain outstanding.

## Note 10: Leases

### *Operating*

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

The following is a summary of the future minimum payments of all significant noncancelable operating leases with initial or remaining terms of one year or more at December 31, 2011 for the governmental activities:

| | | |
|---|---|---|
| 2012 | $ | 494,634 |
| 2013 | | 375,311 |
| 2014 | | 380,946 |
| 2015 | | 389,166 |
| 2016 | | 284,360 |
| 2017 | | 171,700 |
| Total future payments | $ | 2,096,117 |

Lease expenditures of $580,863 were reported in the governmental activities for the year ended December 31, 2011.

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, 2011 for the business-type activities:

| | | |
|---|---|---|
| 2012 | $ | 1,937,172 |
| 2013 | | 1,393,751 |
| 2014 | | 610,837 |
| 2015 | | 218,005 |
| 2016 | | 114,972 |
| 2017 - 2021 | | 106,336 |
| Total future payments | $ | 4,381,073 |

The Corporation reported $5,307,391 of lease expense in the business-type activities for the year ended December 31, 2011.

### *Capital*

The Corporation's governmental activities include a capital lease for a data center. At December 31, 2011, the gross amount of building improvements, equipment and related accumulated amortization recorded under the capital lease was as follows:

| | |
|---|---|
| Building improvements | $ 5,196,875 |
| Equipment | 1,670,908 |
| Less accumulated amortization | (31,086) |
| | $ 6,836,697 |

Amortization expense of assets held under capital leases for the Corporation's governmental activities of $37,941 is included with depreciation and amortization expense.

Future minimum capital lease payments for the Corporation's governmental activities as of December 31, 2011 are:

| | |
|---|---|
| 2012 | $ 2,422,689 |
| 2013 | 2,418,974 |
| 2014 | 1,906,763 |
| Total minimum lease payments | 6,748,426 |
| Less amount representing interest (2.34%) | 295,739 |
| Present value of net minimum capital lease payment | 6,452,687 |
| Less current installments of obligations under capital leases | 2,270,000 |
| Obligations under capital lease, excluding current installments | $ 4,182,687 |

For business-type activities, including the LT Care Enterprise Fund, the Corporation is obligated under capital leases covering 52 nursing homes. At December 31, 2011, the gross amount of buildings and related accumulated amortization recorded under capital leases was as follows:

| | |
|---|---|
| Buildings | $ 418,365,039 |
| Less accumulated amortization | (134,254,999) |
| | $ 284,110,040 |

Amortization expense of assets held under capital leases for the Corporation's business-type activities of $27,770,104 is included with depreciation and amortization expense.

Future minimum capital lease payments for the Corporation's business-type activities as of December 31, 2011 are:

| | |
|---|---|
| 2012 | $ 54,733,251 |
| 2013 | 55,607,480 |
| 2014 | 53,778,055 |
| 2015 | 54,839,013 |
| 2016 | 55,272,898 |
| 2017 - 2021 | 252,670,619 |
| 2022 - 2026 | 21,834,592 |
| Total minimum lease payments | 548,735,908 |
| Less amount representing interest (at rates ranging from 4.58% to 11.74%) | 194,942,178 |
| Present value of net minimum capital lease payment | 353,793,730 |
| Less current installments of obligations under capital leases | 23,598,060 |
| Obligations under capital lease, excluding current installments | $ 330,195,670 |

## Note 11: Risk Management

### *Insurance Coverage*

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and patients; and natural disasters. The Corporation is self-insured for workers' compensation, general liability and medical malpractice claims to defined limits. With respect to general liability, the Corporation is protected by the Indiana Tort Claims Act, under IC 34-13-3-4, which limits the tort liability for all Indiana governmental entities, in aggregate, to $700,000. The Corporation also purchases commercial insurance policies for certain other risks of loss with deductibles that range from $10,000 to $50,000. Settled claims have not exceeded coverage for the past three years.

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

As mentioned previously in these notes, the Corporation established a nonprofit entity, Lions Insurance Company, Inc., which is legally separate from the Corporation and whose purpose is to provide insurance covering the professional (malpractice) and general liability exposures of the nursing homes operated by the Corporation. The Corporation incorporated Lions on February 28, 2006, and commenced operations on March 1, 2006. As with Wishard, Lions is protected by the Indiana Tort Claims Act, participates in the Indiana Medical Malpractice Act and has professional liability coverage from the Indiana Patient Compensation Fund. In addition, Lions has protection for general liability coverage in excess of $1,000,000 annually and in the aggregate.

The Corporation's workers' compensation program retains the first $350,000 liability on any one claim or incident and purchases an excess workers' compensation policy to extend limits from $350,000 to $1,000,000 as it applies to any one claim or incident.

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

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

| | |
|---|---|
| Balance at January 1, 2010 | $ 14,647,764 |
| Change in incurred claims (including IBNRs), net | 4,107,512 |
| Claim payments | (2,306,689) |
| Balance at January 1, 2011 | 16,448,587 |
| Change in incurred claims (including IBNRs), net | 3,414,197 |
| Claim payments | (2,367,179) |
| Balance at December 31, 2011 | $ 17,495,605 |

### *Medical Claims Incurred But Not Reported*

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

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

Medical claims incurred but not reported represents an estimate of the ultimate net cost to Wishard for amounts that are unpaid at December 31, 2011. The liability is based on claim factors determined by an actuary using projections and the historical loss experience of Wishard and gives effect to estimates of trends in claim severity and frequency. Although Wishard's management believes that the estimates of the liability for claims incurred but not reported is reasonable in the circumstances, it is possible that the actual incurred claims will not conform to the assumptions inherent in the estimation of future claims due to an absence of a significant amount of historical experience on which to base projections and the inherent variability with respect to the significant assumptions utilized. Accordingly, the ultimate settlement of claims may vary significantly from the liability for unpaid claims included in the Wishard Health Services Fund. Historically, the majority of these claims are paid within one year following year-end, so the entire balance is being reflected in current liabilities in the statement of net assets.

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

| | |
|---|---|
| Balance at January 1, 2010 | $ 7,553,586 |
| Change in incurred claims (including IBNRs), net | 31,145,582 |
| Claim payments | (33,368,962) |
| Balance at January 1, 2011 | 5,330,206 |
| Change in incurred claims (including IBNRs), net | 26,320,775 |
| Claim payments | (25,874,433) |
| Balance at December 31, 2011 | $ 5,776,548 |

### *Health Insurance Coverage*

The Corporation began in 2001 to provide self-insurance to its employees for healthcare and prescription usage and began covering the claims out of the General Fund. Asserted and unasserted self-insurance claims in the governmental 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, 2011. 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 included in governmental activities.

The following is a summary of the changes in the Corporation’s health insurance liability for the past two years, as recorded in the government-wide financial statements:

| | |
|---|---|
| Balance at January 1, 2010 | $ 4,276,769 |
| Change in incurred claims (including IBNRs), net | 36,117,566 |
| Claim payments | (35,260,180) |
| Balance at January 1, 2011 | 5,134,155 |
| Change in incurred claims (including IBNRs), net | 36,965,040 |
| Claim payments | (40,849,097) |
| Balance at December 31, 2011 | $ 1,250,098 |

The amount recorded as a liability in the General Fund at December 31, 2011 is $804,068 and represents the claims, which are matured and due as of year-end.

## Note 12: Retirement Plan

### *Plan Description*

The Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), established in accordance with Indiana Code (§5-10.2 and §5-10.3). PERF is an agent multiple-employer retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. The plan is a benefit plan with components of both a defined-benefit and defined-contribution plan. The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly. However, obligations to contribute to the plan are determined by the board of PERF in accordance with actuarial methods. Substantially all full-time employees of the Corporation are covered by the plan. The following disclosures represent the most current and available information on the plan through the July 1, 2011 actuarial valuation.

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

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

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

### *Funding Policy*

The Corporation's employees are required to contribute 3.0% of their annual salaries to an annuity savings account that may be withdrawn at any time should an employee terminate employment. The Corporation has elected to pay the required employee contribution. In addition, the Corporation is required by state statute to contribute at an actuarially determined rate (7.5% for calendar year 2011) of annual covered payroll. Therefore, the total employer contribution rate for 2011 was 10.5%. The contribution requirements of plan members are determined by PERF's Board of Directors as authorized by Indiana state statute. The Corporation-financed pension benefits are classified as defined-benefits and the employee-financed pension benefits are classified as defined-contributions.

### *Annual Pension Cost and Net Pension Obligation*

The PERF funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The required contributions were determined as part of the July 1, 2011 actuarial valuation using the entry age normal level percent of payroll. The actuarial assumptions used for the July 1, 2011 actuarial valuation included: (a) a rate of return on investment of present and future assets of 7% per year, compounded annually; (b) future salary increases of 3.25 - 4.50% per year, based on PERF experience from 2005 to 2010; and (c) a cost of living increase of 1% (compounded) that is applied to pension benefit each year following retirement, with no increase assumed to be applied to the PERF annuity benefit. The actuarial value of the plan's assets is determined by taking the previous year's actuarial value, adding contributions, subtracting pension payments and plan expenses and adding expected earnings at the valuation rate of interest, based on a mid-year weighted-average fund. The result is multiplied by a four-year smoothing of gains/losses on market value. PERF uses the level percentage of payroll method to amortize the unfunded liability over an open 30-year period.

The following is a schedule of the net pension asset (liability) for the Corporation at December 31, 2011:

| | |
|---|---|
| Annual required contributions (ARC) | $ 19,333,520 |
| Interest on net pension asset | (39,650) |
| Adjustment to ARC | 45,648 |
| Annual pension cost | 19,339,518 |
| Actual contributions made | 15,729,203 |
| Decrease in net pension asset | (3,610,315) |
| Net pension asset, beginning of year | 566,428 |
| Net pension liability, end of year | $ (3,043,887) |

### *Historical Trend Information*

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

| Fiscal Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Asset (Liability) |
|---|---|---|---|
| 2011 | $ 19,339,518 | 81% | $ (3,043,887) |
| 2010 | 15,326,351 | 92% | 566,428 |
| 2009 | 12,567,623 | 104% | 1,780,231 |

### *Required Supplemental Information - Schedule of Funding Progress*

| Valuation Date | (A) Actuarial Value of Assets | (B) Entry Age Actuarial Accrued Liability (AAL) | (B - A) Excess of Assets Over (Unfunded) AAL | (A / B) Funded Ratio | (C) Anticipated Covered Payroll | [(B - A) / C] Excess/ Unfunded AAL as a % of Covered Payroll |
|---|---|---|---|---|---|---|
| June 30, 2011 | $ 148,061,020 | $ 249,233,595 | $ (101,172,575) | 59% | $ 225,695,409 | 45% |
| June 30, 2010 | 168,526,115 | 237,985,099 | (69,458,984) | 71% | 212,866,807 | 33% |
| June 30, 2009 | 182,825,348 | 217,419,549 | (34,594,201) | 84% | 202,354,641 | 17% |

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

## Note 13: Deferred Compensation Plan

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

## Note 14: Hospital Management Agreement

An agreement between the Corporation and the Indiana University (University) was signed in February 2007. During 2011, the Corporation primarily paid for physician services under a relative value unit basis. The Corporation continued to rely on the University to supply several leadership positions for Wishard, but the operations of Wishard remains the direct responsibility of the Corporation. Wishard incurred fees for professional, management, and resident physician services of approximately $43,520,570 during the year (recorded in medical and professional fees on the statement of revenues, expenses and changes in fund net assets - proprietary funds). The University also rents office space from Wishard, which resulted in revenue to Wishard of $1,297,198 in 2011.

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

The Indiana University Medical Group - Primary Care (IUMG-PC) is a related party of the Corporation through joint control. Under its agreement with Wishard, IUMG-PC provides administration of the risk-based managed care program and the Wishard Advantage Program and also provides physician services to Wishard and the Community Health Centers.

Total 2011 expense recognized in the Wishard fund to IUMG-PC totaled $16,562,323.

## Note 16: LT Care Management Agreement

The Corporation has entered into a management agreement with American Senior Communities, LLC (ASC) to manage the 52 nursing homes, which are accounted for in the LT Care Fund. The term of the management agreement extends until March 31, 2022 with the Corporation having the right to extend the term for an additional period of ten years if written notice is given to ASC at least 60 days prior to the expiration of the initial term. During 2011, the Corporation incurred approximately $24,250,000 in management fees to ASC for LT Care operations.

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

The Corporation leases 26 of the nursing homes from organizations related to ASC. During 2011, the Corporation paid approximately $30,906,000 to this organization in associated lease costs from LT Care operating revenue.

At December 31, 2011, the LT Care Fund had a payable to EagleCare of approximately $14,519,000 primarily for accrued labor and related benefits. The LT Care Fund also had a payable to ASC at December 31, 2011 of approximately $4,842,000 for outstanding management services rendered to be paid from operations.

## Note 17: Nursing Home Leases

The Corporation has entered into various transactions with entities related to ASC and unrelated third parties involving the leasing of buildings and purchasing of equipment for the operation of nursing homes throughout the state of Indiana. These leases carry terms that expire on various dates through August 2025. These transactions require the Corporation to make monthly lease payments, ranging from $19,000 to $171,125 per home. Certain transactions require the lease payments to increase by the greater of the Consumer Price Index (CPI) or a set percentage as defined in each agreement, which is typically 2% to 3%. Additionally, many of the leases have optional extensions available to the Corporation in five-year increments.

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

The Corporation closed the Irvington Nursing & Rehab nursing home in September 2011. The facility was originally acquired in March 2011, with annual lease payments of $79,884. Due to the closing and termination of the lease agreement, the Corporation was required to pay an early termination payment of $1,000,000. Upon closing, the residents were moved to another facility owned by the Corporation.

## Note 18: Related Parties

During the year, the Corporation had transactions with the City of Indianapolis (the City) and Marion County (the County) that were conducted in the normal course of business. The County collects and distributes taxes and other special assessment fees on behalf of the Corporation. For the year ended December 31, 2011, the Corporation received $111,330,546 in tax cash receipts and $942,170 in special assessment fees cash receipts from the County for the “Clean and Lien” program to clean up vacant lots and for unsafe building enforcement. The Corporation paid the County $443,945 in 2011 for autopsy and death reports, vital records coroner fees, and other matters. In addition, the Corporation acted as a subrecipient or a pass-through agent for various state and federal grant programs with the City and County during 2011.

## Note 19: Joint Ventures

The Corporation is a 50% member in MDwise. MDwise is a not-for-profit corporation that contracts with the State of Indiana through the Office of Medicaid Policy and Planning and the Office of Children’s Health Insurance Program, to arrange for and administer a risk-based managed care program for certain Indiana Medicaid enrollees. The investment is recorded in the Wishard fund and accounted for under the equity method. Complete financial statements for MDwise can be obtained from the MDwise administrative offices at 1099 North Meridian, Suite 320, Indianapolis, Indiana 46204.

The Corporation is a 50% partner in the HHC/Duke Realty Development LLC (LLC). LLC is a limited liability corporation established by HHC and Duke Realty to jointly develop and construct an office building located on Eskenazi Health Campus. The estimated cost design and construction of the building is $80.4 million; funded through equity contributions from HHC and Duke Realty. The office building will be completed in late 2013 and will be owned by the LLC. HHC will continue to own the land under the building and has leased the land to the LLC for 50 years. HHC will be the sole primary lessee of the building for the next 30 years but does have the authority to sublet as it wishes.

Duke Realty will be the property manager for the building. HHC will pay full/unsubsidized lease rates to the LLC. HHC, as a partner in the LLC, will also receive a return on its equity investment equal to 8.25% over the life of the lease. The LLC will continue to own the building at the end of the 30 year lease. HHC will be able to purchase the building at market value or continue to lease the building from the LLC at the end of the original lease period.

## Note 20: Loan Guarantee

In January 2004, the Corporation guaranteed a bond issuance to support the renovation of a building for the Charter for Accelerated Learning, Inc. (Charter School). The bonds were issued through the Indiana Finance Authority and had an original par value of $4,000,000. The debt carries a 30-year term and matures November 1, 2038. The Corporation also guaranteed a line of credit for the Charter School in the amount of $200,000. The incorporated name of the Charter School is the Charles A. Tindley Accelerated High School, which is a charter school authorized by the City of Indianapolis (the City). At December 31, 2011, the outstanding amount on the bond issuance was approximately $3,212,006, and there was no outstanding amount on the line of credit. The Corporation knows of no event of default that would require it to satisfy these guarantees, and therefore, no amount has been recorded in the Corporation's financial statements. The Charter School remains current on its debt service payments.

## Note 21: Concentrations of Credit Risk

Wishard and LT Care grant credit without collateral to their patients, most of whom are generally insured under third-party agreements. The mix of receivables from patients and third-party payers at December 31, 2011 is as follows:

| | |
|---|---|
| Commercial insurance | 13% |
| Medicare | 32% |
| Medicaid | 23% |
| Self-pay | 22% |
| Other | 10% |
| | 100% |

## Note 22: Commitments and Contingencies

### *Litigation*

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

### *Government Grants*

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

### *Commitments*

The Corporation has entered into certain commitments related to the construction of Eskenazi Health of $325,000,000 at December 31, 2011. Additionally, the General Fund and Capital Projects Fund have outstanding encumbrances aggregating $3,174,846 and $43,653,601, respectively, at December 31, 2011.

## Note 23: Subsequent Events

In January 2012, the Corporation entered into a transaction with an independent third party, which involved the purchase of assets at five nursing homes for $6,000,000. In addition, the Corporation entered into a lease agreement for the real estate of these nursing homes. The lease ends in November 2021 with four optional five-year extensions. Annual base lease payments for all facilities total $3,141,156, increasing by 2.25% annually, to be paid in equal monthly installments.

In February 2012, the Corporation entered into a transaction with an entity related to ASC, which involved the purchase of assets of a single nursing home for $2,330,046. In addition, the Corporation entered into a lease agreement for the real estate of this nursing home. The lease ends in March 2022 and requires annual base lease payments of $2,150,196, increasing by the greater of the Consumer Price Index or 2.25% annually, to be paid in equal monthly installments.

Subsequent to year end, the Centers for Medicare and Medicaid Services (CMS) approved the Medicaid State Plan Amendment incorporating a Hospital Assessment Fee (HAF) retroactively to July 1, 2011. The state of Indiana assesses participating hospitals a fee based largely upon inpatient utilization to further fund the state Medicaid program. These fees are subject to certain Federal funding participation that ultimately increases funding available for Medicaid services and will increase base fee for service and diagnosis related group payment rates to Indiana hospitals. The increase in Medicaid base rates may ultimately reduce the level of Medicaid lump-sum payments made under the existing Medicaid Supplemental Payment programs described above. Management believes the implementation of the HAF will have a positive effect on overall financial performance of the financial statements, taken as a whole.

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

# 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 - General Fund
## For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual | Variance With Final Budget- Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Taxes | $ 100,625,538 | $ 100,625,538 | $ 105,817,015 | $ 5,191,477 |
| Licenses and permits | 3,937,200 | 3,937,200 | 3,933,301 | (3,899) |
| Intergovernmental | 1,077,000 | 1,077,000 | 942,170 | (134,830) |
| Charges for services | 1,303,400 | 1,303,400 | 1,170,893 | (132,507) |
| Medicaid special revenue | 168,425,000 | 119,348,596 | 128,691,854 | 9,343,258 * |
| Interest | 250,000 | 250,000 | 237,567 | (12,433) |
| Grants | 18,920,000 | 18,920,000 | 18,950,009 | 30,009 |
| Miscellaneous | 13,482,400 | 13,482,400 | 33,703,050 | 20,220,650 |
| Total revenues | 308,020,538 | 258,944,134 | 293,445,859 | 34,501,725 |
| **Expenditures** | | | | |
| Personal services | 51,200,000 | 53,000,000 | 51,759,770 | 1,240,230 |
| Supplies | 5,334,000 | 5,700,000 | 4,935,398 | 764,602 |
| Other charges and services | 68,205,000 | 86,039,000 | 30,008,876 | 56,030,124 * |
| Capital outlays | 2,998,000 | 2,998,000 | 2,409,717 | 588,283 |
| Total expenditures | 127,737,000 | 147,737,000 | 89,113,761 | 58,623,239 |
| **Other Financing Sources** | | | | |
| Transfers out, net | (180,000,000) | (180,000,000) | (221,903,275) | (41,903,275) |
| Total other financing sources | (180,000,000) | (180,000,000) | (221,903,275) | (41,903,275) |
| Net change in fund balances | 283,538 | (68,792,866) | (17,571,177) | 51,221,689 |
| Fund balances - beginning of year | 182,430,929 | 182,430,929 | 144,645,957 | (37,784,972) |
| Fund balances - end of year | $ 182,714,467 | $ 113,638,063 | $ 127,074,780 | $ 13,436,717 |

* Transactions related to the intergovernmental transfers associated with the Medicaid Special Revenue are budgeted with gross values; however, for generally accepted accounting principles, these transactions are reported as net.

### Budgets and Budgetary Accounting

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

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

### Encumbrance Accounting

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

### Reconciliation of Budgetary Basis Actual to GAAP Basis Actual

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

| | |
|---|---|
| Net change in fund balance - GAAP basis | $ (17,628,676) |
| Add (Deduct) | |
| Change in encumbrances | (131,996) |
| Change in prepaid expenditures | (86,060) |
| Change in accounts receivable | (3,229,038) |
| Change in accounts payable | 6,007,784 |
| Change in self-insurance claims | (2,503,191) |
| Change in accrued expense | - |
| Net change in fund balance - Budgetary Basis | $ (17,571,177) |

# Other Supplementary Information

# Health and Hospital Corporation of Marion County, Indiana

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

## Schedule of Revenues, Expenditures and Changes in Fund Balances
## Budget and Actual - Debt Service
## For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual | Variance With Final Budget- Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Taxes | $ 5,955,281 | $ 5,955,281 | $ 5,313,038 | $ (642,243) |
| Interest | 1,000 | 1,000 | 670,843 | 669,843 |
| Miscellaneous | - | - | 13,775,283 | 13,775,283 |
| Total revenues | 5,956,281 | 5,956,281 | 19,759,164 | 13,802,883 |
| **Expenditures** | | | | |
| Principal retirement | 29,077,000 | 29,077,000 | 29,077,000 | - |
| Interest and fiscal charges | 13,106,679 | 13,106,679 | 13,106,679 * | - |
| Total expenditures | 42,183,679 | 42,183,679 | 42,183,679 | - |
| Excess of revenues over expenditures | (36,227,398) | (36,227,398) | (22,424,515) | 13,802,883 |
| **Other Financing Sources** | | | | |
| Transfers in | - | - | 26,649,131 | 26,649,131 |
| Total other financing sources | - | - | 26,649,131 | 26,649,131 |
| Net change in fund balances | (36,227,398) | (36,227,398) | 4,224,616 | 40,452,014 |
| Fund balances - beginning of year | (4,617,376) | (4,617,376) | (939,330) | 3,678,046 |
| Fund balances - end of year | $ (40,844,774) | $ (40,844,774) | $ 3,285,286 | $ 44,130,060 |

* - Initial January 2011 interest payments are not shown here as they were funded by the original bond funding. The original appropriation approved for the 2010 bonds was for a multi-year approval of funding. This approval was seen as approving the first interest payments and they were not included in the 2011 annual budget appropriation.

# Health and Hospital Corporation of Marion County, Indiana

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

## Schedule of Revenues, Expenditures and Changes in Fund Balances
## Budget and Actual - Capital Projects
## For the Year Ended December 31, 2011

| | Budgeted Amounts | | Actual | Variance With Final Budget- Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Taxes | $ 224,727 | $ 224,727 | $ 200,492 | $ (24,235) |
| Interest | 500,000 | 98,000 | 103,046 | 5,046 |
| Miscellaneous | - | 5,000,000 | 10,000,000 | 5,000,000 |
| Total revenues | 724,727 | 5,322,727 | 10,303,538 | 4,980,811 |
| **Expenditures** | | | | |
| Capital outlays | 15,685,834 | 43,485,834 | 36,149,508 | 7,336,326 |
| Total expenditures | 15,685,834 | 43,485,834 | 36,149,508 | 7,336,326 |
| Excess of revenues over expenditures | (14,961,107) | (38,163,107) | (25,845,970) | 12,317,137 |
| **Other Financing Sources** | | | | |
| Transfers in | - | - | - | - |
| Total other financing sources | - | - | - | - |
| Net change in fund balances | (14,961,107) | (38,163,107) | (25,845,970) | 12,317,137 |
| Fund Balances - beginning of year | 67,099,380 | 17,099,380 | 39,806,921 | 22,707,541 |
| Fund balances - end of year | $ 52,138,273 | $ (21,063,727) | $ 13,960,951 | $ 35,024,678 |

# 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 Assets by Component - Accrual Basis of Accounting

## Last Ten Fiscal Years

| | December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Primary Government** | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 19,442,084 | $ (823,835) | $ (25,570,275) | $ (17,518,906) | $ 7,784,239 | $ 7,134,802 | $ 7,971,335 | $ 5,855,427 | $ 13,101,552 | $ 11,766,693 |
| Restricted | - | 6,980,523 | - | - | - | - | - | - | - | 130,395 |
| Unrestricted | 153,755,224 | 184,367,974 | 239,170,613 | 237,622,474 | 194,610,049 | 164,480,042 | 128,068,721 | 53,513,426 | 8,463,765 | 39,851,124 |
| Total governmental activities net assets | $ 173,197,308 | $ 190,524,662 | $ 213,600,338 | $ 220,103,568 | $ 202,394,288 | $ 171,614,844 | $ 136,040,056 | $ 59,368,853 | $ 21,565,317 | $ 51,748,212 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 98,753,758 | $ 120,295,667 | $ 154,871,843 | $ 124,917,253 | $ 106,358,255 | $ 136,595,394 | $ 147,262,474 | $ 157,761,870 | $ 166,804,507 | $ 158,392,048 |
| Restricted | - | 171,034 | 699,698 | 732,481 | 1,261,455 | 639,351 | 596,789 | 570,811 | 564,837 | 548,433 |
| Unrestricted | 134,746,021 | 114,974,047 | 88,436,326 | 99,749,222 | 123,084,696 | 108,974,494 | 108,828,175 | 97,261,260 | 87,026,987 | 68,176,159 |
| Total business-type activities net assets | $ 233,499,779 | $ 235,440,748 | $ 244,007,867 | $ 225,398,956 | $ 230,704,406 | $ 246,209,239 | $ 256,687,438 | $ 255,593,941 | $ 254,396,331 | $ 227,116,640 |
| Primary Government | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 118,195,842 | $ 119,471,832 | $ 129,301,568 | $ 107,398,347 | $ 114,142,494 | $ 143,730,196 | $ 155,233,809 | $ 163,617,297 | $ 179,906,059 | $ 170,158,741 |
| Restricted | - | 7,151,557 | 699,698 | 732,481 | 1,261,455 | 639,351 | 596,789 | 570,811 | 564,837 | 678,828 |
| Unrestricted | 288,501,245 | 299,342,021 | 327,606,939 | 337,371,696 | 317,694,745 | 273,454,536 | 236,896,896 | 150,774,686 | 95,490,752 | 108,027,283 |
| Total primary government net assets | $ 406,697,087 | $ 425,965,410 | $ 457,608,205 | $ 445,502,524 | $ 433,098,694 | $ 417,824,083 | $ 392,727,494 | $ 314,962,794 | $ 275,961,648 | $ 278,864,852 |

# 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 Assets - Accrual Basis of Accounting
## Last Ten Fiscal Years

| | Years Ended December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Expenses** | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Administration and finance | $ 23,045,390 | $ 28,400,818 | $ 24,180,194 | $ 27,873,858 | $ 20,163,477 | $ 17,551,946 | $ 14,166,259 | $ 9,612,142 | $ 17,009,724 | $ 17,173,960 |
| Health improvement | 28,917,502 | 28,146,044 | 27,632,587 | 25,527,724 | 24,159,226 | 24,145,228 | 24,399,358 | 25,275,328 | 26,408,831 | 23,876,063 |
| Communicable disease prevention | 14,388,516 | 14,696,779 | 14,706,663 | 12,223,308 | 11,352,654 | 9,215,253 | 10,379,233 | 9,425,318 | 9,360,310 | 8,914,142 |
| Water quality and hazardous materials management | 2,005,942 | 1,918,932 | 1,910,477 | 1,839,289 | 1,935,157 | 1,825,826 | 1,734,696 | 1,703,637 | 1,699,221 | 1,610,101 |
| Vector disease control | 3,954,524 | 3,905,768 | 3,871,946 | 3,804,382 | 3,940,890 | 3,509,809 | 2,977,009 | 2,965,406 | 2,930,571 | 2,796,196 |
| Housing and neighborhood health | 6,986,843 | 6,992,305 | 6,967,410 | 6,143,281 | 5,269,185 | 5,035,571 | 4,184,358 | 4,117,488 | 4,116,053 | 3,759,377 |
| Consumer and employee risk reduction | 1,795,884 | 1,916,259 | 1,694,473 | 1,580,062 | 1,579,658 | 1,557,309 | 1,546,218 | 1,581,187 | 1,507,781 | 1,395,880 |
| Interest on long-term debt | 49,636,823 | 2,359,635 | 2,519,440 | 2,652,816 | 2,690,760 | 2,898,454 | 2,532,873 | 3,260,807 | 3,354,422 | 3,442,160 |
| Total governmental activities expenses | 130,731,424 | 88,336,540 | 83,483,190 | 81,644,720 | 71,091,007 | 65,739,396 | 61,920,004 | 57,941,313 | 66,386,913 | 62,967,879 |
| Business-type activities | | | | | | | | | | |
| Wishard Health Services | 519,774,867 | 487,807,076 | 459,732,722 | 457,457,787 | 424,232,288 | 400,293,483 | 384,487,424 | 368,212,850 | 362,588,065 | 336,219,601 |
| LT Care | 426,846,568 | 366,852,811 | 310,478,515 | 240,118,586 | 212,410,072 | 171,792,272 | 157,656,712 | 139,064,331 | 97,053,021 | - |
| Total business-type activities expenses | 946,621,435 | 854,659,887 | 770,211,237 | 697,576,373 | 636,642,360 | 572,085,755 | 542,144,136 | 507,277,181 | 459,641,086 | 336,219,601 |
| Total primary government expenses | $ 1,077,352,859 | $ 942,996,427 | $ 853,694,427 | $ 779,221,093 | $ 707,733,367 | $ 637,825,151 | $ 604,064,140 | $ 565,218,494 | $ 526,027,999 | $ 399,187,480 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Administration and finance (1) | $ 3,375,608 | $ 583,185 | $ 11,553,387 | $ 24,835,565 | $ 29,516,097 | $ 32,198,505 | $ 12,042,413 | $ 323,299 | $ 304,285 | $ 154,995 |
| Health improvement | 2,259,188 | 2,420,983 | 2,343,511 | 2,324,464 | 2,382,740 | 2,036,999 | 2,094,473 | 1,979,376 | 1,108,469 | 1,225,594 |
| Communicable disease prevention | 559,475 | 631,281 | 571,655 | 533,564 | 363,533 | 358,954 | 395,412 | 323,576 | 318,275 | 338,184 |
| Water quality and hazardous materials management | 353,215 | 352,972 | 356,886 | 352,902 | 367,016 | 360,957 | 354,111 | 358,022 | 332,338 | 335,490 |
| Vector disease control | 563,276 | 752,623 | 687,121 | 614,797 | 1,261,037 | 898,812 | 125,523 | 102,741 | 66,994 | 26,138 |
| Housing and neighborhood health | 468,733 | 317,965 | 416,541 | 435,687 | 469,407 | 633,456 | 85,501 | 92,722 | 94,141 | 54,227 |
| Consumer and employee risk reduction | 2,177,656 | 2,109,083 | 2,022,930 | 1,905,944 | 2,355,841 | 2,087,249 | 1,898,597 | 1,757,581 | 1,552,017 | 1,471,489 |
| Operating grants and contributions (1) | 47,974,400 | 44,126,964 | 18,304,481 | 15,513,792 | 13,955,419 | 12,108,583 | 16,573,583 | 17,488,087 | 17,317,170 | 15,270,533 |
| Capital grants and contributions | 1,532,905 | 3,104,698 | 3,123,848 | 1,527,403 | 1,217,110 | 3,575,826 | 1,702,901 | - | 5,439,547 | 1,174,819 |
| Total governmental activities program revenues | 59,264,456 | 54,399,754 | 39,380,360 | 48,044,118 | 51,888,200 | 54,259,341 | 35,272,514 | 22,425,404 | 26,533,236 | 20,051,469 |

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

# Health and Hospital Corporation of Marion County, Indiana
## (A Component Unit of the Consolidated City of Indianapolis - Marion County)
## Table II - Continued
## Schedule of Changes in Net Assets - Accrual Basis of Accounting
## Last Ten Fiscal Years

| | Years Ended December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Wishard Health Services | $ 261,819,236 | $ 252,468,219 | $ 250,657,243 | $ 235,271,501 | $ 239,779,417 | $ 222,001,734 | $ 224,633,684 | $ 199,864,995 | $ 189,692,554 | $ 166,401,275 |
| LT Care | 574,233,417 | 429,785,305 | 381,662,295 | 288,984,754 | 210,548,466 | 167,574,919 | 167,009,420 | 134,559,380 | 95,858,819 | - |
| Operating grants and contributions | 20,460,189 | 18,703,315 | 21,668,536 | 16,646,528 | 9,308,853 | 7,680,805 | 8,414,943 | 10,038,960 | 11,735,585 | 12,126,208 |
| Capital grants and contributions | - | 769,000 | - | - | 314,400 | - | - | - | - | - |
| Total business-type activities program revenue | 856,512,842 | 701,725,839 | 653,988,074 | 540,902,783 | 459,951,136 | 397,257,458 | 400,058,047 | 344,463,335 | 297,286,958 | 178,527,483 |
| Total primary government program revenues | $ 915,777,298 | $ 756,125,593 | $ 693,368,434 | $ 588,946,901 | $ 511,839,336 | $ 451,516,799 | $ 435,330,561 | $ 366,888,739 | $ 323,820,194 | $ 198,578,952 |
| Net program (expense)/revenue | | | | | | | | | | |
| Governmental activities | $ (71,466,968) | $ (33,936,786) | $ (44,102,830) | $ (33,600,602) | $ (19,202,807) | $ (11,480,055) | $ (26,647,490) | $ (35,515,909) | $ (39,853,677) | $ (42,916,410) |
| Business-type activities | (90,108,593) | (152,934,048) | (116,233,163) | (156,673,590) | (176,691,224) | (173,111,652) | (142,086,089) | (162,813,846) | (162,354,128) | (157,692,118) |
| Total primary government net expense | $ (161,575,561) | $ (186,870,834) | $ (160,335,993) | $ (190,274,192) | $ (195,894,031) | $ (184,591,707) | $ (168,733,579) | $ (198,329,755) | $ (202,207,805) | $ (200,608,528) |
| **General Revenues and Other Changes in Net Assets** | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property and HCI taxes | $ 104,742,264 | $ 105,792,726 | $ 99,656,899 | $ 97,126,269 | $ 89,583,638 | $ 89,435,326 | $ 87,980,567 | $ 88,498,342 | $ 92,454,172 | $ 76,292,234 |
| Excise taxes | 5,269,274 | 5,252,268 | 5,278,006 | 6,927,280 | 6,831,647 | 7,270,595 | 7,507,089 | 7,889,045 | 7,905,793 | 7,472,835 |
| Financial institutions taxes | 1,319,008 | 1,275,274 | 1,477,986 | 1,284,278 | 1,268,115 | 1,260,083 | 1,268,250 | 1,269,040 | 1,242,962 | 1,198,208 |
| Disproportionate share Medicaid | 14,374,161 | 39,048,278 | 61,819,896 | 87,227,322 | 102,956,478 | 101,186,941 | 143,381,951 | 137,474,685 | 95,965,768 | 76,364,494 |
| Build America Bonds interest subsidies | 13,775,283 | - | - | - | - | - | - | - | - | - |
| Unrestricted investment earnings | 1,316,116 | 2,482,149 | 795,022 | 4,056,678 | 7,077,243 | 6,521,273 | 3,614,043 | 978,823 | 774,638 | 2,386,068 |
| Transfers (capital contributions to Wishard and LT Care) | - | - | - | (377,910) | (734,870) | (4,905,484) | (455,288) | (6,790,490) | (5,250,867) | (14,140,401) |
| Transfers | (86,656,492) | (142,989,585) | (131,428,209) | (144,934,035) | (157,000,000) | (153,713,891) | (139,977,919) | (156,000,000) | (183,421,684) | (167,492,945) |
| Total governmental activities | 54,139,614 | 10,861,110 | 37,599,600 | 51,309,882 | 49,982,251 | 47,054,843 | 103,318,693 | 73,319,445 | 9,670,782 | (17,919,507) |

# 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 Assets - Accrual Basis of Accounting

## Last Ten Fiscal Years

| | Years Ended December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Business-type activities | | | | | | | | | | |
| Unrestricted investment earnings | $ 1,511,132 | $ 1,377,344 | $ 3,403,865 | $ 6,056,195 | $ 3,451,521 | $ 4,014,078 | $ 2,746,379 | $ 1,220,966 | $ 961,268 | $ 1,625,149 |
| Transfers (capital contributions to Wishard) | - | - | - | 377,910 | 734,870 | 3,905,484 | 455,288 | 6,790,490 | 5,250,867 | 14,140,401 |
| Transfers | 86,656,492 | 142,989,585 | 131,428,209 | 144,934,035 | 157,000,000 | 154,713,891 | 139,977,919 | 156,000,000 | 183,421,684 | 167,492,945 |
| Total business-type activities | 88,167,624 | 144,366,929 | 134,832,074 | 151,368,140 | 161,186,391 | 162,633,453 | 143,179,586 | 164,011,456 | 189,633,819 | 183,258,495 |
| Total primary government | $ 142,307,238 | $ 155,228,039 | $ 172,431,674 | $ 202,678,022 | $ 211,168,642 | $ 209,688,296 | $ 246,498,279 | $ 237,330,901 | $ 199,304,601 | $ 165,338,988 |
| **Change in Net Assets** | | | | | | | | | | |
| Governmental activities | $ (17,327,354) | $ (23,075,676) | $ (6,503,230) | $ 17,709,280 | $ 30,779,444 | $ 35,574,788 | $ 76,671,203 | $ 37,803,536 | $ (30,182,895) | $ (60,835,917) |
| Business-type activities | (1,940,969) | (8,567,119) | 18,608,911 | (5,305,450) | (15,504,833) | (10,478,199) | 1,093,497 | 1,197,610 | 27,279,691 | 25,566,377 |
| Total primary government | $ (19,268,323) | $ (31,642,795) | $ 12,105,681 | $ 12,403,830 | $ 15,274,611 | $ 25,096,589 | $ 77,764,700 | $ 39,001,146 | $ (2,903,204) | $ (35,269,540) |

# Health and Hospital Corporation of Marion County, Indiana

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

## Table III

## Fund Balances, Governmental Funds - Modified Accrual Basis of Accounting

## Last Ten Fiscal Years

| | December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 (1) | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| **General Fund** | | | | | | | | | | |
| Reserved | $ - | $ 4,120,202 | $ 2,985,130 | $ 6,268,915 | $ 7,046,198 | $ 8,407,286 | $ 3,640,918 | $ 5,214,233 | $ 4,864,915 | $ 26,655,124 |
| Unreserved | - | 149,037,699 | 158,561,111 | 146,844,353 | 122,752,504 | 110,958,027 | 111,837,016 | 37,286,974 | 7,642,777 | 21,588,774 |
| Nonspendable | 417,843 | - | - | - | - | - | - | - | - | - |
| Assigned | 3,174,846 | - | - | - | - | - | - | - | - | - |
| Unassigned | 131,936,536 | - | - | - | - | - | - | - | - | - |
| Total general fund | $ 135,529,225 | $ 153,157,901 | $ 161,546,241 | $ 153,113,268 | $ 129,798,702 | $ 119,365,313 | $ 115,477,934 | $ 42,501,207 | $ 12,507,692 | $ 48,243,898 |
| **All Other Governmental Funds** | | | | | | | | | | |
| Reserved | $ - | $ 189,574,838 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 4,330,048 |
| Unreserved, reported in | | | | | | | | | | |
| Debt service fund | - | (1,259,840) | (1,882,120) | (3,631,044) | (412,637) | 362,060 | (16,186) | 198,382 | 297,281 | - |
| Capital projects fund | - | 23,895,431 | 65,127,048 | 64,318,221 | 43,030,727 | 40,814,423 | 38,643,862 | 37,281,256 | 36,659,175 | 28,708,879 |
| Restricted, reported in | | | | | | | | | | |
| Debt service fund | 17,494,306 | - | - | - | - | - | - | - | - | - |
| Capital projects fund | 123,726,061 | - | - | - | - | - | - | - | - | - |
| Unassigned, reported in | | | | | | | | | | |
| Debt service fund | (633,693) | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | $ 140,586,674 | $ 212,210,429 | $ 63,244,928 | $ 60,687,177 | $ 42,618,090 | $ 41,176,483 | $ 38,627,676 | $ 37,479,638 | $ 36,956,456 | $ 33,038,927 |

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

# Health and Hospital Corporation of Marion County, Indiana
## (A Component Unit of the Consolidated City of Indianapolis - Marion County)
## Table IV
## Changes in Fund Balances - Governmental Funds
## Last Ten Fiscal Years

| | Years Ending December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Revenues** | | | | | | | | | | |
| Taxes | $ 111,330,546 | $ 128,505,950 | $ 126,281,363 | $ 88,336,613 | $ 82,095,459 | $ 97,965,873 | $ 97,196,828 | $ 98,214,855 | $ 101,652,352 | $ 84,645,829 |
| Licenses and permits | 3,933,300 | 3,857,259 | 3,774,650 | 3,700,835 | 4,193,808 | 3,864,882 | 3,662,722 | 3,565,750 | 2,853,728 | 2,709,269 |
| Intergovernmental | 36,824,648 | 48,871,597 | 19,936,304 | 18,820,201 | 14,629,232 | 16,007,012 | 16,598,192 | 17,030,332 | 16,444,232 | 15,495,683 |
| Charges for services | 1,170,890 | 1,342,212 | 16,134,540 | 20,149,821 | 27,570,626 | 1,079,203 | 1,162,710 | 809,638 | 862,954 | 750,014 |
| Disproportionate share Medicaid | 14,374,161 | 39,799,959 | 62,927,328 | 126,524,776 | 105,102,078 | 72,864,271 | 142,926,951 | 122,974,685 | 95,965,768 | 76,364,494 |
| Build American Bonds interest subsidies | 13,775,283 | - | - | - | - | - | - | - | - | - |
| Contributions | 12,900,000 | - | - | - | - | - | - | - | - | - |
| Interest | 1,316,116 | 2,482,149 | 795,022 | 4,056,678 | 7,077,243 | 6,521,271 | 3,614,043 | 978,823 | 774,638 | 2,386,068 |
| Miscellaneous | 4,410,403 | 3,343,738 | 242,255 | 5,470,057 | 2,306,154 | 31,765,188 | 13,449,938 | 1,330,121 | 6,441,723 | 1,258,766 |
| Total revenues | 200,035,347 | 228,202,864 | 230,091,462 | 267,058,981 | 242,974,600 | 230,067,700 | 278,611,384 | 244,904,204 | 224,995,395 | 183,610,123 |
| **Expenditures** | | | | | | | | | | |
| Administrative | 23,875,423 | 25,457,868 | 21,572,325 | 23,283,723 | 19,041,700 | 14,118,571 | 12,039,938 | 6,032,923 | 19,100,875 | 17,965,973 |
| Population health | 23,718,257 | 22,643,391 | 21,000,830 | 19,816,620 | 18,819,736 | 18,042,145 | 16,880,567 | 15,180,714 | 17,089,105 | 17,702,836 |
| Environmental health | 12,401,862 | 11,885,107 | 11,566,888 | 10,964,278 | 10,905,283 | 10,584,558 | 9,566,699 | 8,998,116 | 9,610,608 | 8,883,675 |
| Health center program | 1,615,344 | 1,491,812 | 2,012,429 | 1,630,315 | 1,151,665 | 1,049,574 | 1,100,104 | 1,131,120 | 1,458,533 | 1,146,006 |
| Data processing | 3,034,812 | 2,932,675 | 2,865,135 | 2,972,158 | 2,710,015 | 2,803,176 | 3,288,074 | 2,785,547 | 2,977,700 | 2,536,786 |
| Grants program | 16,546,600 | 18,324,824 | 20,059,103 | 15,928,714 | 14,110,484 | 15,264,642 | 14,536,941 | 14,399,483 | 15,890,222 | 14,727,717 |
| Capital outlays | 158,620,259 | 107,499,401 | 4,236,379 | 1,123,966 | 2,816,332 | 2,516,273 | 1,685,354 | 4,264,463 | 2,351,314 | 12,597,638 |
| Debt service | | | | | | | | | | |
| Principal | 2,455,000 | 1,955,000 | 1,840,000 | 1,958,122 | 1,853,629 | 1,749,548 | 2,380,863 | 1,652,555 | 1,559,609 | 1,477,010 |
| Interest and fiscal charges | 49,636,823 | 2,359,635 | 2,519,440 | 2,685,491 | 2,690,760 | 2,789,136 | 2,574,872 | 3,301,307 | 3,354,422 | 3,442,160 |
| Bond issuance costs | - | 1,833,646 | - | - | - | - | 429,167 | - | - | - |
| Total expenditures | 291,904,380 | 196,383,359 | 87,672,529 | 80,363,387 | 74,099,604 | 68,917,623 | 64,482,579 | 57,746,228 | 73,392,388 | 80,479,801 |
| Excess (deficiency) of revenues over (under) expenditures | (91,869,033) | 31,819,505 | 142,418,933 | 186,695,594 | 168,874,996 | 161,150,077 | 214,128,805 | 187,157,976 | 151,603,007 | 103,130,322 |

# Health and Hospital Corporation of Marion County, Indiana

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

## Table IV - Continued

## Changes in Fund Balances - Governmental Funds

## Last Ten Fiscal Years

| | Years Ending December 31 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Proceeds of bonds | $ - | $ 195,000,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Refunding on bonds issued | - | - | - | - | - | - | 28,960,000 | - | - | - |
| Premium on bonds issued | - | 3,907,846 | - | - | - | - | 1,013,992 | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | (29,544,825) | - | - | - |
| Other debt issued | 89,273,094 | 52,839,395 | - | - | - | - | - | - | - | - |
| Transfers in | 138,174,404 | 37,000,000 | 55,000,000 | 30,300,000 | - | - | 8,294 | - | 17,242 | 225,888 |
| Transfers out | (224,830,896) | (179,989,585) | (186,428,209) | (175,611,941) | (157,000,000) | (154,713,891) | (140,441,501) | (156,641,279) | (183,438,926) | (167,718,833) |
| Total other financing sources (uses), net | 2,616,602 | 108,757,656 | (131,428,209) | (145,311,941) | (157,000,000) | (154,713,891) | (140,004,040) | (156,641,279) | (183,421,684) | (167,492,945) |
| Net change in fund balances | $ (89,252,431) | $ 140,577,161 | $ 10,990,724 | $ 41,383,653 | $ 11,874,996 | $ 6,436,186 | $ 74,124,765 | $ 30,516,697 | $ (31,818,677) | $ (64,362,623) |
| Debt service as a percentage of noncapital expenditures | 39.1% | 4.9% | 5.2% | 5.9% | 6.4% | 6.8% | 7.9% | 9.3% | 6.9% | 7.2% |
| Debt service expenditures | $ 52,091,823 | $ 4,314,635 | $ 4,359,440 | $ 4,643,613 | $ 4,544,389 | $ 4,538,684 | $ 4,955,735 | $ 4,953,862 | $ 4,914,031 | $ 4,919,170 |
| Noncapital expenditures | 133,284,121 | 88,883,958 | 83,436,150 | 79,239,421 | 71,283,272 | 66,401,350 | 62,797,225 | 53,481,765 | 71,041,074 | 67,882,163 |

# 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, 2011

| | 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 |
| 2011 | $ 34,203,195,227 | $ 34,203,195,227 | $ 5,449,472,000 | $ 5,449,472,000 | $ 39,652,667,227 | $ 39,652,667,227 | $ 0.1805 |
| 2010 | 30,071,881,985 | 30,071,881,985 | 5,745,524,000 | 5,745,524,000 | 35,817,405,985 | 35,817,405,985 | 0.1595 |
| 2009 | 31,039,405,707 | 31,039,405,707 | 5,657,964,000 | 5,657,964,000 | 36,697,369,707 | 36,697,369,707 | 0.1543 |
| 2008 | 38,250,226,004 | 38,250,226,004 | 5,454,450,000 | 5,454,450,000 | 43,704,676,004 | 43,704,676,004 | 0.2114 |
| 2007 | 39,182,916,707 | 39,182,916,707 | 5,565,477,874 | 5,565,477,874 | 44,748,394,581 | 44,748,394,581 | 0.2022 |
| 2006 | 33,030,628,020 | 33,030,628,020 | 7,195,875,948 | 7,195,875,948 | 40,226,503,968 | 40,226,503,968 | 0.2242 |
| 2005 | 32,400,972,000 | 32,400,972,000 | 7,229,661,000 | 7,229,661,000 | 39,630,633,000 | 39,630,633,000 | 0.2249 |
| 2004 | 34,606,376,000 | 34,606,376,000 | 5,323,754,000 | 5,323,754,000 | 39,930,130,000 | 39,930,130,000 | 0.2253 |
| 2003 | 32,982,779,000 | 32,982,779,000 | 8,845,067,000 | 8,845,067,000 | 41,827,846,000 | 41,827,846,000 | 0.2253 |
| 2002 | 20,820,046,000 | 20,820,046,000 | 8,162,071,000 | 8,162,071,000 | 28,982,117,000 | 28,982,117,000 | 0.2633 |

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

Source: Marion County Auditor

# Health and Hospital Corporation of Marion County, Indiana

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

## Table VI

## Property Tax Rates - Direct and Overlapping Governments [1]

## December 31, 2011

| Year | Operations | Debt | Cumulative Building | Total | City | County | Other Municipal Corporations | School | State | Other | Total (1) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2011 | 0.1640 | 0.0159 | 0.0006 | 0.1805 | 1.6875 | 0.3665 | 0.1880 | 1.4065 | 0.0024 | 0.0615 | 3.8929 |
| 2010 | 0.1494 | 0.0095 | 0.0006 | 0.1595 | 1.5489 | 0.3534 | 0.1687 | 1.3692 | 0.0024 | 0.0615 | 3.6636 |
| 2009 | 0.1440 | 0.0097 | 0.0006 | 0.1543 | 1.5401 | 0.3513 | 0.1711 | 1.1569 | 0.0024 | 0.0578 | 3.4339 |
| 2008 | 0.2023 | 0.0085 | 0.0006 | 0.2114 | 1.5256 | 0.4936 | 0.1307 | 1.7668 | 0.0024 | 0.0553 | 4.1858 |
| 2007 | 0.1928 | 0.0088 | 0.0006 | 0.2022 | 1.4987 | 0.5708 | 0.1298 | 1.8713 | 0.0024 | 0.0656 | 4.3408 |
| 2006 | 0.2138 | 0.0098 | 0.0006 | 0.2242 | 0.8881 | 0.4131 | 0.1409 | 1.7172 | 0.0024 | 0.0644 | 3.4503 |
| 2005 | 0.2137 | 0.0106 | 0.0006 | 0.2249 | 0.9532 | 0.4163 | 0.1401 | 1.6744 | 0.0024 | 0.0637 | 3.4750 |
| 2004 | 0.2139 | 0.0108 | 0.0006 | 0.2253 | 0.9485 | 0.4129 | 0.1189 | 1.7827 | 0.0024 | 0.0607 | 3.5514 |
| 2003 | 0.2134 | 0.0113 | 0.0006 | 0.2253 | 0.9603 | 0.4443 | 0.1302 | 1.5503 | 0.0033 | 0.1403 | 3.4540 |
| 2002 | 0.2492 | 0.0133 | 0.0008 | 0.2633 | 1.2254 | 0.5354 | 0.1676 | 1.9594 | 0.0033 | 0.0799 | 4.2343 |

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

Source: Marion County Auditor’s Office.

# Health and Hospital Corporation of Marion County, Indiana

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

## Table VII

## Principal Property Tax Payers

## Current Year and Nine Years Ago

## December 31, 2011

| | 2011 Principal Taxpayers | 2011 Taxable Assessed Value (1) (2) | 2011 Rank | 2011 Percentage of Total City Taxable Assessed Value | 2002 Principal Taxpayers | 2002 Taxable Assessed Value (2) (3) | 2002 Rank | 2002 Percentage of Total City Taxable Assessed Value |
|---|---|---|---|---|---|---|---|---|
| 1 | Eli Lilly and Company | $ 1,150,974 | 1 | 3.173% | Eli Lilly & Company | $ 508,054 | 1 | 1.753% |
| 2 | Indianapolis Power & Light Co. | 392,297 | 2 | 1.082% | Allison Transmission Division of General Motors | 386,846 | 2 | 1.335% |
| 3 | Allison Transmission, Inc. | 180,737 | 3 | 0.498% | Indianapolis Power and Light | 372,395 | 3 | 1.285% |
| 4 | Federal Express Corporation | 161,539 | 4 | 0.445% | Simon Property Group, Inc. | 229,385 | 4 | 0.791% |
| 5 | Macquarie Office Monument Center I LLC | 138,940 | 5 | 0.383% | Visteon Corporation (formerly Ford Motor Co.) | 204,732 | 5 | 0.706% |
| 6 | Convention Hotels Headquarters, LLC | 105,185 | 6 | 0.290% | Rolls Royce | 177,775 | 6 | 0.613% |
| 7 | Indiana Bell Telephone Co. Inc. | 92,458 | 7 | 0.255% | International Truck and Engine Corp. (formerly Navistar) | 160,340 | 7 | 0.553% |
| 8 | Circle Centre Development Co. | 84,936 | 8 | 0.234% | Federal Home Bank | 149,981 | 8 | 0.517% |
| 9 | Rolls Royce | 78,551 | 9 | 0.217% | Clarian Health Partners | 120,333 | 9 | 0.415% |
| 10 | American United Life | 72,512 | 10 | 0.200% | Roche Diagnostics Corp. | 108,512 | 10 | 0.374% |
| 11 | Hub Properties GA LLC | 71,190 | 11 | 0.196% | National Starch and Chemical Company | 93,244 | 11 | 0.322% |
| 12 | National Starch LLC | 70,685 | 12 | 0.195% | American United Life Insurance Co. | 90,649 | 12 | 0.313% |
| 13 | BNP Paribas Leasing Corp. | 68,270 | 13 | 0.188% | Bank One Corporation | 62,359 | 13 | 0.215% |
| 14 | MT Acquisitions LLC | 64,404 | 14 | 0.178% | Daimler - Chrysler Corp. | 50,081 | 14 | 0.215% |
| 15 | Crossroads Indiana LLC | 60,589 | 15 | 0.167% | Marsh | 47,605 | 15 | 0.164% |
| 16 | SVC Manufacturing Inc. | 52,878 | 16 | 0.146% | General Motors Corporation | 39,810 | 16 | 0.137% |
| 17 | Castleton Square, LLC | 51,622 | 17 | 0.142% | Reilly Industries, Inc. | 37,325 | 17 | 0.129% |
| 18 | LHO Indianapolis Hotel One, LLC | 50,685 | 18 | 0.140% | Anthem, Inc. | 37,081 | 18 | 0.128% |
| 19 | Automotive Components Holdings LLC | 50,453 | 19 | 0.139% | H.H. Gregg | 30,430 | 19 | 0.109% |
| 20 | Keystone Investors, LLC | 50,111 | 20 | 0.138% | Citizens Gas & Coke Utility | 31,552 | 20 | 0.105% |
| | | $ 3,049,016 | | 8.41% | | $ 2,938,489 | | 10.18% |

(1) Represents the March 1, 2010 valuations for taxes due and payable in 2011 as represented by the taxpayer.

(2) Net Assessed Valuation was determined using public records from the Marion County Treasurer's Office. Taxable property is assessed at 100% of the true tax value.

(3) Data from the 2002 Health and Hospital Corporation's Comprehensive Annual Financial Report.

Source: Marion County Auditor's Office

# Health and Hospital Corporation of Marion County, Indiana

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

## Table VIII

## Property Tax Levies and Collections

## December 31, 2011

| Fiscal Year Ended December 31 | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy: Amount | Collected Within the Fiscal Year of the Levy: Percentage of Levy | Collections in Subsequent Years (3) | Delinquent Tax Receipt in 2011 (1) | Total Collections to Date: Amount | Total Collections to Date: Percentage of Levy |
|---|---|---|---|---|---|---|---|
| 2011 | $ 61,736,767 | $ 52,513,485 | 85.06% | $ - | $ - | $ 52,513,485 | 85.06% |
| 2010 | 57,128,763 | 54,775,062 | 95.88% | - | 2,040,968 | 56,816,030 | 99.45% |
| 2009 | 56,624,041 | 31,594,513 | 55.80% | 21,185,683 | 396,361 | 53,176,557 | 93.91% |
| 2008 | 92,391,685 | 52,293,400 | 56.60% | 39,094,389 | 80,527 | 91,468,316 | 99.00% |
| 2007 | 90,456,328 | 72,009,781 | 79.61% | 18,421,520 | 25,027 | 90,456,328 | 100.00% |
| 2006 | 90,469,407 | 88,872,634 | 98.24% | - | 12,721 | 88,885,355 | 98.25% |
| 2005 | 88,832,049 | 87,127,862 | 98.08% | - | 5,320 | 87,133,182 | 98.09% |
| 2004 | 88,991,203 | 88,146,061 | 99.05% | - | - | 88,146,061 | 99.05% |
| 2003 (2) | 87,982,909 | 91,505,477 | 104.00% | - | - | 91,505,477 | 104.00% |
| 2002 (2) | 74,494,711 | 74,835,034 | 100.46% | - | - | 74,835,034 | 100.46% |

(1) Delinquent tax that was paid in addition to current tax in 2011. Information not available for prior years.

(2) In these years, the Corporation was allowed by law to collect more than its original levy.

(3) Beginning with the 2006 tax year payable 2007, all real property assessments have been revalued annually to reflect market value based on comparable sales data ("Trending"). The implementation of Trending caused delays in the collection of property taxes in 2008 and 2009. In addition, due to technical concerns relating to Trending, the Governor ordered a reassessment of property value in Marion County for 2006 taxes payable in 2007 (the "Special Reassessment"). This Special Reassessment delayed collection of a portion of the taxes payable in 2007 and 2008.

Source: Marion County Auditor’s Office

# Health and Hospital Corporation of Marion County, Indiana

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

## Table IX

## Ratios of Outstanding Debt by Type

## December 31, 2011

| | Governmental Activities | | | | | | | Business-Type Activities | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds of 2005 (1) | General Obligation Bonds of 2000 (1) | General Obligation Bonds of 2010 | Due to Local Government | Capital Lease | Renovation Bonds of 1988 | Notes Payable | Long-Term Care Capital Leases (2) | Total Primary Government | Percentage of Personal Income (3) (4) | Per Capita (3) |
| 2011 | $ 22,570,000 | $ - | $ 195,000,000 | $ 135,659,802 | $ 6,452,687 | $ 13,815,000 | $ - | $ 353,793,730 | $ 727,291,219 | - | $ 803.29 |
| 2010 | 23,795,000 | - | 195,000,000 | 52,839,395 | - | 15,045,000 | - | 284,101,584 | 570,780,979 | 1694.35% | 631.82 |
| 2009 | 24,610,000 | - | - | - | - | 16,185,000 | - | 275,252,457 | 316,047,457 | 935.77% | 354.76 |
| 2008 | 25,390,000 | - | - | - | - | 17,245,000 | - | 189,181,169 | 231,816,169 | 685.88% | 263.31 |
| 2007 | 26,140,000 | - | - | - | - | 18,235,000 | 218,122 | 191,712,922 | 236,306,044 | 710.97% | 269.51 |
| 2006 | 26,865,000 | - | - | - | - | 19,155,000 | 426,751 | 166,112,532 | 212,559,283 | 650.98% | 245.59 |
| 2005 | 27,565,000 | - | - | - | - | 20,005,000 | 626,299 | 151,253,286 | 199,449,585 | 637.83% | 231.44 |
| 2004 | - | 27,280,000 | - | - | - | 20,800,000 | 817,162 | 117,886,520 | 166,783,682 | 557.94% | 193.78 |
| 2003 | - | 28,010,000 | - | - | - | 21,540,000 | 999,717 | 125,548,785 | 176,098,502 | 616.30% | 203.99 |
| 2002 | - | 28,705,000 | - | - | - | 22,230,000 | 1,174,326 | - | 52,109,326 | 186.14% | 60.35 |

(1) The General Obligation (GO) Bonds of 2000 were refunded in late 2005 and replaced with the GO bonds of 2005.

(2) The Long-Term Care Division within the business-type activities did not exist within the Corporation prior to 2003.

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

(4) Personal income not available for 2011.

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, 2011

| | General Bonded Debt Outstanding | | | Percentage of | |
|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Notes Payable | Total Net Bonded Debt | Actual Taxable Value of Property | Per Capita |
| 2011 | $ 231,385,000 | $ - | $ 231,385,000 | 0.58% | $ 255.56 |
| 2010 | 233,840,000 | - | 233,840,000 | 0.65% | 258.85 |
| 2009 | 40,795,000 | - | 40,795,000 | 0.11% | 45.79 |
| 2008 | 42,635,000 | - | 42,635,000 | 0.10% | 48.43 |
| 2007 | 44,375,000 | 218,122 | 44,593,122 | 0.10% | 50.86 |
| 2006 | 46,020,000 | 426,751 | 46,446,751 | 0.12% | 53.66 |
| 2005 | 47,570,000 | 626,299 | 48,196,299 | 0.12% | 55.93 |
| 2004 | 48,080,000 | 817,162 | 48,897,162 | 0.12% | 56.81 |
| 2003 | 49,550,000 | 999,717 | 50,549,717 | 0.12% | 58.56 |
| 2002 | 50,935,000 | 1,174,326 | 52,109,326 | 0.18% | 60.35 |

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

# Health and Hospital Corporation of Marion County, Indiana
## (A Component Unit of the Consolidated City of Indianapolis - Marion County)
## Table XI
## Schedule of Direct and Overlapping Debt and Bonded Debt Limit (1)
## December 31, 2011

| | Assessed Value (6) (7) (in thousands) | Bonding Limit % | Bonding Limit Dollar Amount (in thousands) | Bonds Outstanding (in thousands) |
|---|---|---|---|---|
| **Direct Debt:** | | | | |
| Health and Hospital Corporation of Marion County | $ 36,271,852 | 0.67% | $ 243,021 | $ 231,385 |
| **Overlapping:** | | | | |
| Marion County | 36,271,852 | 0.67% | $ 243,021 | $ - |
| City of Indianapolis | | | | |
| Civil City | 33,913,488 | 0.67% | $ 227,220 | $ 76,715 |
| Consolidated County | 36,271,852 | (3) | - | - |
| Park District | 36,271,852 | 0.67% | - | 17,157 |
| Redevelopment District | 33,913,488 | (7) | - | 6,777 |
| Flood Control District | 36,271,852 | 0.67% | 243,021 | 8,511 |
| Metropolitan Thoroughfare District | 36,271,852 | 1.33% | 482,416 | 32,195 |
| Sanitary District | 33,959,774 | 4.00% | 1,358,392 | 41,803 |
| Police Special Service District | 10,360,126 | (2) | - | - |
| Fire Special Service District | 25,564,445 | (2) | - | - |
| Solid Waste Collect Spec Service District | 33,400,090 | (2) | - | - |
| Solid Waste Disposal District | 33,400,090 | 2.00% | 668,002 | - |
| Pub Safety Comm and Comp Facilities District | 36,271,852 | 0.67% | 243,021 | 35,030 |
| Total city debt | | | $ 3,222,072 | $ 218,188 |
| Other Municipal Corporations | | | | |
| Airport Authority | 36,271,852 | 0.67% | $ 243,021 | $ - |
| Capital Improvement Board | 36,271,852 | 0.67% | 243,021 | - |
| Indpls-Marion Co. Building Authority | 36,271,852 | (4) | - | 14,820 |
| Indianapolis-Marion County Library | 35,285,012 | 0.67% | 236,410 | 94,925 |
| Indianapolis Public Transportation Corp. | 32,268,101 | 0.67% | 216,196 | 7,835 |
| Total municipal corporations | | | $ 938,649 | $ 117,580 |
| School Districts | | | | |
| Beech Grove | 399,801 | (8) | $ 65,488 | $ 5,000 |
| Decatur | 1,071,405 | (8) | 169,850 | 6,430 |
| Franklin | 1,755,155 | (8) | 272,284 | 3,885 |
| Indianapolis Public Schools | 9,225,666 | (8) | 594,648 | 23,760 |
| Lawrence | 4,606,490 | (8) | 251,442 | 21,085 |
| Perry | 3,243,437 | (8) | 182,072 | 18,575 |
| Pike | 4,774,364 | (8) | 115,172 | 25,415 |
| Speedway | 587,039 | (8) | 11,741 | - |
| Warren | 2,489,920 | (8) | 49,798 | - |
| Washington | 5,505,300 | (8) | 151,726 | 11,490 |
| Wayne | 2,613,275 | (8) | 305,146 | 21,291 |
| Total school districts | $ 36,271,852 | | $ 2,169,367 | $ 136,931 |

# 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 (1)

## December 31, 2011

| | Assessed Value (6) (7) (in thousands) | Bonding Limit % | Bonding Limit Dollar Amount (in thousands) | Bonds Outstanding (in thousands) |
|---|---|---|---|---|
| Other Cities and Towns | | | | |
| Beech Grove | $ 426,644 | 0.67% | $ 2,859 | $ 150 |
| Lawrence | 1,298,395 | 0.67% | 8,699 | 5,335 |
| Southport | 46,287 | 0.67% | 310 | 230 |
| Speedway | 587,039 | 0.67% | 3,933 | 3,535 |
| Total Other Cities and Towns | $ 2,358,365 | | $ 15,801 | $ 9,250 |
| Townships | | | | |
| Center | $ 4,921,847 | 0.67% | $ 32,976 | $ - |
| Decatur | 1,076,042 | 0.67% | 7,209 | - |
| Franklin | 1,902,520 | 0.67% | 12,747 | - |
| Lawrence | 4,976,521 | 0.67% | 33,343 | 1,805 |
| Perry | 3,539,182 | 0.67% | 23,713 | - |
| Pike | 4,884,524 | 0.67% | 32,726 | - |
| Warren | 3,345,058 | 0.67% | 22,412 | - |
| Washington | 7,609,894 | 0.67% | 50,986 | - |
| Wayne | 4,016,265 | 0.67% | 26,909 | - |
| Total Townships | $ 36,271,853 | | $ 243,021 | $ 1,805 |
| Excluded Library Districts | | | | |
| Beech Grove | $ 399,801 | 0.67% | $ 2,679 | $ - |
| Speedway | 587,039 | 0.67% | 3,933 | 185 |
| Total Excluded Library Districts | $ 986,840 | | $ 6,612 | $ 185 |
| Ben Davis Conservancy District | $ 898 | (5) | | - |
| Total Overlapping Debt | | | | $ 483,939 |
| Total Direct and Overlapping Debt | | | | $ 715,324 |

(1) Excludes Revenue Bonds not payable from ad valorem taxes.
(2) No bonding authority.
(3) No bonding authority from ad valorem taxes.
(4) There is no debt limit for the Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Authority's enabling legislation.
(5) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.
(6) Represents the final billing abstract for taxes due and payable in 2011.
(7) There is no statutory constitutional debt limitation to the Park and Redevelopment Districts.
(8) A statutory 2% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.

Source: City of Indianapolis, Office of Finance and Management

# 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, 2011

| Legal Debt Margin Calculation for Fiscal Year Ended December 31, 2011 | |
|---|---|
| **Net assessed value - 2011** | **$ 36,271,852,000** |
| **Debt limit (.67% of assessed values)** | **243,021,408** |
| **Debt applicable to limit** | |
| **Bonded Debt** | **231,385,000** |
| **Legal Debt Margin** | **$ 11,636,408** |

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt limit | $ 243,021,408 | $ 239,976,620 | $ 245,872,377 | $ 292,821,329 | $ 299,814,244 | $ 269,517,577 | $ 265,525,241 | $ 267,531,873 | $ 278,852,313 | $ 193,214,113 |
| Total net debt applicable to limit | 231,385,000 | 233,840,000 | 40,795,000 | 42,635,000 | 44,593,122 | 46,446,751 | 48,196,299 | 48,897,162 | 50,549,717 | 52,109,326 |
| Legal debt margin | $ 11,636,408 | $ 6,136,620 | $ 205,077,377 | $ 250,186,329 | $ 255,221,122 | $ 223,070,826 | $ 217,328,942 | $ 218,634,711 | $ 228,302,596 | $ 141,104,787 |
| Total net debt applicable to the limit as a percentage of debt limit | 95.21% | 97.44% | 16.59% | 14.56% | 14.87% | 17.23% | 18.15% | 18.28% | 18.13% | 26.97% |

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, 2011

| Year | (1) Population | (2) Personal Income | (2) Per Capita Personal Income | Public School Enrollment | (3) Unemployment Rate |
|---|---|---|---|---|---|
| 2011 | 905,393 | - | - | 143,053 | 8.9% |
| 2010 | 903,393 | 33,687,344 | 38,796 | 159,865 | 8.4% |
| 2009 | 890,879 | 33,774,144 | 38,532 | 159,089 | 8.5% |
| 2008 | 880,380 | 33,798,139 | 39,318 | 145,569 | 5.6% |
| 2007 | 876,804 | 33,237,000 | 38,980 | 136,883 | 4.5% |
| 2006 | 865,504 | 32,652,000 | 37,403 | 133,697 | 4.4% |
| 2005 | 861,760 | 31,270,050 | 36,286 | 133,694 | 4.8% |
| 2004 | 860,674 | 29,892,584 | 34,732 | 132,505 | 4.7% |
| 2003 | 863,251 | 28,573,705 | 33,142 | 131,543 | 4.8% |
| 2002 | 863,429 | 27,994,389 | 32,479 | 129,682 | 4.6% |

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

(2) Source: U.S. Bureau of Economics Census Bureau midyear population estimates. Estimates for 2002-2010 reflect county population estimates available as of March 2011. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2002-2010 reflect county population estimates available as of March 2011. Data was not yet available for 2011 personal income or per capita 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
## December 31, 2011

| | 2011 | | | 2002 (2) | | |
|---|---|---|---|---|---|---|
| Taxpayer | (1) Employees | (1) Rank | (1) Percentage of Total Metropolitan Statistical Area Employment | Employees | Rank | Percentage of Total Metropolitan Statistical Area Employment |
| Clarian Health Partners, Inc. (IU Health) | 12,763 | 1 | 1.41% | 15,051 | 1 | (3) |
| Eli Lilly & Company | 11,550 | 2 | 1.28% | - | | (3) |
| St. Vincent Hospitals & Health Service | 10,640 | 3 | 1.18% | - | | (3) |
| IUPUI | 7,066 | 4 | 0.78% | 6,763 | 2 | (3) |
| Federal Express Corp. (FedEx) | 6,311 | 5 | 0.70% | - | | (3) |
| Community Health Network | 5,341 | 6 | 0.59% | 5,293 | 3 | (3) |
| Rolls-Royce | 4,300 | 7 | 0.47% | 4,335 | 4 | (3) |
| St. Francis Hospital & Health Centers | 4,152 | 8 | 0.46% | - | | (3) |
| WellPoint, Inc. | 3,950 | 9 | 0.44% | - | | (3) |
| Allison Transmission/Div of GMC | 3,800 | 10 | 0.42% | 4,119 | 5 | (3) |
| Marsh | - | | | 3,680 | 6 | (3) |
| Anthem, Inc. | - | | | 3,509 | 7 | (3) |
| Kroger Company | - | | | 3,224 | 8 | (3) |
| Visteon Corporation (formerly Ford Motor Company) | - | | | 2,616 | 9 | (3) |
| Roche Diagnostics | - | | | 2,300 | 10 | (3) |
| | 69,873 | | | 50,890 | | |

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

(2) Data from the 2002 Health and Hospital Corporation's Comprehensive Annual Financial Report.

(3) Not available.

# 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, 2011

| Function/Program | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Full-Time Equivalent Employees at December 31 | | | | | | | | | |
| **Primary Government Employees:** | | | | | | | | | | |
| Administration | 132 | 127 | 117 | 118 | 115 | 112 | 112 | 113 | 109 | 97 |
| Health improvement | 327 | 337 | 343 | 313 | 311 | 313 | 309 | 304 | 314 | 315 |
| Communicable disease prevention | 125 | 125 | 120 | 122 | 119 | 119 | 124 | 123 | 123 | 122 |
| Water quality and hazardous materials | 26 | 27 | 25 | 27 | 28 | 29 | 29 | 29 | 30 | 79 |
| Housing and neighborhood health | 98 | 100 | 90 | 84 | 84 | 84 | 82 | 82 | 83 | 79 |
| Consumer and employee risk reduction | 27 | 27 | 28 | 25 | 26 | 27 | 27 | 27 | 27 | 27 |
| Vector disease control | 58 | 61 | 64 | 55 | 57 | 52 | 52 | 53 | 52 | 54 |
| **Business-type Employees:** | | | | | | | | | | |
| Wishard Health Services | 3,820 | 3,622 | 3,724 | 3,764 | 3,404 | 3,243 | 3,232 | 3,269 | 3,388 | 3,126 |
| Long-Term Care (1) | - | - | - | - | - | - | - | - | - | - |
| **Total Employees** | 4,613 | 4,426 | 4,511 | 4,508 | 4,144 | 3,979 | 3,967 | 4,000 | 4,126 | 3,899 |

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

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

# Health and Hospital Corporation of Marion County, Indiana

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

## Table XVI

## Operating Indicators by Function

## Last Ten Fiscal Years

| Function/Program | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Health Improvement | | | | | | | | | | |
| Community Based Clinics Services | | | | | | | | | | |
| Vaccine doses administered | 168,493 | 147,469 | 186,096 | 63,268 | 33,279 | 33,749 | 31,960 | 31,708 | 41,453 | 36,624 |
| Vital Statistics - certified birth copies issued | 49,029 | 59,067 | 59,258 | 62,008 | 66,601 | 61,617 | 62,233 | 64,413 | 76,523 | 70,886 |
| Vital Statistics - certified death copies issued | 53,335 | 57,763 | 56,434 | 99,185 | 59,558 | 60,062 | 58,027 | 55,595 | 66,386 | 69,766 |
| WIC Services - vouchers per month | 28,918 | 29,124 | 27,593 | 26,011 | n/a | n/a | n/a | 24,064 | 21,307 | 18,265 |
| WIC Services - nutrition education | 13,624 | 11,210 | 12,267 | 16,388 | n/a | n/a | n/a | 10,151 | 8,208 | 48,707 |
| Dental Health/Education Services | 70,120 | 68,370 | 54,011 | 72,119 | 80,358 | 65,224 | 69,905 | 67,113 | 53,260 | 46,055 |
| Communicable Disease Prevention | | | | | | | | | | |
| Chronic Disease | | | | | | | | | | |
| Hepatitis A,B,C shots | 1,090 | 1,068 | 1,121 | 1,098 | 1,115 | 1,083 | 1,098 | 1,042 | 1,149 | 1,309 |
| AIDS cases | 52 | 63 | 51 | 40 | 43 | 136 | 168 | 165 | 225 | 129 |
| HIV infection - total cases | 164 | 188 | 225 | 214 | 185 | 191 | 177 | 184 | 169 | 228 |
| Tuberculosis cases reported | 31 | 33 | 49 | 37 | 42 | 51 | 40 | 54 | 36 | 31 |
| Sexually transmitted diseases total cases | 9,856 | 6,959 | 11,086 | 11,923 | 11,918 | 10,795 | 11,336 | 9,618 | 9,666 | 10,784 |
| Water Quality and Hazardous Materials | | | | | | | | | | |
| Water Quality | | | | | | | | | | |
| Laboratory services performed | 62,336 | 60,238 | 59,261 | 58,926 | 167,657 | 180,000 | 168,297 | 125,874 | 97,421 | 99,902 |
| Swimming pool samples | 2,151 | 2,483 | 2,744 | 2,483 | 5,113 | n/a | n/a | 3,921 | 4,861 | 4,261 |
| Surface water samples taken | 2,598 | 6,225 | 5,844 | 6,480 | 2,421 | 2,418 | 2,454 | 4,450 | 4,679 | 3,528 |
| Hazardous Materials Management | | | | | | | | | | |
| Responses to emergency situations | 878 | 1,031 | 938 | 1,188 | 440 | 213 | 406 | 493 | 296 | 302 |
| Drinking water wells surveyed for toxins | 748 | 940 | 1,442 | 1,402 | 389 | 704 | 707 | 904 | 1,035 | 1,393 |
| Septic systems permits | 91 | 144 | 115 | 127 | 12 | 19 | 26 | 223 | 235 | 331 |
| Well construction permits | 88 | 70 | 102 | 78 | 12 | 111 | 108 | 118 | 111 | 129 |
| Well pump permits | 101 | 112 | 164 | 148 | 218 | 205 | 211 | 242 | 238 | 304 |
| Housing and Neighborhood Health | | | | | | | | | | |
| Initial housing orders | 2,649 | 4,621 | 5,565 | 2,682 | 3,827 | 3,822 | 3,528 | 3,311 | 3,180 | 3,128 |
| Housing compliances | 5,252 | 4,190 | 4,948 | 4,201 | 3,904 | 3,649 | 3,452 | 3,539 | 3,129 | 3,398 |
| Initial sanitation orders | 14,265 | 20,801 | 21,463 | 15,422 | 21,080 | 20,841 | 20,383 | 18,672 | 17,725 | 15,803 |
| Sanitation compliances | 14,046 | 19,501 | 20,845 | 13,056 | 19,021 | 18,654 | 18,099 | 16,079 | 14,527 | 6,135 |
| Court cases filed | 2,826 | 2,333 | 2,925 | 2,873 | 3,859 | 4,256 | 4,371 | 4,463 | 4,276 | 2,845 |
| Court cases resolved | 1,504 | 957 | 1,573 | 1,269 | 1,688 | 1,520 | 1,544 | 1,345 | 1,670 | 1,583 |
| Citations issued - illegal dumping | n/a | n/a | n/a | n/a | 299 | 425 | 366 | 409 | 462 | n/a |
| Unsafe buildings-structures demolished | 589 | 537 | 658 | 836 | 349 | 475 | 414 | 521 | 515 | 441 |
| Unsafe buildings-structures boarded | 9,430 | 7,111 | 7,586 | 6,516 | 6,182 | 5,064 | 4,217 | 3,268 | 3,209 | 3,056 |
| Unsafe buildings-structures repaired | 789 | 672 | 844 | 672 | 802 | 676 | 1,004 | 953 | 883 | 680 |
| Lead - children screened | 14,265 | 5,346 | 4,648 | 3,786 | 14,797 | 11,841 | 12,460 | 13,979 | 13,380 | 7,746 |

# 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

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Consumer and Employee Risk Reduction | | | | | | | | | | |
| Foodborne disease prevention | | | | | | | | | | |
| Foodborne inspections | 20,486 | 19,326 | 19,148 | 18,088 | 19,561 | 20,942 | 20,824 | 20,315 | 20,820 | 20,185 |
| Foodborne investigations | 144 | 156 | 199 | 206 | 115 | 118 | 107 | 107 | 95 | 121 |
| Foodborne complaints | 861 | 726 | 918 | 895 | 1,108 | 825 | 766 | 825 | 754 | 1,007 |
| Foodborne licenses issued | 5,138 | 5,885 | 5,604 | 5,265 | 5,862 | 5,933 | 5,857 | 5,972 | 5,779 | 5,793 |
| Occupational health | | | | | | | | | | |
| Occupational health consultations | n/a | n/a | n/a | n/a | 222 | 293 | 252 | 1,873 | 1,609 | 729 |
| Asbestos investigations | 301 | 360 | 114 | 173 | n/a | 437 | 406 | 447 | 303 | 204 |
| Radon investigations | 4 | 7 | 30 | 12 | n/a | n/a | n/a | n/a | n/a | 19 |
| Related indoor air inspections | 2,981 | 2,722 | 3,014 | 3,976 | 2,218 | 1,778 | 1,717 | 1,722 | 1,791 | 1,752 |
| Vector Disease Control | | | | | | | | | | |
| Environmental/Rodent Control | | | | | | | | | | |
| Total premises baited for rodents | 2,102 | 2,751 | 2,838 | 2,478 | 2,072 | 2,510 | 2,125 | 2,009 | 1,944 | 1,849 |
| Abandoned property cleanups | 2,897 | 3,541 | 3,557 | 2,975 | 3,561 | 3,489 | 2,577 | 2,729 | 2,096 | 2,050 |
| Assisted cleanups of neighborhoods | 15 | 10 | 4 | - | n/a | n/a | n/a | 167 | 262 | 448 |
| Total weight (lbs.) of trash removed | 19,568,321 | 17,382,448 | 21,941,740 | 16,587,585 | 16,868,920 | 15,617,360 | 11,878,160 | 12,570,680 | 9,768,700 | 10,341,120 |
| Mosquito Control | | | | | | | | | | |
| Inspections of mosquito breeding sites | 19,439 | 18,430 | 20,400 | 18,000 | 16,920 | 17,484 | 16,273 | 18,422 | 15,363 | 14,247 |
| Mosquito breeding sites treated | 9,311 | 8,881 | 11,746 | 10,121 | 6,030 | 9,132 | 7,878 | 8,797 | 8,361 | 9,863 |
| Adulticiding, lineal miles sprayed | 3,999 | 5,164 | 5,169 | 6,576 | 5,384 | 5,899 | 4,925 | 6,454 | 16,106 | 17,721 |
| Complaint services, adulticiding | 5,545 | 5,584 | 5,566 | 5,454 | 3,214 | 4,329 | 3,596 | 4,232 | 8,132 | 4,642 |
| Combination complaints | 711 | 689 | 803 | 572 | 221 | 536 | 310 | 590 | 1,178 | 548 |
| Long-Term Care | | | | | | | | | | |
| Total Beds | 7,176 | 5,857 | 5,457 | 4,053 | 4,086 | 3,710 | 3,187 | 2,880 | 2,996 | n/a |
| Wishard Health Services | | | | | | | | | | |
| Admissions (Acute, Behavioral, Lockefield) | 18,568 | 18,525 | 18,585 | 19,624 | 19,674 | 18,971 | 18,220 | 17,947 | 18,181 | 16,950 |
| Patient Days (Acute, Behavioral, Lockefield) | 89,997 | 89,418 | 107,018 | 159,932 | 161,170 | 160,788 | 155,470 | 152,136 | 85,085 | 80,482 |
| OP Encounters (net of ED) | 885,045 | 1,077,726 | 1,120,658 | 1,126,196 | 1,079,108 | 1,068,042 | 1,075,380 | 854,545 | 891,618 | 798,812 |
| ED Visits | 105,120 | 105,854 | 110,451 | 113,680 | 108,102 | 98,946 | 97,657 | 94,576 | 110,989 | 109,584 |
| Advantage Members | 55,993 | 58,133 | 54,165 | 50,241 | 50,879 | 49,421 | 47,572 | 43,528 | 39,078 | 33,438 |
| Uncompensated Care (000's Omitted) | 344,552 | 305,243 | 267,058 | 254,836 | 236,691 | 218,080 | 193,558 | 182,780 | 182,015 | 158,261 |
| Surgeries | 8,069 | 8,092 | 8,162 | 7,816 | 7,607 | 6,682 | 6,305 | 6,103 | 6,443 | 6,293 |
| Births | 1,800 | 2,107 | 2,414 | 2,643 | 2,760 | 2,610 | 2,447 | 2,496 | 3,047 | 3,006 |

n/a = Not available.

Sources: Marion County Health Dept. "Report to the Community", American Senior Communities Census Summary and Wishard Health Services 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 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|
| Health Improvement | | | | | | | | | | |
| Dental chairs | 25 | 25 | 25 | 25 | 25 | 24 | 24 | 24 | 23 | 23 |
| Dental x-ray units | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Fiberoptic Dentalite | 10 | 10 | 10 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Dental Portable Scaler | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | - |
| Kiosk Touchscreen system | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Vital Statistics scanners/readers | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | - | - |
| Generators/power source | 4 | 4 | 4 | - | - | - | - | - | - | - |
| Planmeca digital panoramic machine | 2 | 2 | - | - | - | - | - | - | - | - |
| Communicable Disease Prevention | | | | | | | | | | |
| Water purification systems for lab | 3 | 3 | 3 | 3 | 3 | 1 | 1 | 1 | 1 | 1 |
| Refrigerators/freezer for lab | 13 | 12 | 12 | 9 | 9 | 9 | 9 | 9 | 9 | 7 |
| Incubator for lab | 7 | 7 | 6 | 6 | 6 | 4 | 4 | 4 | 4 | 4 |
| Trailer with hitch | 8 | 8 | - | - | - | - | - | - | - | - |
| Generator power-diesel | 3 | 3 | - | - | - | - | - | - | - | - |
| Storage area network w/cabinet | 2 | 1 | - | - | - | - | - | - | - | - |
| Kodak color scanners | 5 | 5 | - | - | - | - | - | - | - | - |
| Truck-Super 4X4 | 3 | 1 | - | - | - | - | - | - | - | - |
| Water Quality and Hazardous Materials | | | | | | | | | | |
| Water quality trucks for site cleanups | 17 | 16 | 16 | 16 | 16 | 16 | 15 | 15 | 14 | 13 |
| Analyzers for hazardous materials | 5 | 5 | 5 | 5 | 5 | 5 | 3 | 2 | 2 | - |
| Housing and Neighborhood Health | | | | | | | | | | |
| Analyzers for lead testing | 8 | 8 | 5 | 5 | 4 | 3 | 3 | 2 | 2 | 2 |
| Vans/cars for housing visits | 6 | 6 | 6 | 5 | 4 | 3 | 3 | 3 | 1 | 1 |
| Vector Disease Control | | | | | | | | | | |
| Environmental trucks/vans for cleanup | 23 | 17 | 16 | 24 | 24 | 22 | 18 | 18 | 18 | 17 |
| Dump Trucks | 17 | 17 | 16 | 14 | 14 | 13 | 11 | 11 | 11 | 10 |
| Tractors/Trailers | 28 | 28 | 28 | 18 | 18 | 16 | 14 | 8 | 8 | 6 |
| Rodent/Mosquito control trucks for spraying | 57 | 57 | 57 | 72 | 72 | 70 | 70 | 69 | 63 | 62 |
| Rodent/Mosquito control - sprayers | 10 | 10 | 9 | 11 | 11 | 11 | 11 | 11 | 11 | 9 |
| Rodent/Mosquito Control - generators | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 4 |
| Long-Term Care | | | | | | | | | | |
| # of buildings | 52 | 42 | 38 | 27 | 26 | 23 | 18 | 17 | 18 | n/a |
| Wishard Health Services | | | | | | | | | | |
| # of beds | 316 | 312 | 313 | 340 | 340 | 314 | 294 | 296 | 302 | 275 |

n/a = Not available.

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