

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF
ADAMS COUNTY, INDIANA
Consolidated Financial Statements
Year Ended December 31, 2012**

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA**

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Independent Auditors' Report

**To the Governing Board of the Hospital
ADAMS COUNTY MEMORIAL HOSPITAL
Decatur, Indiana**

We have audited the accompanying consolidated financial statements of ADAMS COUNTY MEMORIAL HOSPITAL (Hospital), a component unit of Adams County, Indiana, which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of revenues, expenses and changes in net position and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

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

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Tax
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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of December 31, 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Somerset CPAs, P.C.

October 31, 2013

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Consolidated Balance Sheet
December 31, 2012

Assets	Primary Government	Discrete Component Unit	Total Reporting Entity
Current Assets			
Cash and cash equivalents	\$ 17,116,392	\$ 126,744	\$ 17,243,136
Patient accounts receivable, net of estimated uncollectibles of \$15,081,102	25,199,600	0	25,199,600
Other current assets	1,439,142	0	1,439,142
Total Current Assets	43,755,134	126,744	43,881,878
Noncurrent Cash and Investments			
Internally designated	1,731,475	0	1,731,475
Nonexpendable permanent endowments	0	0	0
Held by trustee for debt service	3,244,526	0	3,244,526
Total Noncurrent Cash and Investments	4,976,001	0	4,976,001
Capital Assets			
Land and construction in progress	1,007,306	0	1,007,306
Depreciable capital assets, net	46,202,886	0	46,202,886
Total Capital Assets	47,210,192	0	47,210,192
Other Assets	643,872	0	643,872
 Total Assets	 \$ 96,585,199	 \$ 126,744	 \$ 96,711,943

Liabilities and Net Position	Primary Government	Discrete Component Unit	Total Reporting Entity
Current Liabilities			
Current maturities of long-term debt	\$ 958,789	\$ 0	\$ 958,789
Accounts payable and accrued expenses	18,496,478	0	18,496,478
Estimated third-party payor settlements	797,081	0	797,081
Other current liabilities	4,402,937	0	4,402,937
Total Current Liabilities	24,655,285	0	24,655,285
Non-Current Liabilities			
Long-term debt, less current maturities	36,049,751	0	36,049,751
Other long-term liabilities	1,005,796	0	1,005,796
Total Non-Current Liabilities	37,055,547	0	37,055,547
Total Liabilities	61,710,832	0	61,710,832
Net Position			
Net investment in capital assets	10,372,302	0	10,372,302
Restricted			
For debt service	3,244,526	0	3,244,526
Nonexpendable permanent endowments	146,760	0	146,760
Unrestricted	21,110,779	126,744	21,237,523
Total Net Position	34,874,367	126,744	35,001,111
Total Liabilities and Net Position	\$ 96,585,199	\$ 126,744	\$ 96,711,943

See accompanying notes.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Consolidated Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2012

	Primary Government	Discrete Component Unit	Total Reporting Entity
Operating Revenues			
Net patient service revenue (net of provision for doubtful accounts)	\$ 115,929,197	\$ 0	\$ 115,929,197
Other	2,153,733	2,723	2,156,456
Total Operating Revenues	118,082,930	2,723	118,085,653
Operating Expenses			
Salaries, wages and benefits	59,722,998	0	59,722,998
Supplies	12,513,489	0	12,513,489
Insurance	2,400,536	0	2,400,536
Leased facility rent expense	5,680,065	0	5,680,065
Utilities	2,237,039	0	2,237,039
Contract services	13,975,455	0	13,975,455
Depreciation and amortization	3,452,156	0	3,452,156
Other	13,452,503	0	13,452,503
Total Operating Expenses	113,434,241	0	113,434,241
Operating Income	4,648,689	2,723	4,651,412
Nonoperating Revenues (Expenses)			
Investment income	321,283	268	321,551
Interest expense	(1,683,680)	0	(1,683,680)
Other	(13,446)	0	(13,446)
Total Nonoperating Revenues (Expenses)	(1,375,843)	268	(1,375,575)
Excess of Revenues Over Expenses			
Before Capital Grants and Contributions	3,272,846	2,991	3,275,837
Capital Grants and Contributions	1,165,929	11,170	1,177,099
Increase in Net Position	4,438,775	14,161	4,452,936
Net Position, Beginning of Year, as Previously Reported			
	32,502,558	112,583	32,615,141
Adjustments applicable to prior year	(2,066,966)	0	(2,066,966)
Net Position, Beginning of Year, as Restated	30,435,592	112,583	30,548,175
Net Position, End of Year	\$ 34,874,367	\$ 126,744	\$ 35,001,111

See accompanying notes.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2012

	<u>Primary Government</u>	<u>Discrete Component Unit</u>	<u>Total Reporting Entity</u>
Cash Flows from Operating Activities			
Receipts from and on behalf of patients	\$ 98,017,329	\$ 0	\$ 98,017,329
Payments to suppliers and contractors	(34,255,170)	0	(34,255,170)
Payments to employees	(58,221,356)	0	(58,221,356)
Other receipts	2,153,733	2,723	2,156,456
Net cash provided by operating activities	<u>7,694,536</u>	<u>2,723</u>	<u>7,697,259</u>
Cash Flows from Capital and Related Financing Activities			
Capital grants and contributions	1,165,929	11,170	1,177,099
Proceeds from issuance of long-term debt	33,879,706	0	33,879,706
Loan issuance costs	(624,999)	0	(624,999)
Principal paid on long-term debt	(37,684,484)	0	(37,684,484)
Interest paid on long-term debt	(2,246,049)	0	(2,246,049)
Purchase of capital assets	(2,196,892)	0	(2,196,892)
Net cash provided by (used in) capital and related financing activities	<u>(7,706,789)</u>	<u>11,170</u>	<u>(7,695,619)</u>
Cash Flows from Investing Activities			
Interest and dividends on investments	321,283	268	321,551
Net cash provided by investing activities	<u>321,283</u>	<u>268</u>	<u>321,551</u>
Net Increase in Cash and Cash Equivalents	309,030	14,161	323,191
Cash and Cash Equivalents, Beginning of Year	<u>21,783,363</u>	<u>112,583</u>	<u>21,895,946</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 22,092,393</u></u>	<u><u>\$ 126,744</u></u>	<u><u>\$ 22,219,137</u></u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet			
Cash and cash equivalents in current assets	\$ 17,116,392	\$ 126,744	\$ 17,243,136
Restricted cash and cash equivalents	<u>4,976,001</u>	<u>0</u>	<u>4,976,001</u>
Total Cash and Cash Equivalents	<u><u>\$ 22,092,393</u></u>	<u><u>\$ 126,744</u></u>	<u><u>\$ 22,219,137</u></u>

See accompanying notes.

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2012**

	<u>Primary Government</u>	<u>Discrete Component Unit</u>	<u>Total Reporting Entity</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 4,648,689	\$ 2,723	\$ 4,651,412
Adjustments to reconcile operating income to net cash flows provided by (used in) operating activities:			
Depreciation and amortization	3,452,156	0	3,452,156
Provision for uncollectible accounts	7,007,587	0	7,007,587
Changes in operating assets and liabilities			
Patient accounts receivable	(24,919,455)	0	(24,919,455)
Other current assets	(1,225,085)	0	(1,225,085)
Accounts payable and accrued expenses	18,095,142	0	18,095,142
Other current liabilities	379,172	0	379,172
Estimated third-party payor settlements	370,110	0	370,110
Other liabilities related to operating activities	(113,780)	0	(113,780)
Net Cash Provided by Operating Activities	<u>\$ 7,694,536</u>	<u>\$ 2,723</u>	<u>\$ 7,697,259</u>

See accompanying notes.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

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

Nature of Operations

Adams County Memorial Hospital (Hospital) is a county-owned facility and operates under the Indiana County Hospital Law, Indiana Code 16-22. The Hospital provides acute inpatient and outpatient health care.

The Board of County Commissioners of Adams County appoints the Governing Board of the Hospital and a financial benefit/burden relationship exists between the County and the Hospital. For these reasons, the Hospital is considered a component unit of Adams County.

The Hospital also operates Adams Woodcrest, a Continuing Care Retirement Community (CCRC), consisting of Woodcrest Nursing Center, a 143-bed nursing facility; Adams Evergreen Assisted Living, a 34-apartment assisted living community; Woodcrest Independent Living with 42 villas and 48 apartments. The Hospital also operates Adams Heritage, a 61-bed nursing home. The Hospital owns and operates Physicians Office Practices. Adams Health Network is a financial entity created to accumulate and then assign shared costs to each of the six medical facilities. Adams Health Network also performs certain administrative functions for all entities. The Hospital leases certain office buildings to multiple independent physicians. In addition, the Hospital employs and operates a family medical practice and an orthopedic surgery practice as departments of the Hospital.

The accompanying consolidated financial statements present the activities of the Hospital (primary government) and its significant component units. The discretely presented component unit discussed below is included in the Hospital's reporting entity because of the significance of its' operational or financial relationship with the Hospital. Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate column in the basic consolidated financial statements to emphasize that it is legally separate from the Hospital.

Long-Term Care Operations

The Hospital owns the operations of multiple long-term care facilities by way of arrangements with the Managers of the facilities. These facilities provide nursing and therapy services. Gross revenues from the operation of the facilities are the property of the Hospital and the Hospital is responsible for the associated operating expenses and working capital requirements. While the management and related lease agreements are in effect, the performance of all activities of the Managers shall be on behalf of the Hospital and the Hospital retains the authority and legal responsibility for the operation of the facilities.

During 2012, the Hospital entered into lease agreements with the long-term care facilities, collectively referred to as the Lessors, to lease the facilities managed by the Managers.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Long-Term Care Operations (Continued)

Additionally, the Hospital entered into agreements with the Managers to manage the above leased facilities. As part of the agreements entered into, the Hospital pays the Managers a management fee which consists of base management fees, subordinated management fees and incentive payments. Pursuant to the agreement, the Manager shall manage the facilities on behalf of the Hospital. The agreements expire at various times through November 2014. All parties involved can terminate the agreement without cause with 90 days written notice. The terms of these agreements may be renewed at the end of each term on a year-to-year basis.

Discretely Presented Component Unit

The Adams County Memorial Hospital Foundation (Foundation) is a significant discretely presented component unit of the Hospital. The primary government appoints a voting majority of the Foundation's board and a financial benefit/burden relationship exists between the Hospital and the Foundation.

A separate audit report is not prepared for the individual component unit.

Enterprise Fund Accounting

The Hospital utilizes the enterprise fund method of accounting whereby revenue and expenses are recognized on the accrual basis of accounting. Revenues and expenses are subject to accrual.

Use of Estimates

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

Accounting Standards

During 2012, the Hospital adopted Statement of Governmental Accounting Standards Board (GASB) Statement 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 GASB No. 20 for business type activities to apply post November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. GASB No. 62 has been applied retrospectively and had no impact on the Hospital's net position, changes in net position, cash flows or financial reporting disclosures.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Accounting Standards (Continued)

Also during 2012, the Hospital adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, which primarily resulted in renaming net assets to net position within the consolidated financial statements. GASB No. 63 has been applied retroactively in the accompanying consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and investments in highly liquid debt instruments with an original maturity date of three months or less. The carrying amount reported in the Consolidated Balance Sheet for cash and cash equivalents approximates its fair value.

Investments

Short-term investments are investments with remaining maturities of up to 90 days. Statutes authorize the Hospital to invest in interest-bearing deposit accounts, passbook savings accounts, certificates of deposit, money market deposit accounts, mutual funds, pooled fund investments, securities backed by the full faith and credit of the United States Treasury and repurchase agreements. The statutes require that repurchase agreements be fully collateralized by U.S. Government or U.S. Government Agency obligations.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency. Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value. Other investments are generally reported at fair value.

Investment income, including changes in the fair value of investments, is reported as nonoperating revenues in the Consolidated Statement of Revenues, Expenses and Changes in Net Position.

Limited Use Investments and Assets

Limited use assets are stated at fair market value in the financial statements. These assets include investments designated by the Hospital Board for internal purposes. These investments consist primarily of cash and cash equivalents, certificates of deposit stated at contract value, U.S. government securities, mutual funds and corporate stock.

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012**

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Limited Use Investments and Assets (Continued)

Investment interest, dividends, gains and losses, both realized and unrealized, are included in non-operating revenues (expenses) in the Consolidated Statement of Revenues, Expenses and Changes in Net Position.

Supplies

Inventories of drugs and other supplies are stated at the lower of cost (first-in, first-out) or market and are included within Other current assets in the Hospital's Consolidated Balance Sheet.

Capital Assets and Depreciation

Capital assets, which include land, land improvements, buildings and improvements, and equipment, are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

The Hospital provides for depreciation of property and equipment using annual rates, which are sufficient to depreciate the cost of depreciable assets over their estimated useful lives using the straight-line method.

The range of useful lives in computing depreciation is as follows:

<u>Description</u>	<u>Range of Useful Lives</u>
Land improvements	3 - 40 years
Buildings	5 - 40 years
Fixed equipment	3 - 29 years
Major moveable equipment	3 - 23 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Paid Time Off (PTO)

All employees earn PTO at rates from 18 days to 33 days per year based upon the number of years of service. PTO accumulates to a maximum of 60 days. Paid days off are accrued when incurred and reported as a liability.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Net Position

Net assets of the Hospital are classified in three components.

Net assets invested in capital assets, net of related debt consist of capital assets net of accumulated depreciation and are reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets.

Restricted expendable and nonexpendable net assets are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, contributors or enabling legislation external to the Hospital, including amounts deposited with trustees as required by revenue bond indentures, discussed in Note 8.

Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

Patient Accounts Receivable and Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Patient revenues and the related accounts receivable are recorded at the time services to patients are performed. Accounts receivable for patients, insurance companies and governmental agencies are based on gross charges net of an allowance for contractual adjustments and interim payment advances. The allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims by certain payors. Management estimates an allowance for doubtful accounts receivable based on evaluations of historical losses, current economic conditions and other factors unique to the Hospital's customer base.

Net patient service revenue represents the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Hospital has a policy of providing charity care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patient and subsequent analysis. Because the agency does not expect payment, estimated charges for charity are not included in revenue. Charges excluded from revenue under the Hospital's charity care policy was approximately \$600,000 for 2012.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Grants and Contributions

From time to time, the Hospital receives grants from Adams County and the State of Indiana as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Endowments

Endowments are provided to the Hospital on a voluntary basis by individuals and private organizations. Permanent endowments require that the principal or corpus of the endowment be retained in perpetuity. If a donor has not provided specific instructions, state law permits the Governing Board of the Hospital to authorize for expenditure the net appreciation of the investments of endowment funds.

Restricted Resources

When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

Operating Revenues, Expenses and Changes in Net Position

The Hospital's Consolidated Statement of Revenues, Expenses and Changes in Net Position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services - the Hospital's principal activity. Nonexchange revenues, including grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Fair Value of Financial Instruments

The following methods and assumptions were used by the Hospital in estimating the fair value of its financial instruments:

Cash and cash equivalents, accounts payable and accrued expenses, other current liabilities and estimated third-party settlements: The carrying amount reported in the consolidated balance sheet for cash and cash equivalents, accounts payable and accrued expenses, other current liabilities and estimated third-party settlements approximate fair value based on short-term maturity.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Fair Value of Financial Instruments (Continued)

Long-term debt. The fair value of the Hospital's fixed rate debt (including capital lease obligations) is estimated using discounted cash flows based on current fixed rates available to similar entities with similar credit ratings. As of December 31, 2012, the carrying value of the fixed rate long-term debt approximated its fair value.

Income Taxes

The Hospital is a governmental entity organized under the state laws of Indiana. The Hospital is generally exempt from federal income tax under Section 115 of the Internal Revenue Code of 1986. As a governmental entity, the Hospital is not required to file Federal Form 990 – Return of Organization Exempt from Income Tax.

The Foundation is organized as a not-for-profit corporation under Section 501(c)(3) of the United States Internal Revenue Code. As such, the Foundation is generally exempt from income taxes. However, the Foundation is required to file Federal Form 990 – Return of Organization Exempt from Income Tax. The Foundation has filed its federal and state income tax returns for periods through December 31, 2012. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Hospital and Foundation and recognize a tax liability if these organizations have taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by these organizations, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements.

Litigation

The Hospital is involved in litigation arising in the normal course of business. After consultation with the Hospital's legal counsel, management estimates these matters will be resolved without material adverse effect on the Hospital's future consolidated financial position, results from operations or cash flows.

Advertising and Community Relations

The Hospital records advertising and community relations expense in the period incurred. Total expense for advertising and community relations was approximately \$487,000 for the year ended December 31, 2012.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Hospital is self-insured for a portion of its exposure to risk of loss from employee health claims. Annual estimated provisions are accrued for the self-insured portion of employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Medical Malpractice

Malpractice insurance coverage is provided under a claims-made policy. Should the claims-made policy be terminated, the Hospital has the option to purchase insurance for claims having occurred during its term but reported subsequently.

Prior to July 1, 1999, the Indiana Medical Malpractice Act provided for a maximum recovery of \$750,000 per occurrence (\$3,000,000 annual aggregate) for professional liability, \$100,000 of which would be paid through the Hospital's malpractice insurance coverage and the balance would be paid by the State of Indiana Patient Compensation Fund.

For claims on or after July 1, 1999, the Indiana Medical Malpractice Act provides for a maximum recovery of \$1,250,000 per occurrence (\$7,500,000 annual aggregate) with the first \$250,000 covered by the Hospital's insurance and the remainder by the Fund.

Note 2 - Net Patient Service Revenue:

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors include:

Medicare

Hospital inpatient acute care services rendered to traditional Medicare program beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at an interim rate with a final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor. Hospital inpatient psychiatric services and skilled nursing care are paid based on prospectively determined rates. Outpatient hospital services are paid based on a percent of submitted charges (adjusted at least annually) and fee schedules. Physician services are paid based on a fee schedule. Services to beneficiaries enrolled in Medicare Advantage plans are paid through a variety of methodologies including per diem rates, fee schedules and percent of submitted charges.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 2 - Net Patient Service Revenue (Continued):

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed based on diagnosis. Outpatient services are reimbursed based on a fee schedule. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

Revenue from the Medicare and Medicaid programs accounted for approximately 45% and 10%, respectively, of the Hospital's net patient revenue for the year ended December 31, 2012. 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.

Other Payors

The Hospital also has entered into payment agreements with certain commercial insurance carriers, HMOs and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

The following is a summary of net patient service revenue for 2012:

	<u>Primary Government</u>
Patient service revenue	
Inpatient	\$ 42,800,617
Outpatient	61,482,508
Long-term care	<u>79,899,390</u>
Gross patient service revenue	184,182,515
Deductions from revenue	
Contractual allowances	58,500,843
Bad debts	<u>9,752,475</u>
Total deductions from revenue	68,253,318
Net patient service revenue	<u><u>\$ 115,929,197</u></u>

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 3 - Deposits and Investments:

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 16-22-3-16 allows a Hospital Governing Board to deposit public funds in a financial institution. The Hospital does not have a deposit policy for custodial credit risk. At December 31, 2012, the Hospital had deposit balances in the amount of \$18,847,867.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Statutory Authorization for Investments

Indiana Code 16-22-3-20 authorizes the Hospital to invest in:

Any interest bearing account that is authorized to be set up and offered by a financial institution or brokerage firm registered and authorized to do business in Indiana.

Repurchase or resale agreements involving the purchase and guaranteed resale of any interest bearing obligations issued or fully insured or guaranteed by the United States, or any United States government agency in which type of agreement the amount of money must be fully collateralized by interest bearing obligations as determined by the current market value computed on the day the agreement is effective.

Mutual funds offered by a financial institution or brokerage firm registered and authorized to do business in Indiana.

Securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Pooled fund investments for participating hospitals offered, managed and administered by a financial institution or brokerage firm registered or authorized to do business in Indiana.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Hospital does not have a formal investment policy for custodial credit risk for investments.

The Foundation has not adopted an investment policy for custodial credit risk for investments.

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012**

Note 3 - Deposits and Investments (Continued):

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hospital does not have a formal investment policy for interest rate risk for investments.

The Foundation has not adopted a formal investment policy for interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Hospital does not have a formal investment policy for credit risk for investments.

The Foundation has not adopted a policy for credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Hospital does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Foundation has not adopted a policy for the concentration of credit risk.

Note 4 - Patient Accounts Receivable:

The Hospital grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at year end consisted of these amounts:

	<u>Primary Government</u>
Medicare	\$ 14,333,097
Medicaid	9,713,899
Other third-party payers	11,597,677
Private pay	<u>4,636,029</u>
	40,280,702
Less allowance for uncollectible accounts	<u>15,081,102</u>
Patient accounts receivable, net	<u><u>\$ 25,199,600</u></u>

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 5 - Internally Designated Assets:

Assets set aside by the Hospital Board of Trustees for identified purposes and over which the Board retains control and may, at its discretion, subsequently use for other purposes. Total internally designated assets consisted of cash and cash equivalents of \$1,731,475 at December 31, 2012.

Note 6 - Capital Assets:

Primary government capital asset activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 818,750	\$ 0	\$ 0	\$ 0	\$ 818,750
Construction in progress	1,659,319	115,820	0	(1,586,583)	188,556
Land improvements	2,304,271	0	0	222,062	2,526,333
Buildings	53,481,254	978,038	0	1,364,521	55,823,813
Fixed equipment	4,509,377	205,425	0	0	4,714,802
Major movable equipment	19,621,769	897,609	0	0	20,519,378
Clinic	4,890,851	0	0	0	4,890,851
Total Capital Assets	87,285,591	2,196,892	0	0	89,482,483
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Less accumulated depreciation for:					
Land improvements	\$ 1,500,092	\$ 204,394	\$ 0	\$ 0	\$ 1,704,486
Buildings	18,057,326	1,932,322	0	0	19,989,648
Fixed equipment	1,465,972	240,881	0	0	1,706,853
Major movable equipment	15,279,743	904,062	0	0	16,183,805
Clinic	2,526,631	160,868	0	0	2,687,499
Total Accumulated Depreciation	38,829,764	3,442,527	0	0	42,272,291
Total Capital Assets, Net	\$ 48,455,827	\$ (1,245,635)	0	0	\$ 47,210,192

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012**

Note 7 - Long-term Debt:

Primary government long-term debt activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds					
Series 2003	\$ 35,670,000	\$ 0	\$ 35,670,000	\$ 0	\$ 0
Series 2012	0	34,710,000	0	34,710,000	0
Loans payable	4,793,860	180,000	1,649,612	3,324,248	958,789
Capital lease obligations	364,872	0	364,872	0	0
	<u>40,828,732</u>	<u>\$ 34,890,000</u>	<u>\$ 37,684,484</u>	38,034,248	<u>\$ 958,789</u>
Unamortized loss on bond defeasance	0			(2,337,768)	
Unamortized bond premium	<u>0</u>			<u>1,312,060</u>	
	<u>\$ 40,828,732</u>			<u>\$ 37,008,540</u>	

Revenue Bonds Payable

Series 2003

In 2003, the Hospital participated in the issuance of \$40,385,000 Adams County Hospital Association Lease Rental Revenue Bonds, Series 2003 (Series 2003). In July 2012, the Hospital defeased the remaining balance of the 2003 Bonds with proceeds from the issuance of the Series 2012 Bonds discussed below.

Series 2012

In October 2012, the Hospital participated in the issuance of \$34,710,000 Lease Rental Revenue Refunding Bonds, Series 2012 (Series 2012), which bear interest at rates ranging from 1.410% to 4.221% annually. Interest on the Series 2012 Bonds shall be payable on February 1 and August 1 of each year, commencing on February 1, 2013. The Series 2012 Bonds require annual principal payments on January 15 of each year beginning in 2014 in amounts ranging from \$1,335,000 to \$2,600,000 through February 2033.

The proceeds were used for the advanced refunding of the Series 2003 Bonds.

The Trust Indenture requires certain funds be established with the trustee. Accordingly, these funds are included as assets under the caption Held by trustee for debt service in the Hospital's Consolidated Balance Sheet at December 31, 2012.

The Hospital has pledged, as security for bonds issued by the Indiana Bond Bank, a portion of the Hospital's revenues. The Hospital has committed to appropriate each year, from the Hospital's revenue, amounts sufficient to cover the principal and interest requirements on the Hospital's debt. The Hospital has pledged, as the sole security for the bonds, the annual appropriations from the Hospital.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 7 - Long-term Debt (Continued):

Loans Payable

In 2005, the Hospital entered into a \$750,000 note payable which was utilized for the construction of an EMS vehicle garage. The note is payable monthly through June 2025 with annual interest at 3.00% and amounted to \$523,202 at December 31, 2012. The loan was subsequently paid in full in 2013.

In 2009, the Hospital entered into a \$442,260 note payable which was utilized for the purchase of radiology equipment. The note is payable monthly through September 2014 with annual interest at 3.10% and amounted to \$157,063 at December 31, 2012. The loan was subsequently paid in full in 2013.

In 2011, the Hospital entered into a \$2,650,000 note payable which was utilized for improving the Hospital's continuing care community and to partially fund the construction of a medical office building for Hospital employed physicians. The note is payable monthly through January 1, 2017, with annual interest at a rate equal to 67.00% of the sum of the LIBOR plus 2.75% and amounted to \$2,473,333 at December 31, 2012.

In 2012, the Hospital entered into a \$180,000 note payable which was utilized for leasehold improvements for one of the Hospital's leased nursing home facilities as discussed in Note 1. The note is payable monthly through November 2015 with annual interest at 5.25% and amounted to \$170,650 at December 31, 2012.

Aggregate maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 958,789	\$ 887,895	\$ 1,846,684
2014	1,572,793	1,152,770	2,725,563
2015	1,583,031	1,131,492	2,714,523
2016	1,551,664	1,094,867	2,646,531
2017	3,122,971	1,015,734	4,138,705
2018 - 2022	7,520,000	4,498,790	12,018,790
2023 - 2027	8,745,000	3,226,968	11,971,968
2028 - 2032	10,380,000	1,550,429	11,930,429
2033	2,600,000	54,873	2,654,873
	<u>\$ 38,034,248</u>	<u>\$ 14,613,818</u>	<u>\$ 52,648,066</u>

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 8 - Restricted Net Assets:

Restricted, expendable net assets are available for the following purposes:

Hospital debt service	<u>\$ 3,244,526</u>
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Unless the contributor provides specific instructions, state statute permits the Hospital Board to authorize for expenditure the net appreciation (realized and unrealized) of the investments in its endowments. Any net appreciation that is spent is required to be spent for the purposes designated by the contributor.

Restricted nonexpendable net assets as of December 31, 2012, represent principal amounts of permanent endowments, restricted to investment in perpetuity. Investment earnings from the Hospital's permanent endowments are expendable to support these programs as established by the contributor:

Woodcrest Retirement Community	<u>\$ 146,760</u>
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Note 9 - Risk Management:

The Hospital is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Note 10 - Medical Benefits to Employees:

The Hospital has chosen to service a portion of the risks associated with medical benefits to employees for medical procedures that are able to be provided by the Hospital. The Hospital also has a traditional medical benefit policy in effect through a commercial insurance provider that covers individual claims submitted for medical procedures performed outside of Adams County Memorial Hospital. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities associated with the medical procedures that are provided by the Hospital are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 10 - Medical Benefits to Employees (Continued):

Changes in the balance of claim liabilities during the year is as follows:

Unpaid claims, beginning of year	\$ 0
Incurred claims and changes in estimates	4,161,173
Claim payments	<u>4,159,530</u>
Unpaid claims, end of year	<u>\$ 1,643</u>

The Company also maintains a partially self-funded workers' compensation insurance program. Under the insurance policy, the Company's self-funded liability is limited to \$100,000 per incident. In 2012, no individual incident exceeded the liability limit.

Note 11 - Contingent Liabilities:

The Hospital is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations.

Note 12 - Defined Contribution Retirement Plan:

The Company maintains a defined contribution plan that covers all employees who meet the eligibility requirements set forth in the plan. Contributions are made at management's discretion and are allocated based upon each participant's eligible compensation. The Hospital's contribution amounted to \$1,059,829 for the year ended December 31, 2012.

Note 13 - Defined Benefit Pension Plan:

Plan Description

The Hospital has a defined benefit pension plan administered by Adams County Memorial Hospital as authorized by Indiana Code 16-22-3-11. The plan provides retirement, disability and death benefits to plan members and beneficiaries. The plan was established by written agreement between the Hospital Board of Trustees and the plan administrator. The plan administrator issues a publicly available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

Cuni, Rust & Strenk
4555 Lake Forest Drive, Suite 620
Cincinnati, OH 45242-3760
Ph. (513) 891-0270

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012**

Note 13 - Defined Benefit Pension Plan (Continued):

Funding Policy

The contribution requirements of plan members are established by the written agreement between the Hospital Board of Trustees and the plan administrator. Plan members are not required to contribute to the plan. The Hospital is required to contribute at an actuarially determined rate. The current rate is 0.00% of annual covered payroll as the valuation assets exceed the accrued liability by more than the expense assumptions of \$50,000.

The following is a summary of the Plan as of December 31, 2012 (based on actuarial valuation date of January 1, 2013):

Annual required contribution	\$ 0
Interest on net pension obligation	(149,468)
Adjustment to annual required contribution	<u>228,472</u>
Annual pension cost	79,004
Contributions made	<u>75,000</u>
Change in net pension obligation	4,004
Net pension benefit, beginning of year	<u>(2,135,255)</u>
Net pension benefit, end of year	<u><u>\$ (2,131,251)</u></u>
Actuarial valuation date	1/1/2013
Actuarial cost method	Unit credit
Amortization method	Level dollar, unfunded actuarial accrued liability re-established each year and amortized over 10 years
Remaining amortization period	10 years
Asset valuation method	Five year smoothed actuarial value

Actuarial Assumptions

Investment rate of return	7.0%
Projected salary increases	N/A
Include inflation at	0.0%
Cost-of-living adjustments	None

ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012

Note 13 - Defined Benefit Pension Plan (Continued):

Funding Policy (Continued)

<u>Year Ending</u>	<u>Three-Year Trend Information</u>		
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Benefit</u>
12/31/2010	\$ 1,015,429	125.1%	\$ (1,298,619)
12/31/2011	583,364	243.4%	(2,135,255)
12/31/2012	79,004	94.9%	(2,131,251)

The funded status of the plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

<u>Actuarial Value of Plan Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Excess of Assets Over AAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>Excess AAL as a Percentage of Covered Payroll ((b-a)/c)</u>
\$ 14,954,377	\$ 11,524,731	\$ 3,429,646	130%	\$ 14,286,609	24%

Note 14 - Operating Leases:

The Hospital has leases for facilities and equipment expiring at various times through 2032. Total lease expense for 2012 was approximately \$554,000.

Future minimum commitments under these agreements are as follows at December 31, 2012:

<u>Year Ending December 31,</u>	<u>Facilities</u>	<u>Equipment</u>
2013	\$ 30,000	\$ 459,900
2014	23,500	119,200
2015	14,400	115,400
2016	14,400	111,500
2017	14,400	0
Later Years	202,800	0
	<u>\$ 299,500</u>	<u>\$ 806,000</u>

**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Notes to Consolidated Financial Statements
December 31, 2012**

Note 14 - Operating Leases (Continued):

Lease expense for facilities and equipment under the long term care agreements discussed in Note 1 was approximately \$6,277,000 for 2012.

Note 15 - Restatement of Prior Year's Consolidated Financial Statements:

The Hospital beginning consolidated net position has been restated and decreased by \$2,066,966 due to a correction of an error in management's accounting for reserves associated with its contractual and bad debt reserve allowances.

Note 16 - Management Evaluation of Subsequent Events:

During 2013, the Hospital entered into five management, lease and intangible agreements to lease the operations of five skilled nursing facilities. While the management of the facilities are managed with independent third parties, the operations will be included in the Hospital's 2013 financial statements.

Management has evaluated subsequent events through October 31, 2013, the date on which the consolidated financial statements were available to be issued.



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Independent Auditor's Report on the Supplementary Information

**To the Governing Board of the Hospital
ADAMS COUNTY MEMORIAL HOSPITAL
Decatur, Indiana**

Our report on the audit of the basic consolidated financial statements of ADAMS COUNTY MEMORIAL HOSPITAL, a component unit of Adams County, Indiana, for the year ended December 31, 2012, appears on page 1. The audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Somerset CPAs, P.C.

October 31, 2013

Architecture/Engineering
Assurance
Business Advisory
Construction
Dealerships
Dental

Employee Benefits
Entrepreneurial
Health Care
Information Solutions
Litigation, Valuation & Forensic

Manufacturing & Distribution
Not-for-Profit
Real Estate
Small Business
Tax
Wealth Management



**ADAMS COUNTY MEMORIAL HOSPITAL
A COMPONENT UNIT OF ADAMS COUNTY, INDIANA
Schedule of Funding Progress
December 31, 2012**

The Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets for the Hospital's defined benefit pension plan is increasing or decreasing over time relative to the actuarial accrued liability for benefit.

Employees' Pension Plan						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess / (Unfunded) AAL (a - b)	Funded Ratio (a / b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a - b) / c)
1/1/2008	\$ 12,123,393	\$ 12,674,745	\$ (551,352)	96%	\$ 16,602,403	-3%
1/1/2009	9,309,101	13,285,387	(3,976,286)	70%	17,522,809	-23%
1/1/2010	12,017,892	14,457,461	(2,439,569)	83%	19,113,765	-13%
1/1/2011	14,289,473	14,118,411	171,062	101%	18,588,986	1%
1/1/2012	15,298,445	11,820,144	3,478,301	129%	16,413,570	21%
1/1/2013	14,954,377	11,524,731	3,429,646	130%	14,286,609	24%

See independent auditor's report on supplementation information.