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August 9, 2024

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

We have reviewed the audit report of Health and Hospital Corporation of Marion County, Indiana which was opined on by Forvis Mazars, LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements in the Annual Comprehensive Financial Report present fairly the financial condition of the Health and Hospital Corporation of Marion County, Indiana, as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Forvis Mazars, LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



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

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

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023

The Health and Hospital Corporation of Marion County, Indiana

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

Annual Comprehensive Financial Report For the Year Ended December 31, 2023

Paul T. Babcock
President and CEO

James W. Simpson
Interim CFO and Assistant Treasurer

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, 2023

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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, 2023

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Introductory Section (Unaudited)



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June 27, 2024

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

The Annual Comprehensive Financial Report of the Health and Hospital Corporation of Marion County, Indiana (Corporation) (a component unit of the Consolidated City of Indianapolis - Marion County), for the fiscal year ended December 31, 2023, is submitted herewith. This report is presented in conformity with generally accepted accounting principles in the United States of America (GAAP) and is audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Corporation has a responsibility to inform both the taxpayers of Marion County and its investors of its financial condition. We believe 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 information presented in this report. To provide a reasonable basis for making these representations, management of the Corporation has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Corporation's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Corporation's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Corporation's financial statements have been audited by Forvis Mazars, 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, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CORPORATION

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

The Corporation provides a full range of preventive and curative health services for all residents of Marion County, Indiana, including those who are uninsured. The Corporation administers two statutory divisions: the Division of Public Health doing business as the Marion County Public Health Department (MCPHD), which serves as the county health department with powers and duties conferred by law upon local departments of health, and the Division of Public Hospitals doing business as Eskenazi Health, which operates the Corporation's hospitals, medical facilities, and mental health facilities. Additionally, the Corporation administers two service divisions: the Indianapolis Emergency Medical Services (IEMS) functioning as a distinct unit in Eskenazi Health providing emergency pre-hospital care to residents and visitors of Marion County, Indiana, and the Long-Term Care Service Division, providing statewide skilled nursing home services.

MCPHD operates two service bureaus: the Bureau of Population Health and the Bureau of Environmental Health. MCPHD operates from various clinics and district health offices located throughout Marion County, Indiana. The Bureau of Population Health provides preventive and diagnostic health programs, health education, immunization, and epidemiological programs. The Bureau of Environmental Health provides environmental health regulation, code enforcement, environmental monitoring, and vector control. MCPHD employs approximately 700 people. The health and environmental services of this division have an impact on all Marion County, Indiana residents.

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

The Corporation also operates a long-term care (Long-Term Care) enterprise fund, which has 73 skilled nursing facilities and two assisted living communities with multiple locations providing a continuum of care with independent apartments and garden homes in a campus-type setting across the State of Indiana. Long-Term Care supports the Corporation's mission and goal to promote and protect the health of everyone in our community by providing quality care and services to the elderly, disabled, and underserved across our communities. The Long-Term Care Service Division workforce is approximately 8,200 contractual workers throughout Indiana. The senior care services of this service division provided care to approximately 6,400 residents in 2023.

A seven-member Board of Trustees governs the Corporation. The Mayor of Indianapolis appoints three Trustees, the Board of Commissioners of Marion County appoints two Trustees, and the City-County Council appoints two Trustees. Generally, Trustees serve staggered terms of four years each. The Board is bipartisan by statute. The Corporation levies its own taxes, adopts and enforces its own ordinances consistent with Indiana law and administrative rules generally affecting local law governing health matters, and issues general obligation bonds subject to procedures defined in state statute. The City-County Council approves, and the State of Indiana Department of Local Government Finance (DLGF) ratifies the final budget of the Corporation after approval by the Corporation's Board of Trustees. Since the governing body is appointed and not elected, under Governmental Accounting Standards Board (GASB) Statement No. 14, the Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (UniGov). Management considers all other units of government

within Marion County, Indiana to be separate from this Corporation, and other units of government are not considered as component units within this report.

LOCAL ECONOMY

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

Indianapolis is one of the top 20 most populated cities in the United States with an estimated population of nearly 900,000. Indianapolis is well-known for the multitude of cultural, educational, sporting, shopping, and dining opportunities offered to its residents and visitors. Indianapolis is the home of “Hoosier Hospitality” the perfect blend of Midwest, small town welcome and big city attractions and opportunities. Residents and business owners alike enjoy an extremely competitive cost of living, along with a high quality of life.

The hallmarks of the Indianapolis economy have long been its diversity and steady growth, which is part of the foundation of the city’s strong performance during the past several years. Indianapolis boasts of diverse strengths in the manufacturing, distribution, retail, technology, and service sectors. Additionally, Indianapolis’ real estate availability affords a wide selection of available land, existing office space and industrial parks. Finally, many of the city’s major venues, such as Victory Field, Gainbridge Fieldhouse and Lucas Oil Stadium were all the result of successful partnerships between the private and public sectors.

The stable economy and many attractions of Indianapolis, along with its central location within the nation, make it a prominent convention and tourist center. The Indianapolis 500-Mile Race, the NFL’s Indianapolis Colts, the NBA’s Indiana Pacers, the WNBA’s Indiana Fever, and the Triple-A Indianapolis Indians teams are among the city’s prominent sporting attractions, not to mention countless amateur sporting events including the Men’s and Women’s Big Ten Basketball tournament. The NCAA Headquarters and Hall of Champions, the Indianapolis Zoo, the Indianapolis Motor Speedway Museum, the Indiana State Museum, the Indianapolis Children’s Museum, the Indianapolis Museum of Art, the Eiteljorg Museum of American Indian and Western Art, the American Cabaret Theatre, the Indiana Repertory Theatre, the Indianapolis Symphony Orchestra, and the White River State Park have also become popular attractions, along with many outstanding downtown restaurants.

LONG-TERM FINANCIAL PLANNING

The Corporation remains a partner with the consolidated City of Indianapolis - Marion County. As a result of the COVID-19 pandemic, the Corporation along with the city remain prepared for potential public health outbreaks throughout the city. The health and public wellness issues continue to be the Corporation’s primary concerns. Public health risks like HIV, Hepatitis C, maternal and child health, emergency preparedness, the growth of opioid and other drug and alcohol addiction, as well as chronic disease and behavioral health problems can most successfully be addressed by local organizations like the MCPHD and Eskenazi Health. The primary goal of the Corporation is providing high quality health services. These services will continue only as long as vital funding from local, state, and federal programs continue to support local health services like those provided by the Corporation.

The Corporation receives county and state tax revenues that account for approximately 7% of the Corporation’s overall operating revenues. The stability and strength of the Marion County, Indiana and Indiana economy has made tax revenues a consistent and reliable source of funds, but it is not nearly enough to perform the services of the Corporation’s divisions. The largest proportion of funding for the Corporation’s divisions is direct reimbursement for services provided through healthcare delivery. Each division faces additional pressure to be able to provide more services to more clinically complex patients and residents every year. The Corporation engaged a consulting firm to collaborate with all divisions and complete a five-year strategic plan focusing on preserving the Corporation’s credit rating and days cash on hand through sound fiscal management. The first phase of the five-year strategic plan was completed in early 2024 with the confirmation that the strategic plan is needed and the second phase of creating the five-year strategic plan is scheduled to begin in the summer of 2024.

MCPHD has a strong track record providing public health services with the funds that are available. MCPHD’s budget is limited as few of its services are eligible for reimbursement to meet the demands of Marion County. Regardless, MCPHD continues to work to identify sources of revenue and funds approximately 50% of its operations through grants and operational revenues, with the remainder of funding from support through the Corporation’s general revenues. The division focuses on improving its ability to meet the needs of clients by reinvesting in

technology, employee training and direct partnerships with the community. MCPHD has upgraded technology over the past few years. These updates will help MCPHD's staff dedicate more of their time to caring for Marion County, Indiana residents rather than administrative tasks and improve overall efficiencies. The focus of MCPHD is to ensure its services are exceptional and targeted to address the most pressing health issues while managing costs to the community. In 2024, MCPHD received approximately \$11.8 million of Health First Indiana funding from the State of Indiana. The Health First Indiana funding is the state's investment in local public health departments.

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

The Corporation is in the process of issuing general obligation bonds of approximately \$6,100,000 to support the completion of multiple capital projects including renovating and repurposing buildings, enhancing security and systems of buildings, vehicle and equipment upgrades, and the cleanup of a water way adjacent to the Eskenazi Health Center East 38th Street project. The projects would be completed in or before 2025.

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

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

IEMS was created to improve quality and to reduce financial losses. The leaders of IEMS, partnering with the frontline paramedics and EMTs, have collaborated to improve patient quality, patient and resident safety, and coordination with the police and fire services. IEMS, operating as a service division of the Corporation, is becoming a model for pre-hospital care nationally. IEMS operates at a breakeven based on operating revenue alone. There is no tax support provided to IEMS. In March of 2024, the Wayne Township emergency medical services merged with IEMS. Wayne Township emergency medical services employees, assets, and the service area were absorbed by IEMS.

The Long-Term Care Service Division continues to provide high quality nursing home services throughout the state. Long-Term Care is financially able to support its own mission and brings in additional revenue to support operations. Long-Term Care has been a vital aspect of the Corporation's success over the past two decades. The Corporation partners with American Senior Communities (ASC) as the manager for the Corporation's facilities. Jointly, the Corporation and ASC strive to improve care to our residents. The operational quality for the Long-Term Care Service Division continues to be strong. In July of 2024, Indiana Pathways for Aging coverage begins. The Corporation continues to analyze the impact managed care has on the Long-Term Care Service Division.

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

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

SUPPLEMENTAL MEDICAID

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

EXECUTIVE MANAGEMENT UPDATE

The former Treasurer and CFO of the Corporation resigned in August 2023. James Simpson was appointed the interim CFO and Assistant Treasurer role in August 2023 until a permanent Treasurer and CFO is appointed.

MAJOR INITIATIVES FOR THE YEAR

Marion County Public Health Department:

To our community, customers, federal, state, and local partners, policymakers, and colleagues, thank you for your ongoing support of the Marion County Public Health Department (MCPHD). MCPHD is extremely proud of what was achieved in 2023, as MCPHD continues to fulfill its mission. We are focused on the broad public health goal that everyone deserves access to essential services and a healthy life. We realize that the health of the population and the economic vitality of the community are universal goals that should be shared by leaders in every community.

The COVID-19 pandemic demonstrated a need to strengthen our public health system by shifting toward much greater community leadership and engagement. Our work with the Indianapolis Patient Safety Coalition that involved all major hospital systems resulted in shared clinical decision making with our health department has highlighted the critical role that integrated solutions has provided major benefits to our communities. We had the lowest incidence of COVID-19 cases in the Midwest near the end of the pandemic, compared to Chicago, Detroit, Columbus, Cleveland, Cincinnati, Milwaukee, Louisville, and Lexington. Our work with the Indianapolis Chamber of Commerce, school systems, civic and community-based organizations, policy makers, the City of Indianapolis, and our faith-based partners enacted a valuable new model that provided a framework for public health.

MCPHD continues to understand and appreciate the value of strong partnerships which yielded other opportunities in identifying new resources and enhanced collaboration. MCPHD staff have applied for and received major federal grants to address community health disparities and health equities. We have seen a significant increase of new residents from Haiti, Nicaragua, Honduras, Afghanistan, Congo Africa, and Burmese in the past two years. These populations have significant needs. We recognize that to improve the health and well-being among our Marion County residents requires active integration of social determinants of health and clinical services to improve the quality of life.

MCPHD is now in the recovery phase and transforming back to normal operations from the COVID-19 pandemic. We will continue to evaluate how connectivity to services are critical to perform as MCPHD is experiencing changing demographics and must better address the ever-changing community to meet social determinants of health, access to quality care, and changes to an internet-based, consumer-driven communications environment. We will continue to move forward with its partners through social media and other outlets to promote the public health goals of prevention and wellness.

MCPHD is committed to:

- Interventions and resources to improve mental health status for the general population and emphasis on prevention, treatment, and recovery of COVID-19, substance use disorder, and dependence.
- Prevention and control of the COVID-19 infection plus long COVID-19 education.
- COVID-19 testing, vaccination, and boosters.
- Access to care for vulnerable populations, the homeless, and refugees.
- Reduction of maternal and infant mortality.
- Development of strategies to lower the incidence of diabetes, asthma, tobacco use, and cardiovascular disease.
- Promote various immunizations and dental health in infants, children, and adults.
- Reduction of obesity and sedentary lifestyle through increased understanding of good nutrition and physical activity.
- Control of Tuberculosis, HIV, Hepatitis viruses, and Sexually Transmitted Infections (diseases) including syphilis.
- Environmental health with restaurant and food vendor inspections, water quality, lead screening, removing environmental hazards, and the concept of Health in All Policies. Educate on climate change impact, and mitigation activities.
- Promote safe, livable housing and sustainable neighborhoods.
- Enhancing MCPHD's Public Health Emergency Preparedness program.
- Addressing the reduction of youth violence by addressing mental health and firearm injury prevention.
- Focus on structural racism as a public health issue.
- Focus on equity, social, and environmental justice in all planning processes.
- Focus on public health aspects in urban planning.
- Increasing health literacy across various populations served.
- Addressing the social determinants of health and poverty, including a living and thriving wages, unstable housing, and food insecurity.

To better understand the health care needs and major resource assets geographically of Marion County, we have begun a new Community Health Needs Assessment process. This process will help guide decision-making regarding where to direct healthcare resources through community collaboration. We started last year with our health care partners involving over 50 advisory partners and feedback from over 225 community and civic organizations including policy makers this year.

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

MCPHD continues to see a significant number of cases of tobacco use along with cigarette vaping in our youth and young adults, opioid overdoses, Hepatitis C, Syphilis and Sexually Transmitted Diseases, Tuberculosis, and HIV infections. MCPHD joined in partnership with the Damien Center for another safe syringe mobile program and has been a major participant in a city-wide drug treatment task force. This drug treatment task force included the development of a regional drug treatment referral software system to address the opioid crisis. MCPHD has partnered with the Marion County Prosecutor's Office, which offers their incarcerated records to be expunged for first time 'substance use disorder' offenders who complete a drug treatment program. MCPHD's Maternal-child program interventions continue to work to reduce maternal and infant mortality through active public health care services. Additionally, MCPHD maintains active engagement in the community to help decrease the transmission of HIV/AIDS (End the Epidemic Initiative, etc.) Hepatitis C, and other sexually transmitted diseases. MCPHD has also expanded outreach services to the community to increase education and promote screening for prostate, breast, colon, and lung cancer in the population. Also, MCPHD has actively engaged in the community in order to reduce substance disorders.

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

MCPHD works with and engages new community partners while preparing for the achievement of national standards through the Public Health Accreditation Board (PHAB) and by obtaining federal, state, and local grants placed MCPHD in a strong position to help the recovery from the COVID-19 pandemic. MCPHD continues to remove barriers to healthcare while promoting health equity with community outreach and education.

A special thank you to the MCPHD staff for dealing with long hours and staff shortages. MCPHD's staff always meets the challenge – thanks to all staff members and our community partners making a difference in our community!

Eskenazi Health:

As the public hospital division of the Health & Hospital Corporation of Marion County (HHC), Eskenazi Health partners with the Indiana University School of Medicine, whose physicians provide a comprehensive range of primary and specialty care services. During the course of 2023, Eskenazi Health treated and cared for over 1.2 million outpatient visits.

Eskenazi Health received many awards during 2023, a sample of which includes:

- Eskenazi Health was recognized by Healthgrades as a 2023 Top Cardiology Hospital, which recognizes hospitals for exceptional care via its "America's Best Hospitals" awards. Hospitals' performances were rated across 31 conditions and procedures with data from nearly 4,500 hospitals nationwide.
- Theresa "Teri" Rexroat, MS OTR, NTMTC, CNT, was awarded the Excellence in Clinical Practice Award by the National Association of Neonatal Therapists (NANT).
- Christina Cheeks, performance improvement consultant and member of the young professionals committee and diversity task force, was named one of five finalists for the United Way's 2023 ELEVATE Volunteer of the Year award.
- Hoosier Heartland Healing Collaborative and Dr. Robert Cater were included in the Indianapolis Business Journal (IBJ) list of Health Care Heroes. Hoosier Heartland Healing Collaborative was honored for Community Achievement in Health Care, and Dr. Cater was chosen as the top physician honoree.
- Katasha S. Butler, PharmD was honored as one of PraiseIndy's Indianapolis Black History Makers for her work to recruit pharmacy students from five historically Black colleges and universities (HBCU) for the Eskenazi Health Pharmacy Residency Program.

- Kimberly Lawrence-Curry of Specialty Care Services was chosen as the WTLC, Praise Indy, & Hot 100.9 Women's History Month Honoree.
- Eskenazi Health received an award in honor of being a five-year contributor to the Indianapolis Neighborhood Housing Partnership (INHP).
- Dr. Lisa Harris, Eskenazi Health CEO, was honored at the National Minority Health Day Luncheon for Eskenazi Health's efforts in diversity, equity, and inclusion.
- Malinda Boehler, director of MATEC Indiana and Infectious Disease Services at Eskenazi Health, received the World AIDS Day Outstanding Service Award from the Indianapolis Urban League.
- Dr. Lisa Harris, Eskenazi Health CEO, was named on the 2023 edition of the Becker's Healthcare "Physician leaders to know" list.
- Eskenazi Health received an African Diamond Award from the African Council of Indiana in recognition of efforts to champion the cultural and economic development of the African community in Indiana.
- Eskenazi Health received the 2023 Specialty Excellence Award for Coronary Intervention from Healthgrades.
- Eskenazi Health Stroke Center was recognized by the American Heart Association with the Get with the Guidelines – Stroke Gold Plus in recognition of 85% compliance for 24 consecutive months on achievement measures. Eskenazi Health also made the Stroke and Type 2 Diabetes Honor Rolls.
- Two Eskenazi Health Center locations were named Nextdoor Neighborhood Favorites. Eskenazi Health Center North Arlington was voted the Neighborhood Fave for 2023 Best Medical Professionals. Eskenazi Health Center Grassy Creek was named overall local 2023 Neighborhood Fave.
- Lisa Harris, M.D., CEO of Eskenazi Health, was named to the Indianapolis Business Journal's Indiana 250, a list of 250 influential people in Indiana.
- Eskenazi Health was named as one of five Indiana recipients of the 2023 Specialty Excellence Award for Coronary Intervention.
- Deanna Reinoso, M.D., was awarded the 2023 Achievement in Medicine (AIM) Award by St. Margaret's Hospital Guild and Versiti Blood Center of Indiana.
- Eskenazi Health Center received a perfect rating in a site visit from representatives of the Health Services and Resources Administration's (HRSA) National Health Services Corps (NHSC) division and the Indiana Department of Health (IDOH). Eskenazi Health was also awarded by HRSA with six Community Health Quality Recognition (CHQR) badges for 2022, including Access Enhancers, Advancing Health Information Technology, COVID-19 Public Health Champion, Health Center Quality Leader - Bronze, Health Disparities Reducer, and Patient Centered Medical Homes Recognition.
- Levi Funches, MD, BA, staff physician at Eskenazi Health, was awarded the Dr. Chaniece Wallace Award for Advocacy and Equity.
- Eskenazi Health was designated as a Blue Distinction Center+ by Blue Cross Blue Shield's Blue Distinction Centers for Maternity Care program. The Blue Distinction Center+ designation is the highest level of award, including both quality of care *and* cost efficiency in delivering it.
- Eskenazi Health was recently included in Forbes magazine's list of "America's Best Employers by State," the second consecutive year Forbes has recognized Eskenazi Health as one of Indiana's best places to work.
- Eskenazi Health was named Indiana's top hospital for community benefit by the Lown Institute out of a pool of more than 3,600 hospitals. It was also ranked by the Lown Institute as Indiana's top hospital for avoiding of overuse.
- Eskenazi Health Center Primary Care was named a Phase 3 seventh place winner in Building Bridges to Better Health: A Primary Health Care Challenge by the Health Resources & Services Administration (HRSA), receiving a \$15,000 prize.
- More than 20 Eskenazi Health providers were highlighted in Indianapolis Monthly magazine's 2023 Top Doctors list, the publication's annual peer-review survey of top doctors in the Indianapolis region. Bree Weaver, M.D., chief of internal medicine, was featured on the cover.
- Eskenazi Health physicians Emily Fitz, M.D.; Erik Streib, M.D.; Elizabeth Weinstein, M.D.; and Dan Rusyniak, M.D.; were appointed by Gov. Eric Holcomb to the Indiana State Trauma Care Commission.

- Eskenazi Health physicians Francesca Duncan, M.D.; Rafael Rosario, M.D.; Glenda Westmoreland, M.D.; and Martha Cancilla, M.D., were inducted into the Alpha Omega Alpha Chapter at Indiana University School of Medicine.
- The Smith Level 1 Shock Trauma Center at Eskenazi Health has been reverified at Level 1, the rating for the highest trauma care available, by The American College of Surgeons Verification Review and Consultation program. This is the 12th consecutive successful verification.
- The Health and Hospital Corporation of Marion County was awarded with the following Community Health Center Quality Recognition (CHQR) badges for 2023: Health Center Quality Leader, Bronze; Access Enhancer; Health Disparities Reducer; Advancing HIT for Quality (Advancing Health Information Technology); COVID-19 Public Health Champion; and Addressing Social Risk Factors. It was also awarded the Patient-Centered Medical Home (PCMH) Recognition. Eskenazi Health Center received more awards than any other federally qualified health center in the state of Indiana and was in a seven-way tie for fourth overall across the nation.
- Amy Little, M.S.N., R.N., was awarded a Hardon Hero award by the Hardon Heroes (Heartfelt Educators Reaching Out to Empower Students) Foundation.
- Neha Patel, M.D., a hospitalist at the Sidney & Lois Eskenazi Hospital, was named ACP (American College of Physicians) Indiana Outstanding Women Physician of the Year.
- Eskenazi Health Safety & Security received the 2023 Patient Safety Hero Award from the Indianapolis Coalition for Patient Safety (Indiana Hospital Association).
- Eleazar Montalvan-Sanchez, resident in internal medicine at Eskenazi Health and Indiana University School of Medicine, won the Indiana Latino Health Contributor of the Year honor at the Indiana Latino Expo awards gala for his medical achievements and contributions to the advancement of Latinos in Indiana.
- The Sidney & Lois Eskenazi Hospital received the 2023 INspire Hospital of Distinction recognition for the fourth consecutive year, which recognizes hospitals that have implemented best practices in six key areas of infant and maternal health.
- Michelle O'Keefe was named one of Becker's Hospital Review's 60 hospital and health system chief marketing officers to know.
- Scott Morris and Eric W. Schmidt were honored with the Employer Support of the Guard and Reserve (ESGR) Service Member Patriot Award.

For 165 years, Eskenazi Health has provided high-quality, cost-effective, patient-centered health care to the residents of Marion County and Central Indiana. Accredited by The Joint Commission, nationally recognized programs include a Level I trauma center, regional burn center, comprehensive senior care program, women's and children's services, teen and adolescent care programs, Sandra Eskenazi Mental Health Center, and a network of primary care sites located throughout the neighborhoods of Indianapolis, known as Eskenazi Health Center. Eskenazi Health also serves as the sponsoring hospital for Indianapolis Emergency Medical Services.

Long-Term Care:

During 2023, the Corporation transitioned from operating 76 to 73 skilled nursing facilities (SNFs) and three to two free-standing licensed residential/assisted living facilities (ALs) across Indiana, with multiple locations providing a continuum of care with independent apartments and garden homes in a campus-type setting. Throughout the year, the Corporation facilities served on average more than 5,800 skilled nursing residents and 600 assisted living and independent living residents. The Corporation contracts with American Senior Communities (ASC) to manage its long-term care, assisted living, and independent living facilities. The daily census for 2023 remained fairly stable with the transition of two facilities to a new operator: Good Samaritan Home & Rehabilitation Center (June 1, 2023) & Coventry Meadows Assisted Living (November 1, 2023).

Oversight and engagement are a daily, weekly, and monthly endeavor that includes review of all operational aspects of long-term care facilities including participation in corporate compliance, quality assurance and performance improvement (QAPI), financial reviews, personnel, strategic planning, risk management and clinical services. The Corporation's internal LTC Quality Review Team (QRT) consists of highly qualified long-term care experienced Registered Nurses, Health Facility Administrators, and a Social Worker. The QRT professionals routinely visit all of the Corporation's long-term care facilities on an annual basis with an extensive onsite and remote review, with select facilities receiving additional site visits and reviews. The QRT conducted 72 onsite quality review audits and 75

onsite capital improvement, environmental, and life safety audits. Additionally, the Long-Term Care Team transitioned two Quality Review positions to add a Sr. Financial Analyst and Facilities Project Manager to assist in financial and capital oversight.

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

Highlights from Indiana Department of Health (IDOH) surveys of the Corporation facilities during 2023 include:

- Seven facilities earned deficiency free IDOH surveys: Autumn Ridge Rehabilitation Centre, Beech Grove Meadows, Heritage Park Commons and Garden Homes, Meadow Lakes of Mooresville, Rosegate Village, Summit City Nursing & Rehabilitation, & Todd-Dickey Nursing & Rehabilitation.
- Nine facilities received a deficiency free Life Safety Code survey: Betz Nursing Home, Forest Creek Village, Good Samaritan Home & Rehabilitation Center, Heritage Park, Mount Vernon Nursing & Rehabilitation, North Park Nursing Center, Salem Crossing, Springhill Village, and Todd-Dickey Nursing and Rehabilitation.
- Eighteen facilities received perfect Emergency Preparedness surveys: Arbor Grove, Avalon Village, Ben Hur Health & Rehabilitation, Brownsburg Meadows, Canterbury Nursing & Rehabilitation Center, Clark Rehabilitation & Skilled Nursing Center, Creekside Village, Edgewater Woods, Elkhart Meadows, Franklin Meadows, Good Samaritan Home & Rehabilitation Center, North Park Nursing Center, Rosewalk Village at Lafayette, Springhill Village, Summit City Nursing & Rehabilitation, and University Nursing Center.

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

- The Overall Star Rating includes additional benchmarks for Health Inspections and Staffing. These combined with the Quality Measures Rating, result in the Overall Star Rating. Analysis of the aggregate Corporation facility Overall Star Rating from December 2022 to December 2023 is as follows:
 - Overall ratings average 3.34 Stars, exceeding both state (2.86 Stars) and national (2.88 Stars) averages.
 - Thirty-Seven facilities (or 51%) have an Overall Star rating of Four (above average) or Five (much above average) rating.
 - Twenty-one facilities were rated Five Stars Overall, with ten maintaining their Five Star Overall rating from December 2022 to December 2023.
- Analysis of the aggregate Corporation facility Quality Measures Star Rating from December 2022 to December 2023 is as follows:
 - Corporation facilities averaged 4.40 Stars, exceeding both state (3.83 Stars) and national (3.57 Stars) averages.
 - Fifty-six of the Corporation's facilities were rated Four or Five Stars for Quality Measures, or 77% of our SNFs.

The Corporation continues to encourage its LTC facilities to partake in the American Health Care Association/National Center for Assisted Living (AHCA/NCAL) Quality Award Program. Since 2015, 59 (or 78%) of Corporation facilities have earned at least one AHCA/NCAL Quality Award. These national quality awards are based on the core values and health care criteria established by the Baldrige Performance Excellence Program, and they provide a pathway for facilities to journey toward program excellence.

- In 2023, a total of 10 HHC Corporation facilities earned the AHCA/NCAL National Quality Bronze or Silver Award for Achievement in Quality:

Bronze Award:

- Canterbury Nursing & Rehabilitation
- Creekside Village
- East Lake Nursing & Rehabilitation
- Elkhart Meadows
- Prairie Village Nursing & Rehabilitation
- Rosebud Village
- Rosewalk Village of Lafayette
- Willowdale Village

Silver Award:

- Monticello Healthcare
- Springs Valley Meadows

Only four facilities in Indiana received the Silver Award during 2023, the second level of distinction awarded to facilities recognized for achievement in quality.

Other awards bestowed on the Corporation's facilities include:

- HHC is proud to have seven of the twenty communities selected throughout Indiana by US News and World Report as Best Nursing Homes 2023. The HHC communities awarded this distinction are: Allisonville Meadows, American Village, Rosegate Village, Greenwood Meadows, Coventry Meadows, Heritage Park, and Trailpoint Village.

The Corporation facilities provided employment on average for 8,200 staff members during 2023. A Nurse Aide in Training Program (NAIT) program was initiated in February 2022 to replace the PCA (Personal Care Assistant) program initiated during COVID. Over 1,000 students completed the NAIT program in 2023 and became CNAs (certified nursing assistants).

Dedication to the professional growth of the state's workforce and particularly in addressing the growing shortage of licensed nurses continues through O2NE – Opportunities to Nursing Excellence. This program is a one-of-a-kind scholarship program providing tuition, a reduced work schedule, mentoring and assistance with life skills, among other supports. O2NE provides a tremendous career path to nursing and has successfully graduated 226 nurses, both RNs and LPNs. The program had eight graduates in 2023. The program boasts a high retention rate among the Corporation facilities, with many new nurse managers having emerged from this program to serve as clinical leaders including 14 Directors of Nursing Services (DNS), three Assistant DNS, three Clinical Directors, and six regional nurses.

AWARDS AND ACKNOWLEDGEMENTS

The Corporation had an annual audit of its financial statements performed for 2023 by Forvis Mazars, LLP, Certified Public Accountants. The independent auditor's report on the Corporation's financial statements is included in the financial section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Health and Hospital Corporation of Marion County, Indiana for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. Health and Hospital Corporation of Marion County, Indiana has received a Certificate of Achievement for the last 38 consecutive years. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet

the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This Annual Comprehensive Financial Report was made possible by the dedicated service of the combined staffs of Hospital Finance and Corporate Accounting. Each member of these departments has our sincere appreciation for the contributions made to this report.

Respectfully submitted,



Paul T. Babcock
President and
Chief Executive Officer



James W. Simpson
Assistant Treasurer and
Interim Chief Financial Officer



Government Finance Officers Association

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

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

Health and Hospital Corporation

Elected Officials

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

Appointed Officials - Board of Trustees



Robert W. Lazard
Chairperson
Retired CPA



Monica Crain
Vice Chairperson
President, Chief Solutions Officer
HRIntellect, LLC



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



Thomas Hanify
Retired Firefighter



Dr. Geeta Karnik Mantravadi
Physician
IU Health Physicians



Brenda Horn
Retired Legal Partner

Health and Hospital Corporation

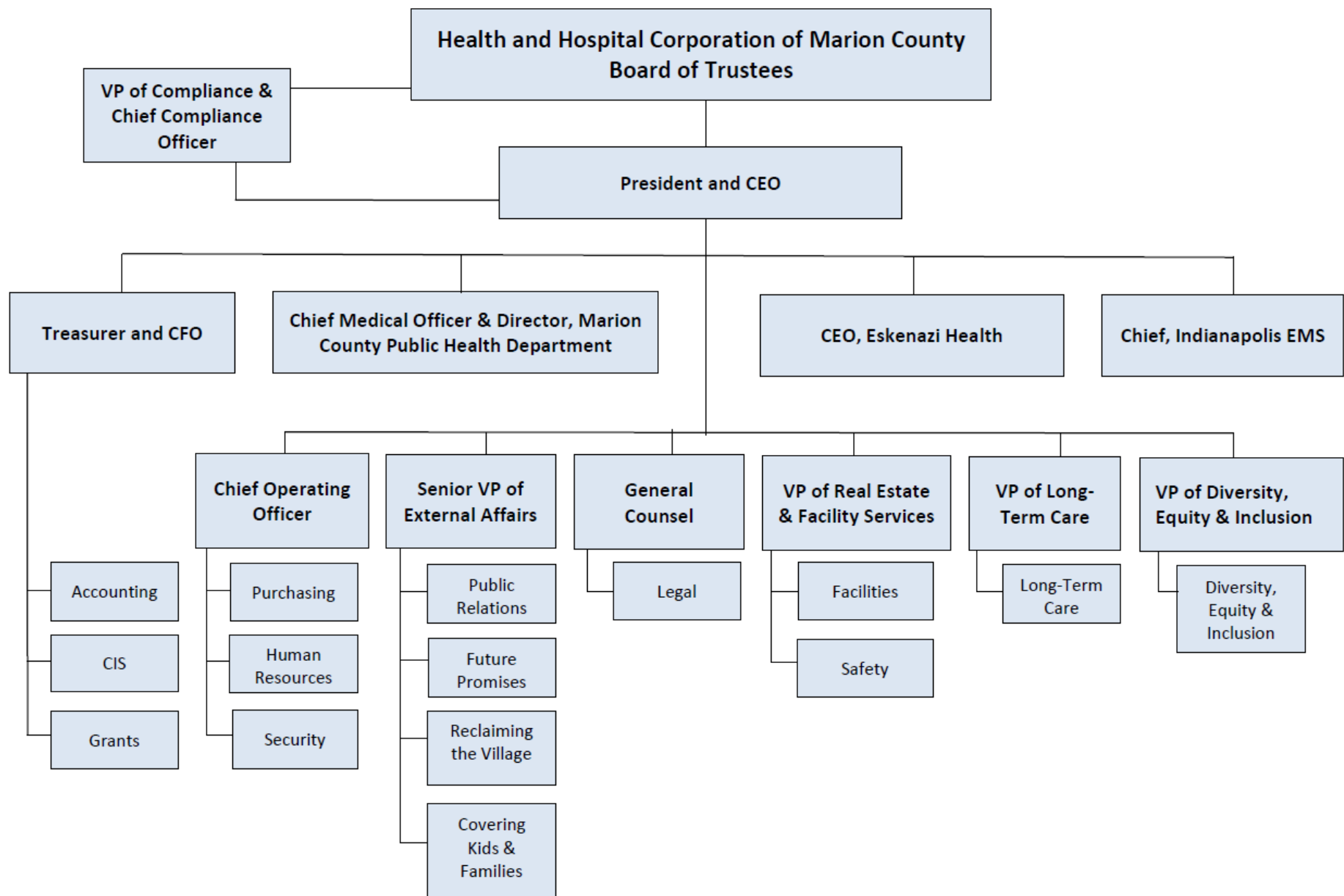
Officers

Name	Title
Paul T. Babcock	President and Chief Executive Officer
James W. Simpson	Interim Chief Financial Officer and Assistant Treasurer
Lisa E. Harris, M.D.	Chief Executive Officer, Eskenazi Health
Virginia A. Caine, M.D.	Chief Medical Officer and Director, MCPHD

Independent Auditors

Forvis Mazars, LLP

Indianapolis, Indiana



Financial Section

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Health and Hospital Corporation of Marion County, Indiana (a component unit of the Consolidated City of Indianapolis-Marion County) (Corporation), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Corporation, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2023, the Corporation adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated June 27, 2024, on our consideration of the Corporations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporations' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporations' internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Indianapolis, Indiana
June 27, 2024**

Management's Discussion and Analysis (Unaudited)

As management of the Health and Hospital Corporation of Marion County, Indiana, (Corporation), we offer readers of this Corporation's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter at the front of this report along with the financial statements, including the footnotes that follow the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Corporation exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.57 billion (net position). Unrestricted net position at the end of 2023 is \$902.6 million.
- As of the close of 2023, the Corporation's governmental funds reported combined ending fund balances of \$991.1 million, an increase of \$157.9 million in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$863.6 million, an increase of \$153.3 million compared to prior year.
- The Corporation's total debt, excluding finance purchase obligations and lease liabilities, decreased by \$6.8 million or 4.3% during the current fiscal year. This reflects scheduled principal payments on outstanding bonds. The finance purchase obligations decreased by \$12.0 million or 3.2% in 2023. The lease liabilities decreased by \$3.0 million or 2.4%.
- During 2023, the Corporation adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, effective January 1, 2023. Balances within the management's discussion and analysis presented here related to 2022 were not restated for the adoption of the standard.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include the Health and Hospital Corporation of Marion County, Indiana (known as the primary government) and two blended component units, Lions Insurance Company and Eskenazi Medical Group. Since the Corporation's Board is appointed, not elected, the Corporation is considered a component unit of the Consolidated City of Indianapolis - Marion County (Uni-Gov). Management considers all other Marion County units of government to be separate from this Corporation, and the other Marion County units of government 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 funds can be divided into two categories: (1) governmental funds or (2) 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 Fund, Debt Service Fund, and a portion of its Capital Projects Fund. Budgetary comparison statements have been provided for these three funds to demonstrate compliance with this budget.

Proprietary Funds - The Corporation's proprietary funds consist of two enterprise funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The Corporation uses the enterprise fund to account for its Eskenazi Health Division (including Indianapolis EMS) and its Long-Term Care Service Division. The proprietary funds include the blended component units of Lions Insurance Company and Eskenazi Medical Group, which represent 2.0% and 4.0%, respectively, of the business-type activities total assets and deferred outflow of resources as of December 31, 2023.

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, including a schedule of proportionate share of the net pension liability, schedule of contributions in connection with the Corporation's participation in a cost-sharing, multiple-employer defined-benefit retirement plan and a budgetary comparison schedule for the General Fund. Also, budgetary schedules are provided for the Debt Service Fund and the Capital Projects Fund as other supplementary information.

Financial Analysis of the Corporation as a Whole

While the governmental activities and business-type activities are shown separately in accordance with GAAP in the annual comprehensive financial report, many governmental functions of the Corporation are interconnected and largely interdependent. An example of this would be that health improvement is identified as a governmental activity, however, the reader should understand that there are significant expenses to promote health improvement through the business-type activities such as Eskenazi Health's activities promoting improvement of the social determinants of health campaign.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets and deferred outflows exceeded liabilities and deferred inflows by \$1.57 billion at December 31, 2023. The Corporation's net position increased by \$126.9 million, compared to \$7.1 million in 2022.

The Corporation's net position includes its investment in capital assets (e.g., land, buildings, machinery, and equipment,) plus restricted funds, less any related debt used to acquire those assets that is still outstanding. The Corporation uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Corporation's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of \$902.6 million is unrestricted.

	(dollars in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 1,156,207	\$ 1,037,861	\$ 668,001	\$ 669,559	\$ 1,824,208	\$ 1,707,420
Capital assets, net of accumulated depreciation and amortization	208,169	172,326	898,992	1,016,590	1,107,161	1,188,916
Total assets	<u>1,364,376</u>	<u>1,210,187</u>	<u>1,566,993</u>	<u>1,686,149</u>	<u>2,931,369</u>	<u>2,896,336</u>
Deferred Outflows of Resources	<u>16,497</u>	<u>11,398</u>	<u>27,709</u>	<u>26,255</u>	<u>44,206</u>	<u>37,653</u>
Liabilities						
Other liabilities	25,133	22,370	114,339	114,186	139,472	136,556
Long-term liabilities	685,417	699,736	479,350	552,030	1,164,767	1,251,766
Total liabilities	<u>710,550</u>	<u>722,106</u>	<u>593,689</u>	<u>666,216</u>	<u>1,304,239</u>	<u>1,388,322</u>
Deferred Inflows of Resources	<u>100,940</u>	<u>97,892</u>	<u>4,181</u>	<u>8,421</u>	<u>105,121</u>	<u>106,313</u>
Net Position						
Net investment in capital assets	80,732	40,022	570,184	611,322	650,916	651,344
Restricted	12,683	14,975	-	-	12,683	14,975
Unrestricted	<u>475,968</u>	<u>346,590</u>	<u>426,648</u>	<u>426,445</u>	<u>902,616</u>	<u>773,035</u>
Total net position	<u>\$ 569,383</u>	<u>\$ 401,587</u>	<u>\$ 996,832</u>	<u>\$ 1,037,767</u>	<u>\$ 1,566,215</u>	<u>\$ 1,439,354</u>

Changes in Net Position

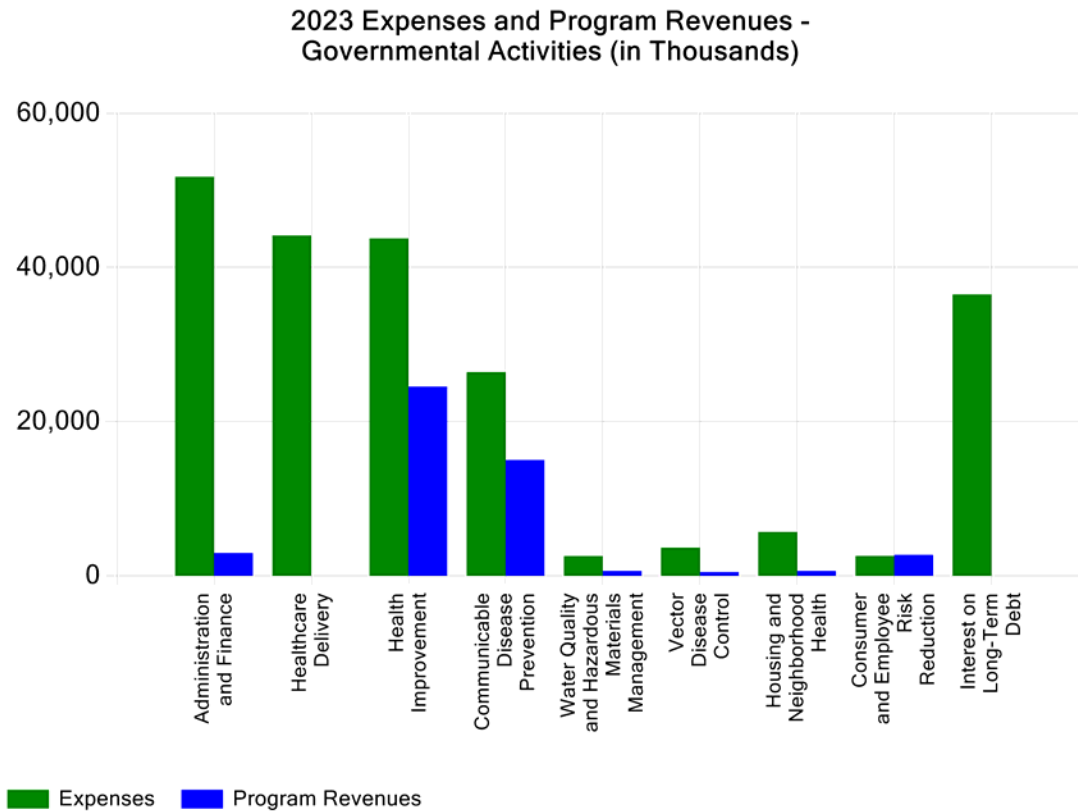
The Corporation's total revenue was \$2.07 billion during the current fiscal year. Taxes represent 7.3% of the Corporation's revenue. Medicaid special revenue represents 3.9% of revenue, while 83.0% of revenue came from fees charged for services. The remaining 5.8% came from grants and contributions, investment earnings and Build America Bond subsidies.

The total cost of all programs and services was \$1.95 billion. This resulted in an increase in net position for the year of \$126.9 million.

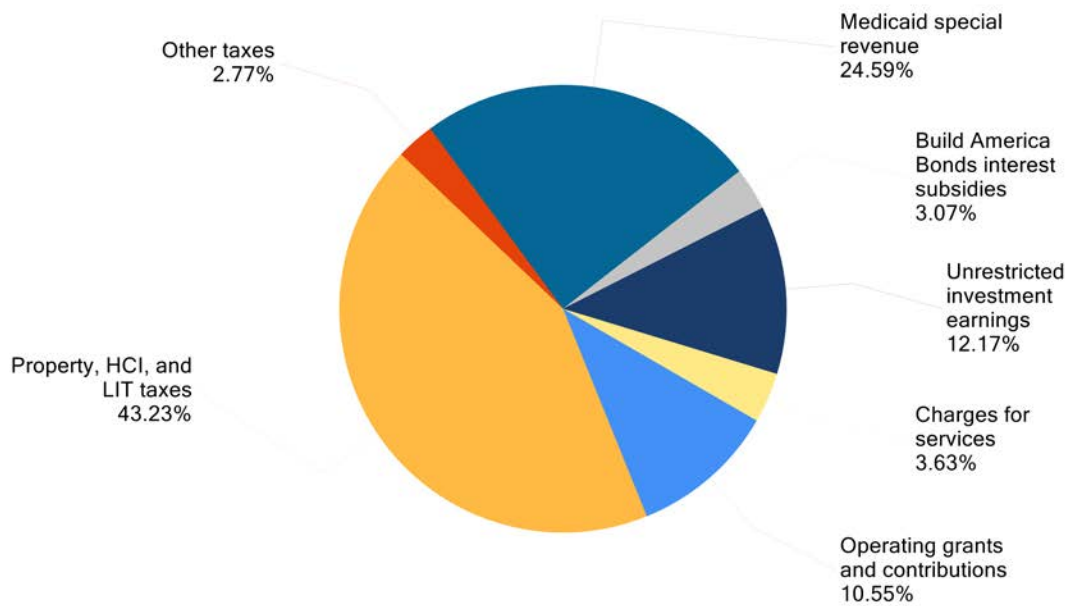
Governmental activities - Governmental activities increased the Corporation's net position by \$167.8 million compared to the total \$126.9 million increase in net position of the Corporation. Unrestricted investment earnings increased by \$31.0 million from prior year. Government activities received \$33.9 million in operating grants and contributions in 2023. Net transfers were \$53.9 million, compared to \$42.8 million from prior year. 2023 transfers reflect decreases in both the Long-Term Care Fund transfer to the General Fund and the General Fund transfer to the Eskenazi Health Fund. The net increase of General Fund transfers is attributed to the decrease in Eskenazi Health Fund operating transfers out which is in line with the concept to transfer the net impact of certain Eskenazi Health Fund activities on the Governmental Funds.

	(dollars in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 12,002	\$ 11,206	\$ 1,707,979	\$ 1,586,938	\$ 1,719,981	\$ 1,598,144
Operating grants and contributions	33,878	30,263	9,957	20,935	43,835	51,198
Capital grants and contributions	1,052	-	-	-	1,052	-
General revenues:						
Property, HCI and local option income taxes	143,122	137,309	-	-	143,122	137,309
Other taxes	9,153	9,494	-	-	9,153	9,494
Medicaid special revenue	81,380	96,158	-	-	81,380	96,158
Build America Bonds interest subsidies	10,147	10,229	-	-	10,147	10,229
Unrestricted investment earnings	40,268	9,235	24,703	(1,698)	64,971	7,537
Other - insurance recovery	-	-	-	-	-	-
Total revenues	331,002	303,894	1,742,639	1,606,175	2,073,641	1,910,069
Expenses						
Administration and finance	51,753	55,993	-	-	51,753	55,993
Healthcare delivery	44,148	38,480	-	-	44,148	38,480
Health improvement	43,766	38,117	-	-	43,766	38,117
Communicable disease prevention	26,423	32,779	-	-	26,423	32,779
Water quality and hazardous material management	2,558	2,334	-	-	2,558	2,334
Vector disease control	3,645	3,447	-	-	3,645	3,447
Housing and neighborhood health	5,691	4,897	-	-	5,691	4,897
Consumer and employee risk reduction	2,576	2,293	-	-	2,576	2,293
Interest on long-term debt	36,501	30,830	-	-	36,501	30,830
Eskenazi Health	-	-	971,984	902,926	971,984	902,926
Long-term care	-	-	757,735	785,981	757,735	785,981
Total expenses	217,061	209,170	1,729,719	1,688,907	1,946,780	1,898,077
Increase (Decrease) in Net Position Before Transfers and Special Items	113,941	94,724	12,920	(82,732)	126,861	11,992
Special Items	-	-	-	(4,909)	-	(4,909)
Transfers	53,855	42,820	(53,855)	(42,820)	-	-
Increase (Decrease) in Net Position	167,796	137,544	(40,935)	(130,461)	126,861	7,083
Net Position, Beginning of Year, as previously reported	401,587	264,043	1,037,767	1,131,771	1,439,354	1,395,814
Change in accounting principle	-	-	-	36,457	-	36,457
Net Position, Beginning of Year, as restated	401,587	264,043	1,037,767	1,168,228	1,439,354	1,432,271
Net Position, End of Year	\$ 569,383	\$ 401,587	\$ 996,832	\$ 1,037,767	\$ 1,566,215	\$ 1,439,354

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



2023 Revenues by Source - Governmental Activities



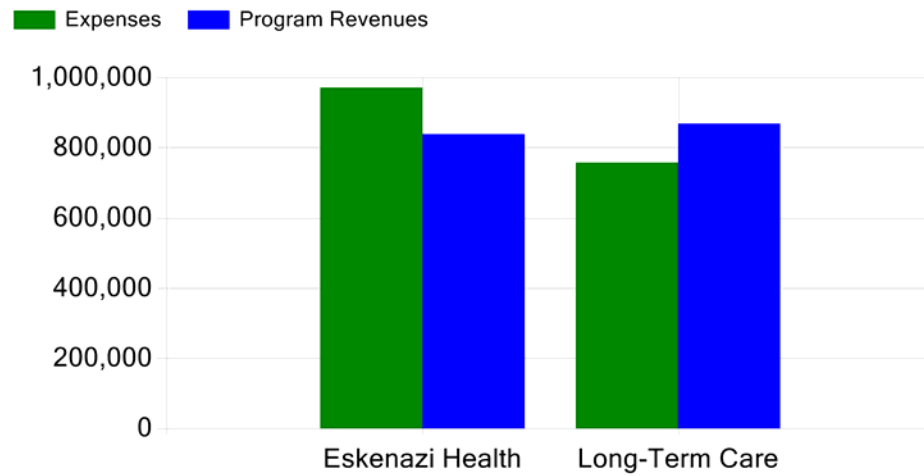
Business-type activities - The business-type activities decreased the 2023 net position by \$40.9 million compared to a 2022 decrease in net position of \$130.5 million.

Eskenazi Health's net position decreased by \$68.8 million in the current year. Net investment in capital assets is \$515.6 million, a decrease of \$30.6 million. Operating revenues increased by \$75.0 million due to an increase in net patient service revenue of \$60.5 million and an increase of other revenue of \$14.5 million. Eskenazi Health transfers received from the General Fund decreased by \$28.8 million in 2023. Operating expenses increased by \$69.7 million from 2022, primarily attributable to Salary and Wage increases (related to Market Analysis and Living Wage Assessment), management of expected industry staffing challenges, and increased patient volume leading to corresponding pharmaceutical and supply chain variable costs; Eskenazi Health incurred an operating loss of \$131.2 million, which was partially offset by \$23.2 million in transfers from the General Fund, \$10.0 million in grants from various agencies, and \$18.5 million from investment income.

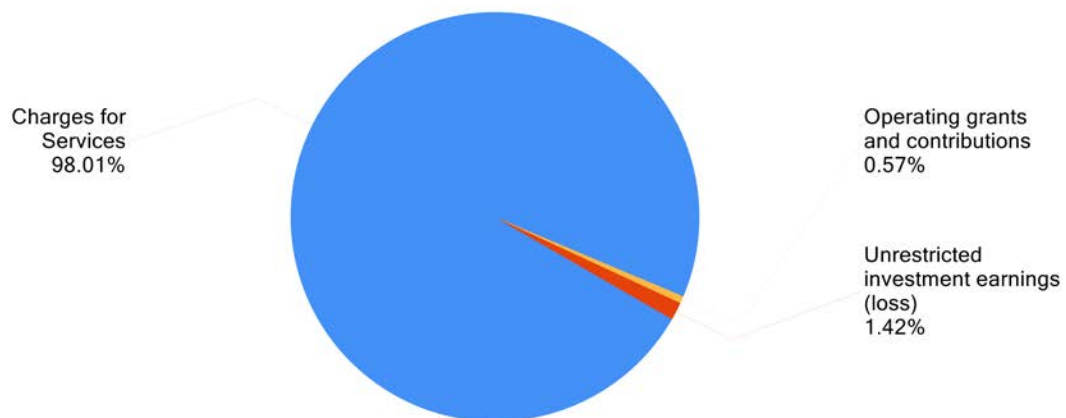
Long-Term Care's net position was \$177.3 million, an increase of \$27.9 million compared to 2022. Operating revenues increased \$46.2 million due to increased net patient service revenue and Medicaid special revenue caused by a slight increase in census. Operating expenses decreased \$28.4 million over 2022 due to decreased contractual labor, equipment rental, and lease expenses. Long-Term Care has a \$54.5 million net investment in capital assets, a decrease of \$10.5 million over 2022. All 73 facilities are recorded as lease liabilities and lease assets.

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

2023 Expenses and Program Revenues - Business-Type Activities (in thousands)



2023 Revenues by Source - Business-Type Activities



Financial Analysis of the Corporation's Funds

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

As of the current fiscal year end, the Corporation's governmental funds reported combined ending fund balances of \$991.1 million, an increase of \$157.9 million in comparison with the prior year. Approximately 12.8% of this total amount, or \$126.3 million, constitutes restricted and assigned fund balance, which is related to capital outlays for the new hospital, money set aside for debt service, and year-end encumbrances. Approximately 87.1% of the total amount, or \$863.6 million, is unassigned fund balance. The remaining 0.1% of fund balance is nonspendable.

The General Fund is the chief operating fund of the Corporation. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$863.6 million, while the total fund balance increased \$156.1 million to a balance of \$883.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 451.2% of total General Fund expenditures, while total fund balance represents 461.7% of that same amount.

The Corporation's General Fund total fund balance increased by \$156.1 million during the current fiscal year compared to a \$64.3 million increase in 2022. Tax revenue collections increased by \$5.6 million from 2022 to 2023. The General Fund tax levy and assessed values increased in 2023, and collections of taxes surpassed projections. Medicaid special revenue increased \$79.0 million in 2023 as one final and two partial DSH settlement was recognized during 2023 compared to one partial settlement in 2022. Intergovernmental expenditures increased by \$5.7 million in 2023 due to increased occupancy and the COVID-19 public health emergency period ending which ended the Families First Coronavirus Response Act intergovernmental transfer rate reduction for the Long-Term Care Upper Payment Limit program. 2023 net transfers decreased the fund balance by \$21.4 million, this is a result of less transfers in from the Long-Term Care Fund in 2023. The 2023 fund balance increase for the General Fund, of \$156.1 million, related to taxes, investment income, and miscellaneous revenues exceeding projections. Also, expenditures were under budget due to year-end initiatives not occurring during 2023.

Debt Service Fund - The Debt Service Fund has a fund balance of \$13.9 million compared to a fund balance of \$14.0 million in 2022. The slight decrease in fund balance during the current year of \$0.1 million was due to the legal maximum operating balance allowable for the Debt Service Fund in 2023.

Capital Projects Fund - The Capital Projects Fund has a total fund balance of \$93.4 million. The increase in fund balance during the current year was \$1.9 million. The fund balance increase is related to investment income exceeding projections due to strong returns on deposit accounts.

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

Unrestricted net position of Eskenazi Health at the end of the year was \$303.9 million. In 2023, the total net position for Eskenazi Health decreased by \$68.8 million. Other factors concerning the finances of Eskenazi Health were addressed in the discussion of the Corporation's business-type activities.

Unrestricted net position of Long-Term Care at the end of the year was \$122.7 million. Total net position for Long-Term Care increased by \$27.9 million in 2023. Additional information on Long-Term Care operations can be found in the discussion of the Corporation's business-type activities.

General Fund Budgetary Highlights

The original 2023 budget of \$315.9 million remained unchanged during 2023, both in total and by major object of expenditure. The \$315.9 million budget included \$204.5 million in expenditures and \$111.4 million in transfers out. Actual expenditures and transfers out totaled \$261.7 million. Of the total \$54.2 million underspending, \$11.5 million related to personal services, \$2.9 million to supplies, \$33.3 million to other charges and services (including transfers out) and \$6.5 million to capital outlays. Underspending for all reflects potential year-end initiatives that did not occur. General revenues and other resources were estimated at \$315.8 million, and actual was \$409.4 million. Medicaid special revenue was \$78.0 million favorable to budget as one final and two partial hospital DSH settlements occurred in 2023 when only one settlement was budgeted. 2023 taxes, interest, and miscellaneous revenues were better than budget by \$39.2 million due to tax collections exceeding projections, interest rates remaining strong in 2023, joint venture ownership distributions, MCPHD expense reimbursements, operating support for an Outreach program, bond call rights waiver payments, and administrative revenue for Lions Insurance services provided by the General Fund. Grants revenue was unfavorable to budget by \$21.2 million as the 2023 grant awards projection occurs prior to the current fiscal year. Some awards projected were not received. Also, transfers in were unfavorable to budget by \$3.5 million as Long-Term Care's actual transfer to the General Fund was below the projected as the Long-Term Care 2023 operational surplus was below the projected surplus.

Capital Asset and Debt Administration

Capital Assets - The Corporation's capital assets for its governmental and business-type activities as of December 31, 2023, totaled \$1,107.2 million (net of accumulated depreciation), a decrease from \$1,188.9 million at the end of 2022. This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, lease and subscription assets, and construction in progress.

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

	(dollars in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,133	\$ 4,070	\$ 9,224	\$ 9,224	\$ 13,357	\$ 13,294
Land improvements	-	-	36,782	40,725	36,782	40,725
Buildings and improvements	11,930	12,874	439,083	474,103	451,013	486,977
Equipment	5,391	7,103	97,891	105,774	103,282	112,877
Vehicles	1,201	1,403	3,152	2,043	4,353	3,446
Lease and subscription assests	121,752	122,161	286,547	372,314	408,299	494,475
Construction in progress	63,762	24,715	26,313	12,407	90,075	37,122
Total assets	<u>\$ 208,169</u>	<u>\$ 172,326</u>	<u>\$ 898,992</u>	<u>\$ 1,016,590</u>	<u>\$ 1,107,161</u>	<u>\$ 1,188,916</u>

Long-Term Debt - At the end of 2023, the Corporation had total general obligation debt outstanding of \$150.0 million. Moody's Investors Service rates the Corporation's general obligation debt "Aa2".

State statutes limit the amount of general obligation debt a governmental entity may issue to 0.67% of its total assessed valuation. The current debt limitation for the Corporation is \$373.9 million. Outstanding general obligation debt (excluding premiums) at December 31, 2023 represents 39.5% of this limit.

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

<i>(dollars in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
2005 general obligation bonds	\$ 2,290	\$ 4,480	\$ -	\$ -	\$ 2,290	\$ 4,480
2010 general obligation bonds	145,540	149,950	-	-	145,540	149,950
Unamortized bond premiums	2,154	2,338	-	-	2,154	2,338
Financed purchase obligations	368,673	380,683	28,243	25,373	396,916	406,056
Lease liabilities	121,958	124,936	297,795	5,401	419,753	130,337
Subscription liabilities	3,973	-	329	-	4,302	-
	<u>644,588</u>	<u>662,387</u>	<u>326,367</u>	<u>30,774</u>	<u>970,955</u>	<u>693,161</u>
Total long-term debt	\$ 644,588	\$ 662,387	\$ 326,367	\$ 30,774	\$ 970,955	\$ 693,161

**During 2023, the Corporation adopted GASB Statement No.96, SBITAs, effective January 1, 2023. The 2022 balances were not restated for adoption of this standard.

Economic Factors and Next Year's Budgets and Rates

In March of 2020, the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) was designated as a global pandemic by the World Health Organization. The Corporation continued to operate as an essential healthcare provider and experienced significant impacts to patient volumes, occupancy, and the related revenues as various policies were implemented by federal, state, and local governments in response to the pandemic. The federal government ended the COVID-19 Public Health Emergency declaration on May 11, 2023.

The 2024 original budget for all annually budgeted funds is \$477.7 million. No revisions have been made through June 2024. The 2024 General Fund budget, which includes the State of Indiana Health First Indiana year one funding, is \$369.8 million. The 17.1% increase from the 2023 final General Fund budget of \$315.9 million reflects increases in personal services of \$13.9 million, supplies of \$3.2 million, other charges and services of \$36.4 million, and capital outlays of \$0.5 million to continue to appropriately position the Corporation to fund operations. The budget for the Corporation will continue to be challenged by increasing expenditures and declining revenues which include property tax caps.

Requests for Information

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

Basic Financial Statements

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position
December 31, 2023
(Dollars in thousands)

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 818,069	\$ 415,256	\$ 1,233,325
Investments	75,702	44,033	119,735
Receivables, net:			
Patient services	-	158,526	158,526
Medicaid special revenue	1,400	37,283	38,683
Grants	12,526	6,486	19,012
Taxes	94,513	-	94,513
BAB subsidies	5,074	-	5,074
Other	4,014	17,900	21,914
Internal balances	90,169	(90,169)	-
Inventories	-	14,100	14,100
Lease receivables:			
Due within one year	524	-	524
Lease receivables, net of current portion	5,257	-	5,257
Estimated Medicare/Medicaid settlements	-	4,911	4,911
Prepaid costs and other assets	1,178	19,788	20,966
Restricted cash and cash equivalents	12,995	-	12,995
Noncurrent investments	-	26,226	26,226
Restricted investments	-	12,866	12,866
Joint venture investments	34,786	-	34,786
Other long-term assets	-	795	795
Capital assets (net of accumulated depreciation):			
Land	4,133	9,224	13,357
Land improvements	-	36,782	36,782
Buildings and improvements	11,930	439,083	451,013
Equipment	5,391	97,891	103,282
Vehicles	1,201	3,152	4,353
Lease assets	116,963	286,209	403,172
Subscription assets	4,789	338	5,127
Construction in progress	63,762	26,313	90,075
Total assets	<u>1,364,376</u>	<u>1,566,993</u>	<u>2,931,369</u>
Deferred Outflows of Resources	<u>16,497</u>	<u>27,709</u>	<u>44,206</u>
Liabilities			
Accounts payable	17,833	81,778	99,611
Restricted accounts payable	2,956	-	2,956
Accrued liabilities	1,601	31,339	32,940
Accrued interest payable	416	-	416
Unearned revenue	2,327	184	2,511
Estimated Medicare/Medicaid settlement liabilities	-	1,038	1,038
Long-term liabilities:			
Due within one year	37,667	131,769	169,436
Due in more than one year	647,750	347,581	995,331
Total liabilities	<u>710,550</u>	<u>593,689</u>	<u>1,304,239</u>
Deferred Inflows of Resources	<u>100,940</u>	<u>4,181</u>	<u>105,121</u>
Net Position			
Net investment in capital assets	80,732	570,184	650,916
Restricted for:			
Debt service	12,683	-	12,683
Unrestricted	475,968	426,648	902,616
Total net position	<u>\$ 569,383</u>	<u>\$ 996,832</u>	<u>\$ 1,566,215</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Activities
For the Year Ended December 31, 2023
(Dollars in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administrative and finance	\$ 51,753	\$ 2,949	\$ -	\$ -	\$ (48,804)	\$ -	\$ (48,804)
Healthcare delivery	44,148	-	-	-	(44,148)	-	(44,148)
Health improvement	43,766	3,994	20,204	331	(19,237)	-	(19,237)
Communicable disease prevention	26,423	1,309	12,993	721	(11,400)	-	(11,400)
Water quality and hazardous materials management	2,558	483	133	-	(1,942)	-	(1,942)
Vector disease control	3,645	481	-	-	(3,164)	-	(3,164)
Housing and neighborhood health	5,691	77	548	-	(5,066)	-	(5,066)
Consumer and employee risk reduction	2,576	2,709	-	-	133	-	133
Interest and fiscal charges	36,501	-	-	-	(36,501)	-	(36,501)
Total governmental activities	<u>217,061</u>	<u>12,002</u>	<u>33,878</u>	<u>1,052</u>	<u>(170,129)</u>	<u>-</u>	<u>(170,129)</u>
Business-Type Activities							
Eskenazi Health	971,984	838,870	9,957	-	-	(123,157)	(123,157)
LT Care	757,735	869,109	-	-	-	111,374	111,374
Total business-type activities	<u>1,729,719</u>	<u>1,707,979</u>	<u>9,957</u>	<u>-</u>	<u>-</u>	<u>(11,783)</u>	<u>(11,783)</u>
Total	<u>\$ 1,946,780</u>	<u>\$ 1,719,981</u>	<u>\$ 43,835</u>	<u>\$ 1,052</u>	<u>(170,129)</u>	<u>(11,783)</u>	<u>(181,912)</u>
General revenues:							
Property and local income taxes					105,122	-	105,122
Health Care for the Indigent taxes					38,000	-	38,000
Excise taxes					7,124	-	7,124
Financial institution taxes					2,029	-	2,029
Medicaid special revenue (unrestricted)					81,380	-	81,380
Build America Bonds interest subsidies					10,147	-	10,147
Unrestricted investment earnings (loss)					40,268	24,703	64,971
Transfers					53,855	(53,855)	-
Total general revenues and transfers					<u>337,925</u>	<u>(29,152)</u>	<u>308,773</u>
Change in net position					167,796	(40,935)	126,861
Net position - beginning of year					401,587	1,037,767	1,439,354
Net position - end of year					<u>\$ 569,383</u>	<u>\$ 996,832</u>	<u>\$ 1,566,215</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet - Governmental Funds
December 31, 2023
(Dollars in thousands)

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 720,727	\$ 1,262	\$ 96,080	\$ 818,069
Restricted cash and cash equivalents	-	12,683	312	12,995
Investments	75,702	-	-	75,702
Receivables (net of allowance for uncollectibles):				
Grants	12,526	-	-	12,526
Medicaid special revenue	1,400	-	-	1,400
Taxes	93,168	1,104	241	94,513
BAB subsidies	-	5,074	-	5,074
Other	4,014	-	-	4,014
Due from other funds	95,243	-	-	95,243
Lease receivables, current portion	524	-	-	524
Lease receivables, net of current portion	5,257	-	-	5,257
Prepaid costs and other assets	1,178	-	-	1,178
	<u>\$ 1,009,739</u>	<u>\$ 20,123</u>	<u>\$ 96,633</u>	<u>\$ 1,126,495</u>
Total assets				
	<u>\$ 1,009,739</u>	<u>\$ 20,123</u>	<u>\$ 96,633</u>	<u>\$ 1,126,495</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	\$ 17,833	\$ -	\$ 2,956	\$ 20,789
Salaries and related benefits	1,601	-	-	1,601
Unearned revenue	2,327	-	-	2,327
Due to other funds	-	5,074	-	5,074
Accrued self-insurance claims	853	-	-	853
Total liabilities	<u>22,614</u>	<u>5,074</u>	<u>2,956</u>	<u>30,644</u>
Deferred Inflows of Resources	<u>103,377</u>	<u>1,104</u>	<u>241</u>	<u>104,722</u>
Fund Balances				
Nonspendable	1,178	-	-	1,178
Restricted	-	12,683	312	12,995
Assigned	18,927	1,262	93,124	113,313
Unassigned	863,643	-	-	863,643
Total fund balances	<u>883,748</u>	<u>13,945</u>	<u>93,436</u>	<u>991,129</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,009,739</u>	<u>\$ 20,123</u>	<u>\$ 96,633</u>	<u>\$ 1,126,495</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Governmental Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended in December 31, 2023
(Dollars in thousands)

Fund balance - total governmental funds	991,129
Amounts reported for governmental activities in the statement of net position are different because:	
Net capital assets used in the governmental activities are not financial resources and therefore are not reported in the fund statements	208,169
Joint venture investments are not financial resources and therefore are not reported in the fund statements	34,786
Net pension liability is not due and payable in the current period and therefore is not recorded in the funds statement	(30,447)
Deferred inflows of resources not meeting availability criteria in fund statements are not in the statement of net position	4,539
Deferred inflows of resources related to pension that are not available to pay for current period expenditures and therefore are not reported in the fund statements and include:	(757)
Deferred outflows of resources are not financial resources and therefore are not reported in the fund statements and include:	
Loss on refunding	3,844
Pension	12,653
Accrued interest not in the fund statements	(416)
Long-term liabilities, including bonds payable, financed purchase obligations, lease and subscription liabilities, are not due and payable in the current period and therefore are not reported in the fund statements (excludes matured bond principal and interest)	(654,117)
Net position of governmental activities	\$ 569,383

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, 2023
(Dollars in thousands)

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Taxes	\$ 149,789	\$ 2,219	\$ 267	\$ 152,275
Licenses and permits	5,000	-	-	5,000
Intergovernmental	34,196	-	-	34,196
Charges for services	2,300	-	-	2,300
Medicaid special revenue	128,795	-	-	128,795
Investment income	36,695	299	5,466	42,460
Build America Bonds interest subsidies	-	10,147	-	10,147
Miscellaneous	3,878	-	419	4,297
Total revenues	<u>360,653</u>	<u>12,665</u>	<u>6,152</u>	<u>379,470</u>
Expenditures				
Current				
Administrative	50,594	-	-	50,594
Population health	31,837	-	-	31,837
Environmental health	13,350	-	-	13,350
Health center program	532	-	-	532
Data processing	6,085	-	-	6,085
Grant programs	32,692	-	-	32,692
Capital outlays	12,155	-	49,487	61,642
Debt service				
Principal	-	22,672	-	22,672
Interest and fiscal charges	-	32,813	-	32,813
Intergovernmental Expenditures	44,148	-	-	44,148
Total expenditures	<u>191,393</u>	<u>55,485</u>	<u>49,487</u>	<u>296,365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>169,260</u>	<u>(42,820)</u>	<u>(43,335)</u>	<u>83,105</u>
Other Financing Sources (Uses)				
Issuance of lease and subscription liabilities	8,184	-	-	8,184
Transfers in	99,897	53,115	45,194	198,206
Transfers out	(121,276)	(10,341)	-	(131,617)
Total other financing sources and uses	<u>(13,195)</u>	<u>42,774</u>	<u>45,194</u>	<u>74,773</u>
Net change in fund balances	156,065	(46)	1,859	157,878
Fund balances - beginning of year	<u>727,683</u>	<u>13,991</u>	<u>91,577</u>	<u>833,251</u>
Fund balances - end of year	<u>\$ 883,748</u>	<u>\$ 13,945</u>	<u>\$ 93,436</u>	<u>\$ 991,129</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities - Governmental Activities
For the Year Ended in December 31, 2023
(Dollars in thousands)

Net change in fund balances - total governmental funds	\$ 157,878
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation and amortization expense not reported in the fund statements, but is reported as a decrease in net position in the statement of activities	(12,605)
Capital outlays are reported as expenditures in the fund statements, but are reported as additions to capital assets in the statement of net position	61,642
Changes in joint venture investment are reported in the statement of net position but are not reported in the fund statements	102
Transfers of capital assets from governmental activities to the business type activities are not shown in the fund statements	(12,734)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements	(46,306)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences (as applicable) in the treatment of long-term debt and related items	20,486
Compensated absences that do not require the use of current financial resources are not reported as expenditures in the fund statements	(595)
Portion of pension expense in the statement of activities that does not require the use of current financial resources and therefore is not reported as an expenditure in the fund statements	107
Asserted and unasserted self-insurance claims that do not require the use of current financial resources are not reported as expenditures in the fund statements	(179)
Change in net position of governmental activities	<u>\$ 167,796</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Net Position - Proprietary Funds
December 31, 2023
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 230,517	\$ 184,739	\$ 415,256
Investments	44,033	-	44,033
Receivables (net of allowance for uncollectibles):			
Patient services	94,842	63,684	158,526
Medicaid special revenue	-	37,283	37,283
Grants	6,486	-	6,486
Other	17,900	-	17,900
Estimated Medicare/Medicaid settlements	4,452	459	4,911
Inventories	14,100	-	14,100
Prepaid costs and other assets	15,153	4,635	19,788
Total current assets	<u>427,483</u>	<u>290,800</u>	<u>718,283</u>
Noncurrent assets:			
Investments - long term	26,226	-	26,226
Investments restricted for deferred compensation	12,866	-	12,866
Other long-term assets	-	795	795
Lease assets	7,190	279,019	286,209
Subscription assets	338	-	338
Nondepreciable capital assets	33,207	2,330	35,537
Depreciable capital assets (net of accumulated depreciation)	512,836	64,072	576,908
Total noncurrent assets	<u>592,663</u>	<u>346,216</u>	<u>938,879</u>
Total assets	<u>1,020,146</u>	<u>637,016</u>	<u>1,657,162</u>
Deferred Outflows of Resources	<u>27,709</u>	<u>-</u>	<u>27,709</u>
Total assets and deferred outflows of resources	<u>1,047,855</u>	<u>637,016</u>	<u>1,684,871</u>
Liabilities			
Current liabilities:			
Accounts payable	41,237	40,541	81,778
Accrued liabilities	17,247	14,092	31,339
Due to other funds	419	89,750	90,169
Estimated Medicare/Medicaid settlement liabilities	1,038	-	1,038
Unearned revenue	184	-	184
Current portion of lease liabilities	1,544	86,450	87,994
Current portion of subscription liabilities	160	-	160
Current portion of financed purchase obligation	1,562	-	1,562
Accrued compensated absences - current	25,423	-	25,423
Asserted and unasserted self-insurance claims - current	10,247	6,383	16,630
Total current liabilities	<u>99,061</u>	<u>237,216</u>	<u>336,277</u>
Noncurrent liabilities:			
Asserted and unasserted self-insurance claims	5,010	18,486	23,496
Accrued compensated absences	5,349	-	5,349
Net pension liability	69,219	-	69,219
Deferred compensation	12,866	-	12,866
Lease liabilities, net of current portion	5,765	204,036	209,801
Subscription liabilities, net of current portion	169	-	169
Financed purchase obligations, net of current portion	26,681	-	26,681
Total noncurrent liabilities	<u>125,059</u>	<u>222,522</u>	<u>347,581</u>
Total liabilities	<u>224,120</u>	<u>459,738</u>	<u>683,858</u>
Deferred Inflows of Resources	<u>4,181</u>	<u>-</u>	<u>4,181</u>
Total liabilities and deferred inflows of resources	<u>228,301</u>	<u>459,738</u>	<u>688,039</u>
Net Position			
Net investment in capital assets	515,639	54,545	570,184
Unrestricted	303,915	122,733	426,648
Total net position	<u>\$ 819,554</u>	<u>\$ 177,278</u>	<u>\$ 996,832</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
For the Year Ended December 31, 2023
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Operating revenues:			
Net patient service revenue	\$ 785,585	\$ 723,361	\$ 1,508,946
Medicaid special revenue	-	143,205	143,205
Other revenue	53,285	2,543	55,828
Total operating revenues	<u>838,870</u>	<u>869,109</u>	<u>1,707,979</u>
Operating expenses:			
Salaries	415,294	-	415,294
Employee Benefits	110,156	-	110,156
Contract Labor	3,480	422,910	426,390
Medical and professional fees	61,758	15,943	77,701
Purchased services	42,785	62,461	105,246
Supplies	85,012	42,464	127,476
Pharmaceuticals	92,701	9,721	102,422
Repairs and maintenance	13,651	6,706	20,357
Utilities	13,783	16,265	30,048
Equipment rental and lease expense	3,475	12,585	16,060
Depreciation and amortization	71,028	108,458	179,486
Provider assessment fee	21,218	24,361	45,579
Other	35,765	26,098	61,863
Total operating expenses	<u>970,106</u>	<u>747,972</u>	<u>1,718,078</u>
Operating income (loss)	<u>(131,236)</u>	<u>121,137</u>	<u>(10,099)</u>
Nonoperating revenues (expenses):			
Noncapital gifts and grants	9,957	-	9,957
Investment income	18,476	6,227	24,703
Loss on disposal of capital assets	(1,683)	-	(1,683)
Interest expense	(195)	(9,763)	(9,958)
Total nonoperating revenues (expenses)	<u>26,555</u>	<u>(3,536)</u>	<u>23,019</u>
Increase (decrease) in net position before transfers and special item	(104,681)	117,601	12,920
Capital contributions - capital assets transferred from governmental activities	12,734	-	12,734
Transfers - General Fund	23,161	(89,750)	(66,589)
Change in net position	<u>(68,786)</u>	<u>27,851</u>	<u>(40,935)</u>
Total net position - beginning of year	<u>888,340</u>	<u>149,427</u>	<u>1,037,767</u>
Total net position - end of the year	<u>\$ 819,554</u>	<u>\$ 177,278</u>	<u>\$ 996,832</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2023
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Cash Flows From Operating Activities			
Receipts from patient services	\$ 751,211	\$ 677,638	\$ 1,428,849
Receipts from other operations	58,721	2,543	61,264
Medicaid special revenue	-	115,402	115,402
Payments to suppliers	(247,565)	(195,225)	(442,790)
Payments to employees and contract labor	(630,148)	(417,316)	(1,047,464)
Net cash provided by (used in) operating activities	(67,781)	183,042	115,261
Cash Flows From Noncapital Financing Activities			
Cash receipts from noncapital gifts and grants	11,625	-	11,625
Transfers from (to) the General Fund	23,161	(100,000)	(76,839)
Net cash provided by (used in) noncapital financing activities	34,786	(100,000)	(65,214)
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(27,299)	(15,163)	(42,462)
Proceeds from sale of capital assets	1,384	-	1,384
Payments made on lease and subscription liabilities	(1,798)	(82,676)	(84,474)
Interest payments made on financed purchase obligations, lease and subscription liabilities	(195)	-	(195)
Payment of purchase financing obligations	(1,621)	-	(1,621)
Proceeds from lease receipts	711	-	711
Interest expense payments	-	(9,763)	(9,763)
Net cash used in capital and related financing activities	(28,818)	(107,602)	(136,420)
Cash Flows From Investing Activities			
Proceeds from sale and maturities of investments	41,618	-	41,618
Purchases of investments	(43,134)	-	(43,134)
Interest and dividends received	16,071	6,227	22,298
Net cash provided by investing activities	14,555	6,227	20,782
Net Decrease in Cash and Cash Equivalents	(47,258)	(18,333)	(65,591)
Cash and Cash Equivalents, January 1	277,775	203,072	480,847
Cash and Cash Equivalents, December 31	\$ 230,517	\$ 184,739	\$ 415,256
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (131,236)	\$ 121,137	\$ (10,099)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	71,028	108,458	179,486
Changes in operating assets and liabilities:			
Patient service receivables	(15,574)	(16,451)	(32,025)
Other receivables	6,140	(27,803)	(21,663)
Inventories	1,046	-	1,046
Prepaid costs and other assets	(1,172)	(335)	(1,507)
Deferred inflows and outflows of resources- pension	(4,989)	-	(4,989)
Net pension liability	2,331	-	2,331
Accounts payable	(3,052)	1,842	(1,210)
Accrued liabilities and compensated absences	5,443	2,867	8,310
Estimated Medicare/Medicaid settlements	2,418	(5,065)	(2,647)
Asserted and unasserted self-insurance claims	540	(1,608)	(1,068)
Deferred inflow of resources - leases	(704)	-	(704)
Total adjustments	63,455	61,905	125,360
Net cash provided by (used in) operating activities	\$ (67,781)	\$ 183,042	\$ 115,261
Noncash investing, capital and financing activities:			
Deferred compensation payouts from investments	\$ 343	\$ -	\$ 343
Lease obligations incurred for lease assets	3,526	-	3,526
Subscription obligations incurred for lease assets	507	-	507
Financed purchase obligations incurred for capital assets	4,491	-	4,491
Purchase of capital assets included in accounts payable	2,052	389	2,441
Transfers of capital assets and non-cash items from governmental activities	12,734	-	12,734
Loss on disposal of capital assets	(1,683)	-	(1,683)
Unrealized gain on investments, net	3,883	-	3,883

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

Nature of Operations and Summary of Significant Accounting Policies

Financial Reporting Entity

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

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

The MCPHD operates two service bureaus, (1) Population Health which provide preventive and diagnostic health programs, health education, immunization and epidemiological programs, and (2) Environmental Health which provide regulation and code enforcement. The MCPHD division is accounted for using governmental funds.

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

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

The Corporation operated 73 long-term care facilities through lease agreements at December 31, 2023. The facilities are operated as part of the Long-Term Care operations. Long-Term Care supports the Corporation's mission and goal to provide quality care and services to elderly and disabled people. For purposes of financial reporting, the Long-Term Care Service Division is accounted for as a separate enterprise fund.

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

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

Component Units

The Corporation has established a nonprofit entity, Lions Insurance Company (Lions), which is legally separate from the Corporation and whose purpose is to provide insurance covering the professional (malpractice) and general liability exposures of the nursing homes operated by the Corporation. Lions is considered a blended component unit and is therefore reported as if it is a part of the Long-Term Care Enterprise Fund because its primary purpose is to provide services solely to the Long-Term Care Enterprise Fund.

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

Complete financial statements for Lions and EMG may be obtained from Health and Hospital Corporation at 3838 N. Rural Street, Indianapolis, Indiana 46205.

Financial Statement Presentation, Measurement Focus and Basis of Accounting

Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the statement of net position and the statement of activities) incorporate data from all of the primary government's governmental and proprietary funds, as well as from all of its blended component units. All significant interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Health and Hospital Corporation of Marion County, Indiana
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Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

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

Following the government-wide financial statements are separate financial statements for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Corporation considers all of its governmental funds to be major funds. The total fund balances for all governmental funds are reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balances for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide statements. The Corporation's two enterprise funds (business-type activities), Eskenazi Health and Long-Term Care, are also considered to be major funds for reporting purposes.

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

Governmental Fund Types

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

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

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

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

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

Proprietary Fund Type

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

As mentioned previously, the Corporation has two enterprise funds: (1) the Eskenazi Health Enterprise Fund, which accounts for the activities of Eskenazi Health (including Indianapolis EMS) and (2) the Long-Term Care Enterprise Fund, which accounts for the activities of its leased long-term care facilities that receive no funding from ad valorem taxes. An enterprise fund is used to account for operations that are financed and operated in a similar manner to a private business - where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Certain administrative expenses of Eskenazi Health and Long-Term Care are accounted for by the General Fund. Because the debt that has been incurred on behalf of Eskenazi Health is to be repaid from General Fund revenues, long-term debt interest expense relating to Eskenazi Health is accounted for by the Debt Service Fund and is not allocated to the Eskenazi Health Enterprise Fund. Only debt intended to be repaid by operations of Eskenazi Health are included in the Eskenazi Health Enterprise Fund. At December 31, 2023, no such debt existed other than lease liabilities and financed purchase obligations. At December 31, 2023, the Long-Term Care Enterprise Fund had lease liabilities, which are to be repaid from operating revenues, and are therefore shown as long-term obligations in the Long-Term Care Enterprise Fund.

Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available, net of any allowance for uncollectible accounts. 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.

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

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

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

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

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

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

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

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(Dollars in thousands)

The differences between standard billing rates and the amount reimbursed or estimated to be reimbursed by Medicare, Medicaid and other contractual payers are included in the financial statements as contractual adjustments. Additional allowances are made for patients that will be unable or unwilling to pay their bills. Patient accounts receivable for services provided under contractual arrangements are also adjusted to reflect these differences.

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

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

Cash, Cash Equivalents and Investments

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

Investments for the Corporation are reported at fair value.

Receivables and Payables

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

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

Inventories

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

Health and Hospital Corporation of Marion County, Indiana
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Notes to Basic Financial Statements
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(Dollars in thousands)

Prepaid Costs and Other Assets

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

Capital Assets

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

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

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. 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:

	<u>Years</u>
Building and improvements	10 - 50
Equipment	5 - 20
Vehicles	4 - 8

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

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Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Lease Receivables

The Corporation leases certain land and portions of facilities to third parties under contracts expiring through 2061. The fixed components of lease arrangements for which the Corporation provides the tenant the right to control the use of assets are recognized at the net present value of future lease payments as lease receivables and deferred inflows of resources with amounts recognized over the term of the lease. Revenue including interest recognized under lease contracts during the year ended December 31, 2023 was \$940 within governmental activities and \$720 within the Eskenazi Health fund.

Other Long-Term Assets

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

Unearned Revenue

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

Accrued Compensated Absences

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

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Long-Term Obligations

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

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

Cost-Sharing Defined-Benefit Pension Plan

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

Deferred Outflows and Inflows of Resources

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

Interfund Transactions

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

Transfers

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

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Contribution of Capital Assets

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

Interfund Services Provided/Used

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

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

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

Net Position/Fund Balances

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

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

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

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

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

Total encumbrances found in the restricted and assigned fund balances are as follows for the Corporation as of December 31, 2023:

	General Fund	Capital Project Fund
Personal services	\$ 100	\$ -
Supplies	1,158	-
Other charges and services	15,182	-
Capital projects	2,487	25,146
	<hr/>	<hr/>
Total encumbrances	<u>\$ 18,927</u>	<u>\$ 25,146</u>

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Indigent Care Services

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

Eskenazi Health maintains records to identify and monitor the level of indigent care it provides. These records include the amount of charges forgone for services and supplies furnished under its indigent care policy. The costs of charity care provided was approximately \$98,616 during 2023. The cost of indigent care is estimated by applying a ratio of cost to gross charges to the gross uncompensated charges.

Net Patient Service Revenue

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

Use of Estimates

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

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Adoption of SBITA Standard

During 2023, the Corporation implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The adoption of GASB No. 96 did not result in a change to beginning net position. As of January 1, 2023, adoption of the standard resulted in the following:

Governmental Activities:

- Recognition of subscription assets and liabilities of \$599

Eskenazi Health:

- Recognition of subscription assets and liabilities of \$507

SBITAs have been recognized and measured using the facts and circumstances that existed at the beginning of the year. Refer to Notes 9 and 11 for the additional disclosures on these balances.

Future Adoption of New Accounting Standards

GASB has issued GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62; and GASB Statement No. 101, *Compensated Absences*; GASB Statement No. 102, *Certain Risk Disclosures* and GASB Statement No. 103, *Financial Reporting Model Improvements*. The Corporation intends to adopt these GASB Statements, as applicable, on their respective effective dates.

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Note 2: Deposits and Investments

As of December 31, 2023, the Corporation, including its blended component units, had the following cash deposits and investments:

Cash deposits	\$ 829,854
Negotiable certificates of deposit	848
State external investment pool	388,201
U.S. Government obligations	115,772
Municipal bonds	23,824
Equity mutual funds	12,866
Equity securities	5,000
Corporate bonds	208
Money market mutual funds	<u>28,574</u>
Total deposits and investments	<u><u>\$ 1,405,147</u></u>

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

	2023
Carrying value	
Deposits	\$ 829,854
Investments	<u>575,293</u>
	<u><u>\$ 1,405,147</u></u>
Cash and cash equivalents	
Unrestricted	\$ 1,233,325
Restricted	<u>12,995</u>
	1,246,320
Investments	
Unrestricted	145,961
Restricted	<u>12,866</u>
	<u><u>\$ 1,405,147</u></u>

Deposits

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

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

Types of Investments Authorized

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The Corporation's investment policy for interest rate risk requires amounts to be invested in a prudent manner to achieve maximum yield return available from approved government obligations with due regard to the specific purpose for which the funds are intended and needed. In regard to mitigating interest rate risk, the Corporation is permitted to invest in securities with a stated maturity of more than two years but not more than five years, provided such investments in this group comprise no more than 25% of the total portfolio available for investment. In accordance with Indiana statutes, this policy will expire four years from its effective date of November 15, 2022.

Below is a table of segmented time distribution for the Corporation's debt investments at December 31, 2023:

	Fair Value	Investment Activities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
State external investment pool	\$ 388,201	\$ 388,201			
U.S. Government obligations	115,772	65,662	50,110	-	-
Municipal bonds	23,824	-	23,824	-	-
Corporate bonds	208	-	208	-	-
Money market mutual funds	28,574	28,574	-	-	-
	<u>\$ 556,579</u>	<u>\$ 482,437</u>	<u>\$ 74,142</u>	<u>\$ -</u>	<u>\$ -</u>

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Corporation's investment policy for credit risk requires compliance with the provisions of Indiana statutes which, among other things, stipulates that the Corporation only invest in money market mutual funds that are rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service.

At December 31, 2023, the Corporation's investments were rated by Standard & Poor's or Moody's as follows:

	Fair Value	AAA/Aaa	AA+	AA	Not Rated
State external investment pool	\$ 388,201				\$ 388,201
U.S. Government obligations	115,772	115,772	-	-	-
Municipal bonds	23,824	-	-	-	23,824
Corporate bonds	208	-	-	-	208
Money market mutual funds	28,574	28,574	-	-	-
	<u>\$ 556,579</u>	<u>\$ 144,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,233</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Corporation will not be able to recover the value of its investments or collateral that are in the possession of an outside party. At December 31, 2023, all of the Corporation's investments in U.S. Government obligations, municipal bonds and corporate bonds were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent but not in the Corporation's name. The Corporation's investments in money market mutual funds and the state external investment pool were not subject to custodial credit risk at December 31, 2023, as their existence is not evidenced by securities that exist in physical book entry form.

Concentration of Credit Risk

The Corporation places no limit on the amount that may be invested in any one issuer. Except for cash equivalents and United States Treasury and agency securities, the Corporation's total portfolio should consist of no more than 40% of any single type of security.

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Foreign Currency Risk

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

Investment Income

Investment income for the year ended December 31, 2023 consisted of:

	Governmental Fund-Types	Proprietary Fund-Types
Interest and dividend income and realized gains	\$ 40,244	\$ 20,820
Unrealized gain on investments, net	<u>24</u>	<u>3,883</u>
Total investment income	<u><u>\$ 40,268</u></u>	<u><u>\$ 24,703</u></u>

Note 3: Disclosures About Fair Value of Assets

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

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023:

	Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV(A)
Negotiable certificates of deposit	\$ 848	\$ -	\$ 848	\$ -	\$ -
State external investment pools	388,201	-	-	-	388,201
U.S. Government obligations	115,772	115,772	-	-	-
Municipal bonds	23,824	-	23,824	-	-
Equity mutual funds	12,866	12,866	-	-	-
Equity securities	5,000	5,000	-	-	-
Corporate bonds	208	-	208	-	-
Money market mutual funds	28,574	-	-	-	28,574

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

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2023.

Investments

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

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Investments at NAV

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

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

Note 4: Property Taxes

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

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

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

As noted above, the assessment (or lien) date for Indiana property taxes is January 1 of each year. At December 31, 2023, the Corporation recognized a receivable of \$94,513 for the subsequent year estimated collections as management believes they are legally entitled to these assessed property tax funds as of year-end. These funds are also included as deferred inflows of resources at year-end as their use is restricted to a future period.

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

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

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

Note 5: Tax Abatements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Impact of Abatements on Revenues

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

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

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

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

The estimated gross amount, on an accrual basis, by which the Corporation's property tax revenues were reduced as a result of the aforementioned City abatement programs totaled approximately \$908. However, the actual extent of lost revenues is something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

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Note 6: Patient Services Receivables

Net patient services receivables consist of the following as of December 31, 2023:

	Eskenazi Health	LT Care	Total
Gross patient services receivables	\$ 318,542	\$ 72,082	\$ 390,624
Allowance for estimated contractual adjustment	(155,871)	-	(155,871)
Allowance for uncollectible accounts	(67,829)	(8,398)	(76,227)
Net patient services receivables	<u>\$ 94,842</u>	<u>\$ 63,684</u>	<u>\$ 158,526</u>

Note 7: Interfund Balances and Transfers

Individual due to/from other funds as of December 31, 2023 are as follows:

Interfund Receivables	Interfund Payables	Amount
General Fund	Debt Service Fund	\$ 5,074
General Fund	Eskenazi Health Fund	419
General Fund	LT Care Fund	89,750

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, 2024.

Interfund transfers for the year ended December 31, 2023 on the fund statements consisted of the following:

	Transfer In:				Total
	General Fund	Debt Service Fund	Cap Projects Fund	Enterprise Fund - Eskenazi Health	
Transfer out:					
General Fund	\$ -	\$ 53,115	\$ 45,000	\$ 23,161	\$ 121,276
Debt Service Fund	10,147	-	194	-	10,341
LT Care Fund	89,750	-	-	-	89,750
Governmental Activities	-	-	-	12,734	12,734
Total	<u>\$ 99,897</u>	<u>\$ 53,115</u>	<u>\$ 45,194</u>	<u>\$ 35,895</u>	<u>\$ 234,101</u>

Interfund transfers were generally used for the following: 1) to move revenues from the funds that are required by ordinance or budget to collect them to the funds that will ultimately expend them or 2) to cover deficits of other funds.

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

Deferred Outflows of Resources

As of December 31, 2023, deferred outflows of resources consisted of the following components on the governmental-wide statement of net position:

	Governmental Activities	Business-Type Activities	Total
Deferred loss on refundings	\$ 3,844	\$ -	\$ 3,844
Pension related deferred outflows:			
Contributions subsequent to measurement date	3,112	6,304	9,416
Changes in proportion and differences between the Corporation's contributions and proportionate share contributions	280	349	629
Actuarial differences	623	1,416	2,039
Net difference between projected and actual earnings on pension plan investments	6,978	15,865	22,843
Changes of assumptions	1,660	3,775	5,435
Total deferred outflows of resources	<u>\$ 16,497</u>	<u>\$ 27,709</u>	<u>\$ 44,206</u>

Deferred Inflows of Resources

As of December 31, 2023, deferred inflows of resources consisted of the following components on the governmental-wide statement of net position:

	Governmental Activities	Business-Type Activities	Total
Property tax receivable deferred revenue	\$ 94,513	\$ -	\$ 94,513
Lease related	5,670	-	5,670
Pension related deferred inflows:			
Changes in proportion	757	4,181	4,938
Total deferred inflows of resources	<u>\$ 100,940</u>	<u>\$ 4,181</u>	<u>\$ 105,121</u>

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Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period or for which time requirements have not been met. Governmental funds also record unearned revenue in connection with resources that have been received but not yet earned. At December 31, 2023, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows	Unearned
Grant advances prior to meeting all eligibility requirements	\$ -	\$ 2,327
Unavailable lease receivable/revenue	5,670	-
Unavailable property tax revenue	94,513	-
Grant reimbursements not received within 90 days	2,182	-
Other revenues not received within 90 days	<u>2,357</u>	<u>-</u>
Total Governmental Funds	<u>\$ 104,722</u>	<u>\$ 2,327</u>

In addition, the Eskenazi Health Enterprise Fund had \$184 of unearned revenue recorded at December 31, 2023 which related to both fee for service grants and advances received on federal grants that had not met eligibility requirements.

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Note 9: Capital, Lease, and Subscription Assets

Following is a summary of the changes in capital and lease assets - governmental activities for the year ended December 31, 2023:

	January 1, 2023*	Transfers/ Additions	Transfers/ Disposals	December 31, 2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,070	\$ 63	\$ -	\$ 4,133
Construction in progress	24,715	51,899	(12,852)	63,762
Total capital assets not being depreciated	<u>28,785</u>	<u>51,962</u>	<u>(12,852)</u>	<u>67,895</u>
Capital assets being depreciated:				
Buildings and improvements	38,176	531	-	38,707
Equipment	38,078	1,019	-	39,097
Vehicles	7,863	312	-	8,175
Total capital assets being depreciated	<u>84,117</u>	<u>1,862</u>	<u>-</u>	<u>85,979</u>
Less accumulated depreciation for:				
Buildings and improvements	25,302	1,475	-	26,777
Equipment	30,975	2,731	-	33,706
Vehicles	6,460	514	-	6,974
Total accumulated depreciation	<u>62,737</u>	<u>4,720</u>	<u>-</u>	<u>67,457</u>
Total capital assets being depreciated, net	<u>21,380</u>	<u>(2,858)</u>	<u>-</u>	<u>18,522</u>
Lease assets				
Buildings and improvements	129,062	2,986	(2,307)	129,741
Total lease assets	<u>129,062</u>	<u>2,986</u>	<u>(2,307)</u>	<u>129,741</u>
Less accumulated amortization for:				
Buildings and improvements on lease assets	6,901	6,877	(1,000)	12,778
Total lease assets being amortized, net	<u>122,161</u>	<u>(3,891)</u>	<u>(1,307)</u>	<u>116,963</u>
Subscription assets	599	5,198	-	5,797
Less accumulated amortization for:				
Subscription assets	-	1,008	-	1,008
Total subscription assets being amortized, net	<u>599</u>	<u>4,190</u>	<u>-</u>	<u>4,789</u>
Governmental activities capital assets, net	<u>\$ 172,925</u>	<u>\$ 49,403</u>	<u>\$ (14,159)</u>	<u>\$ 208,169</u>

* The balances have been restated to reflect the adoption of GASB Statement No. 96.

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The following is a summary of changes in capital and lease assets - business-type activities for the year ended December 31, 2023:

	January 1, 2023*	Transfers/ Additions	Transfers/ Disposals	December 31, 2023
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 9,224	\$ -	\$ -	\$ 9,224
Construction in progress	12,407	31,199	(17,293)	26,313
Total capital assets not being depreciated	<u>21,631</u>	<u>31,199</u>	<u>(17,293)</u>	<u>35,537</u>
Capital assets being depreciated:				
Land improvements	97,260	1,712	(493)	98,479
Buildings and improvements	900,189	12,920	(12,507)	900,602
Equipment	378,590	30,057	(43,420)	365,227
Vehicles	6,903	2,324	(329)	8,898
Total capital assets being depreciated	<u>1,382,942</u>	<u>47,013</u>	<u>(56,749)</u>	<u>1,373,206</u>
Less accumulated depreciation for:				
Land improvements	56,535	5,499	(337)	61,697
Buildings and improvements	426,086	45,409	(9,976)	461,519
Equipment	272,816	37,437	(42,917)	267,336
Vehicles	4,860	1,215	(329)	5,746
Total accumulated depreciation	<u>760,297</u>	<u>89,560</u>	<u>(53,559)</u>	<u>796,298</u>
Total capital assets being depreciated, net	<u>622,645</u>	<u>(42,547)</u>	<u>(3,190)</u>	<u>576,908</u>
Lease assets				
Buildings and improvements	446,632	2,492	(1,116)	448,008
Equipment	3,331	1,034	(17)	4,348
Total lease assets	<u>449,963</u>	<u>3,526</u>	<u>(1,133)</u>	<u>452,356</u>
Less accumulated amortization on lease assets for:				
Buildings and improvements	76,854	88,595	(1,116)	164,333
Equipment	795	1,036	(17)	1,814
Total accumulated amortization	<u>77,649</u>	<u>89,631</u>	<u>(1,133)</u>	<u>166,147</u>
Total lease assets being amortized, net	<u>372,314</u>	<u>(86,105)</u>	<u>-</u>	<u>286,209</u>
Subscription assets	<u>507</u>	<u>-</u>	<u>-</u>	<u>507</u>
Less accumulated amortization for:				
Subscription assets	<u>-</u>	<u>169</u>	<u>-</u>	<u>169</u>
Total subscription assets being amortized, net	<u>507</u>	<u>(169)</u>	<u>-</u>	<u>338</u>
Business-type activities capital assets, net	<u>\$ 1,017,097</u>	<u>\$ (97,622)</u>	<u>\$ (20,483)</u>	<u>\$ 898,992</u>

* The balances have been restated to reflect the adoption of GASB Statement No. 96.

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The following is a summary of changes in capital and lease assets - Eskenazi Health Enterprise Fund for the year ended December 31, 2023:

	January 1, 2023*	Transfers/ Additions	Transfers/ Disposals	December 31, 2023
Business-Type Activities- Eskenazi Health:				
Capital assets not being depreciated:				
Land	\$ 9,224	\$ -	\$ -	\$ 9,224
Construction in progress	10,973	23,663	(10,653)	23,983
Total capital assets not being depreciated	20,197	23,663	(10,653)	33,207
Capital assets being depreciated:				
Land improvements	84,378	852	(272)	84,958
Buildings and improvements	721,140	5,862	(8,995)	718,007
Equipment	282,068	24,527	(36,484)	270,111
Vehicles	6,851	2,324	(302)	8,873
Total capital assets being depreciated	1,094,437	33,565	(46,053)	1,081,949
Less accumulated depreciation for:				
Land improvements	47,842	4,503	(116)	52,229
Buildings and improvements	298,218	32,479	(6,464)	324,233
Equipment	192,069	30,965	(36,104)	186,930
Vehicles	4,808	1,215	(302)	5,721
Total accumulated depreciation	542,937	69,162	(42,986)	569,113
Total capital assets being depreciated, net	551,500	(35,597)	(3,067)	512,836
Lease assets				
Buildings and improvements	3,398	2,492	(198)	5,692
Equipment	3,331	1,034	(17)	4,348
Total lease assets	6,729	3,526	(215)	10,040
Less accumulated amortization on lease assets for:				
Buildings and improvements	573	661	(198)	1,036
Equipment	795	1,036	(17)	1,814
Total accumulated amortization	1,368	1,697	(215)	2,850
Total lease assets being amortized, net	5,361	1,829	-	7,190
Subscription assets	507	-	-	507
Less accumulated amortization for:				
Subscription assets	-	169	-	169
Total subscription assets being amortized, net	507	(169)	-	338
Eskenazi Health business-type activities capital assets, net	\$ 577,565	\$ (10,274)	\$ (13,720)	\$ 553,571

* The balances have been restated to reflect the adoption of GASB Statement No. 96.

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The following is a summary of changes in capital and lease assets - Long-Term Care Enterprise Fund for the year ended December 31, 2023:

	January 1, 2023	Transfers/ Additions	Transfers/ Disposals	December 31, 2023
Long-Term Care Business-Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,434	\$ 7,536	\$ (6,640)	\$ 2,330
Total capital assets not being depreciated	<u>1,434</u>	<u>7,536</u>	<u>(6,640)</u>	<u>2,330</u>
Capital assets being depreciated:				
Land improvements	12,882	860	(221)	13,521
Buildings and improvements	179,049	7,058	(3,512)	182,595
Equipment	96,522	5,530	(6,936)	95,116
Vehicles	52	-	(27)	25
Total capital assets being depreciated	<u>288,505</u>	<u>13,448</u>	<u>(10,696)</u>	<u>291,257</u>
Less accumulated depreciation for:				
Land improvements	8,693	996	(221)	9,468
Buildings and improvements	127,868	12,930	(3,512)	137,286
Equipment	80,747	6,472	(6,813)	80,406
Vehicles	52	-	(27)	25
Total accumulated depreciation	<u>217,360</u>	<u>20,398</u>	<u>(10,573)</u>	<u>227,185</u>
Total capital assets being depreciated, net	<u>71,145</u>	<u>(6,950)</u>	<u>(123)</u>	<u>64,072</u>
Lease assets				
Buildings and improvements	443,234	-	(918)	442,316
Total lease assets	<u>443,234</u>	<u>-</u>	<u>(918)</u>	<u>442,316</u>
Less accumulated amortization on lease assets for:				
Buildings and improvements	76,281	87,934	(918)	163,297
Total accumulated amortization	<u>76,281</u>	<u>87,934</u>	<u>(918)</u>	<u>163,297</u>
Total lease assets being amortized, net	<u>366,953</u>	<u>(87,934)</u>	<u>-</u>	<u>279,019</u>
Long-Term Care business-type activities lease assets, net	<u>\$ 439,532</u>	<u>\$ (87,348)</u>	<u>\$ (6,763)</u>	<u>\$ 345,421</u>

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

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

Governmental Activities:

Administration and finance	\$ 11,436
Health improvements	477
Communicable disease prevention	370
Water quality and hazardous material management	24
Vector disease control	272
Housing and neighborhood health	10
Consumer and employee risk reduction	16
	<hr/>

Total depreciation and amortization expense, governmental activities	<hr/> <hr/> \$ 12,605
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Business-Type Activities:

Eskenazi Health	\$ 71,028
LT Care	108,332
	<hr/>

Total depreciation and amortization expense, business-type activities	<hr/> <hr/> \$ 179,360
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Note 10: Estimated Medicare and Medicaid Settlements and Net Patient Service Revenue

Estimated Medicare and Medicaid settlements reflect differences between interim reimbursement and reimbursement as determined by cost reports filed or to be filed with federal and state governments after the end of each year. In addition, such settlement amounts reflect, if applicable, any differences determined to be owed to or from Eskenazi Health or the Long-Term Care Fund after an audit of such reports. Changes to any previous years' estimated settlements are reflected in the period such changes are identified. At December 31, 2023, the Medicare and Medicaid cost reports for Eskenazi Health have been audited by the fiscal intermediaries through December 31, 2019.

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

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Medicare

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

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

Medicaid

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

Long-Term Care is reimbursed for services rendered to Medicaid beneficiaries on a per diem basis.

Medicaid Special Revenue

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

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

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

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

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

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

The General Fund recognized \$128,795 in Medicaid special revenue and a receivable of \$1,400 at December 31, 2023. The intergovernmental transfers made by the Corporation in 2022 under these programs totaled \$44,148, with \$11,881 accrued within accounts payable in the general fund as of December 31, 2023. The Long-Term Care Fund recognized revenue of \$143,205 and a receivable of \$37,283 at December 31, 2023.

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Other Payers

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

340B Drug Pricing Program Final Rule

The Centers for Medicare and Medicaid Services (CMS) released a final rule (CMS-1793-F) on November 8, 2023, that describes the agency's action on remand from the United States District Court for the District of Columbia to craft a remedy from the U.S. Supreme Court's decision in *American Hospital Association v. Becerra*, relating to the adjustment of Medicare payment rates for drugs acquired under the 340B program from January 1, 2018 through September 27, 2022. For Eskenazi Health, this resulted in a lump sum settlement of approximately \$2,300, which was received by the Hospital in January 2024. Eskenazi Health recognized the net patient service revenue in 2023, in accordance with the timing of the final rule, and the receivable is included in other receivables at December 31, 2023.

Summary of Net Patient Service Revenue

Following is a summary of total patient service revenue, contractual adjustments, and charity and indigent care for the year ended December 31, 2023:

	Eskenazi Health	LT Care	Total	Percentage
Patient service revenue:				
Inpatient	\$ 1,177,659	\$ -	\$ 1,177,659	31%
Outpatient	1,835,850	-	1,835,850	49%
Long-term care	-	736,461	736,461	20%
Gross patient service less:	3,013,509	736,461	3,749,970	100%
Contractual adjustments	1,807,847	-	1,807,847	49%
Charity and indigent care	303,700	-	303,700	7%
Provision for uncollectible accounts	116,377	13,100	129,477	3%
Net patient service revenue	<u>\$ 785,585</u>	<u>\$ 723,361</u>	<u>\$ 1,508,946</u>	<u>41%</u>

Revenue from the Medicare and Medicaid programs accounted for approximately 19% and 56%, respectively, of net patient service revenue for fiscal year 2023. These percentages exclude Medicaid special revenue received and recognized in the General Fund and the Long-Term Care Fund. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2023 net patient service revenue increased approximately \$725 due to changes in estimates related to regulatory reserves for certain cost report reviews. Eskenazi Health Corporate Compliance and Leadership review billing, site, licensure and other issues to ensure compliance with Federal, State and other regulations.

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Note 11: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

	January 1, 2023*	Additions	Reductions	December 31, 2023	Due Within One Year
Governmental Activities:					
General obligation bonds payable:					
Refunding Bonds of 2005					
(\$28,960,000 original amount),					
3.50% to 5.25%, due January 1, 2025	\$ 4,480	\$ -	\$ (2,190)	\$ 2,290	\$ 2,290
General Obligation Bonds of 2010 - Series					
A-1, A-2 (\$195,000,000 original amount),					
3.00% to 6.004%, due January 15, 2040	149,950	-	(4,410)	145,540	4,580
Plus: bond premium	2,338	-	(184)	2,154	184
Total bonds payable	156,768	-	(6,784)	149,984	7,054
Financed purchase obligations	380,683	4,062	(16,072)	368,673	16,353
Lease liabilities	124,936	2,986	(5,964)	121,958	4,750
Subscription liabilities	599	5,198	(1,824)	3,973	1,017
Asserted and unasserted self-insurance claims	1,336	8,628	(8,552)	1,412	853
Accrued compensated absences	8,375	8,030	(7,435)	8,970	7,640
Net pension liability	27,638	8,781	(5,972)	30,447	-
Governmental activities long-term liabilities	<u>\$ 700,335</u>	<u>\$ 37,685</u>	<u>\$ (52,603)</u>	<u>\$ 685,417</u>	<u>\$ 37,667</u>
Business-Type Activities:					
Eskenazi Health:					
Asserted and unasserted self-insurance claims	\$ 14,717	\$ 57,165	\$ (56,625)	\$ 15,257	\$ 10,247
Accrued compensated absences	29,545	34,533	(33,306)	30,772	25,423
Net pension liability	66,888	14,980	(12,649)	69,219	-
Financed purchase obligations	25,373	4,491	(1,621)	28,243	1,562
Lease liabilities	5,401	3,526	(1,618)	7,309	1,544
Subscription liabilities	507	-	(178)	329	160
Deferred compensation	10,466	2,743	(343)	12,866	-
LT Care:					
Lease liabilities	373,162	-	(82,676)	290,486	86,450
Asserted and unasserted self-insurance claims	26,478	704	(2,313)	24,869	6,383
Business-type activities long-term liabilities	<u>\$ 552,537</u>	<u>\$ 118,142</u>	<u>\$ (191,329)</u>	<u>\$ 479,350</u>	<u>\$ 131,769</u>

* The balances have been restated to reflect the adoption of GASB Statement No. 96.

The above bond and financed purchase obligations relating to governmental activities are to be repaid from ad valorem taxes levied to the extent necessary by the Corporation against all taxable property within Marion County, Indiana. The General Fund has been used in prior years to liquidate long-term liabilities other than debt related to governmental activities, including the net pension liability. The business-type lease liabilities will be repaid through Long-Term Care nursing home operating revenue.

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General Obligation Bonds of 2005

During 2005, the Corporation issued \$28,960 of General Obligation Refunding Bonds, Series 2005 (the 2005 GO Bonds), the proceeds of which were used to refund the outstanding principal of the Corporation's General Obligation Bonds, Series 2000A. The 2005 GO Bonds are payable from an unlimited ad valorem property tax levied to the extent necessary by the Corporation against all taxable property within Marion County, Indiana, which is coterminous with Marion County, Indiana. The 2005 GO Bonds that remain outstanding at December 31, 2023 bear interest at 4.50%, with principal and interest payments due January 1 and July 1 through January 1, 2025. The remaining 2005 GO Bonds are subject to redemption from mandatory sinking fund payments during 2019 to 2024 and are subject to optional redemption prior to maturity at par plus accrued interest to the redemption date.

General Obligation Bonds of 2010

During 2010, the Corporation issued \$195,000 of General Obligation Bonds, Series 2010A-1 and 2010A-2 (the 2010A-1 and 2010A-2 GO Bonds, or collectively, the 2010A GO Bonds), the proceeds of which were used to finance a portion of the Eskenazi Health hospital complex, including the hospital and outpatient clinic facilities. The 2010A GO Bonds are payable from ad valorem property taxes to be levied on all taxable property within Marion County, to the extent other revenues of the Corporation are not sufficient to cover the annual debt service. The 2010A GO Bonds that remain outstanding at December 31, 2023 bear interest at 5.854% to 6.004%, with principal and interest payments due January 15 and July 15 through January 15, 2040. The 2010A GO Bonds are subject to redemption from mandatory sinking fund payments during 2023 to 2040 and the 2010A GO Bonds that matured on or after January 15, 2021 were subject to optional redemption prior to maturity beginning January 15, 2020 at par plus accrued interest to the redemption date.

The 2010A GO Bonds were acquired in their entirety with proceeds from the issuance of The Indianapolis Local Public Improvement Bond Bank (the Bond Bank) Bonds, Series 2010A-1 and 2010A-2 (the 2010A-1 and 2010A-2 Bond Bank Bonds). The 2010A-2 Bond Bank Bonds were issued as Build America Bonds (BABs) and, as such, are eligible to receive a credit (BAB Subsidy) equal to 35% of the interest payable on such bonds. The benefit of such credit will be passed on to the Corporation at each interest payment date, thus effectively reducing the Corporation's cost of financing. As a result of the automatic spending cuts imposed under the Budget Control Act of 2011 (the BAB Sequester), BAB Subsidies for the October 2020 through September 2023 were reduced by 5.7%. It is too soon to predict if BAB Subsidies will continue to be cut thereafter, or if the United States Congress will rescind or otherwise alter such cuts.

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The governmental activities debt service requirements, including interest, on bonds and related future expected BAB subsidies as of December 31, 2023 are as follows:

	Principal	Interest	BAB Expected Subsidies
Year Ending December 31,			
2024	\$ 6,870	\$ 8,751	\$ 2,948
2025	7,120	8,406	2,863
2026	7,390	7,989	2,774
2027	7,670	7,556	2,637
2028	7,965	7,107	2,494
2029 - 2033	44,645	28,097	10,117
2034 - 2038	54,060	13,621	5,527
2039 - 2040	12,110	727	711
	<u>\$ 147,830</u>	<u>\$ 82,254</u>	<u>\$ 30,071</u>

The above future BAB Subsidies reflect an assumed reduction for the BAB Sequester adjustment in effect at December 31, 2023.

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, 2023, is as follows:

Net assessed value - 2023	\$ 55,807,440
	<u>0.67%</u>
Debt limit	373,910
Debt applicable to debt limit:	
Bonded debt (excluding unamortized premiums)	<u>147,830</u>
Legal debt margin	<u>\$ 226,080</u>

As mentioned previously, in 2005, the Corporation refunded its 2000A GO Bonds with the issuance of the 2005 GO Bonds. The 2000A GO Bonds are considered to have been defeased and have been removed from the basic financial statements. At December 31, 2023, \$2,235 of these defeased bonds remain outstanding.

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Financed Purchase Obligations of Governmental Activities

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

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

Pursuant to a Loan Agreement dated April 1, 2013, the Authority received an additional loan of bond proceeds in connection with the issuance of \$42,460 in The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2013A (the 2013A Bond Bank Bonds), for the purposes of financing additional costs of the Eskenazi Health complex. During 2023, these bonds were refunded and replaced with a Series 2023A for \$32,765. This resulted in an increase in the financed purchase obligation included on the books of the Corporation.

Pursuant to its Master Lease Agreement and related Addendums with the Authority, the Corporation is leasing certain real estate underlying the Eskenazi Health complex and portions of the improvements related thereto. Under the Master Lease Agreement, the Corporation has the option to purchase the leased facilities prior to the end of the agreement 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, or automatically receives title to the leased real estate upon payment of all required amounts. Also, the Corporation is obligated to pay certain expenses and all costs to operate, insure and maintain the leased facilities. The payments under these agreements 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 payments and, accordingly, the principal and interest on the 2010B-1, 2010B-2 and 2023A Bond Bank Bonds.

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Future minimum financed purchase obligation payments for the Corporation's governmental activities as of December 31, 2023 are:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2024	\$ 39,452	\$ 16,353	\$ 23,099
2025	39,124	17,071	22,053
2026	38,781	17,821	20,960
2027	38,427	18,607	19,820
2028	38,051	19,422	18,629
2029-2033	184,088	110,728	73,360
2034-2038	172,052	137,411	34,641
2039	32,754	31,260	1,494
	<u>\$ 582,729</u>	<u>\$ 368,673</u>	<u>\$ 214,056</u>

Financed Purchase Obligations of Business-Type Activities

Eskenazi Health leases real estate, including medical office space, through an agreement with a third-party lessor, which management has determined to be a financed purchase obligation due to the existence of a gift agreement in conjunction with the lease. The gift agreement includes the contribution of the leased real estate and all improvements from the lessor to Eskenazi Health at the end of the lease term, which is scheduled to occur in September 2043. The financed purchase obligation is discounted based on a market evaluation performed by management, including considerations specific to the arrangement, as well as interest rates available to the Corporation through other financing methods.

During 2023, the Hospital entered into a financed purchase obligation for information technology equipment and hardware, which matures in July 2028. The financed purchase obligation is discounted based on the effective interest stated in the agreement.

Future minimum financed purchase obligation payments for the Corporation's business-type activities (Eskenazi Health) as of December 31, 2023 are:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2024	\$ 1,774	\$ 1,562	\$ 212
2025	1,802	1,639	163
2026	1,831	1,719	112
2027	1,862	1,804	58
2028	1,675	894	781
2029-2033	8,709	5,364	3,345
2034-2038	9,144	6,929	2,215
2039-2043	9,098	8,332	766
	<u>\$ 35,895</u>	<u>\$ 28,243</u>	<u>\$ 7,652</u>

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Lease Liabilities

The Corporation leases certain facilities and equipment under lease arrangements which expire in various years through 2043. Certain leases include renewal options that were evaluated as part of the overall lease term. Variable payments of certain leases are based on the Consumer Price Index and other escalating factors including changes in operating costs. Variable payments that are not fixed in substance, including those based on underlying use of the asset, are not included in the measurement of the lease liability.

The following is a schedule by year of payments under the leases at December 31, 2023 for the governmental activities:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2024	\$ 8,304	\$ 4,750	\$ 3,554
2025	8,114	4,710	3,404
2026	7,888	4,636	3,252
2027	7,718	4,610	3,108
2028	7,548	4,584	2,964
2029-2033	39,067	26,500	12,567
2034-2038	41,556	33,375	8,181
2039-2043	41,622	38,793	2,829
	<u>\$ 161,817</u>	<u>\$ 121,958</u>	<u>\$ 39,859</u>

During the year ended December 31, 2023, the governmental activities did not recognize significant rental expense for variable payments not previously included in the measurement of the lease liability.

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The following is a schedule by year of payments under the leases at December 31, 2023 for the business-type activities:

	Total to Be Paid	Principal	Interest
Year Ending December 31,			
2024	\$ 95,807	\$ 87,994	\$ 7,813
2025	87,242	81,984	5,258
2026	77,400	74,459	2,941
2027	51,890	51,172	718
2028	483	371	112
2029-2033	2,073	1,815	258
	<u>\$ 314,895</u>	<u>\$ 297,795</u>	<u>\$ 17,100</u>

During the year ended December 31, 2023, the business-type activities recognized \$16,060 of rental expense for variable payments not previously included in the measurement of the lease liability.

The following is a schedule by year of payments under the leases at December 31, 2023 for Eskenazi Health:

	Total to Be Paid	Principal	Interest
Year Ending December 31,			
2024	\$ 1,825	\$ 1,544	\$ 281
2025	1,864	1,638	226
2026	1,485	1,317	168
2027	758	624	134
2028	483	371	112
2029-2033	2,073	1,815	258
	<u>\$ 8,488</u>	<u>\$ 7,309</u>	<u>\$ 1,179</u>

During the year ended December 31, 2023, Eskenazi Health recognized \$3,475 of rental expense for variable payments not previously included in the measurement of the lease liability.

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The following is a schedule by year of payments under the leases at December 31, 2023 for the Long-Term Care Enterprise Fund:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2024	\$ 93,982	\$ 86,450	\$ 7,532
2025	85,378	80,346	5,032
2026	75,915	73,142	2,773
2027	51,132	50,548	584
	<u>\$ 306,407</u>	<u>\$ 290,486</u>	<u>\$ 15,921</u>

During the year ended December 31, 2023, the Long-Term Care Enterprise Fund recognized \$12,585 of rental expense for variable and short-term payments not previously included in the measurement of the lease liability.

The Corporation is also required to make various capital improvements for many facilities ranging from \$25 to \$311 annually per home. In the same way as the lease payments above, these amounts increase annually. The Corporation expects to fund the capital improvements through cash flow generated from operations of each nursing home.

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

Subscription Liabilities

The Corporation has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. Certain SBITAs include renewal options that were evaluated as part of the overall lease term. There were no variable payments associated with the SBITAs recorded at year end.

The following is a schedule by year of payments under the leases at December 31, 2023 for the governmental activities:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2024	\$ 1,209	\$ 1,017	\$ 192
2025	1,206	1,071	135
2026	1,003	918	85
2027	1,000	967	33
	<u>\$ 4,418</u>	<u>\$ 3,973</u>	<u>\$ 445</u>

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Note 12: Risk Management

Insurance Coverage

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and patients; and natural disasters. The Corporation is self-insured for workers' compensation, general liability, automobile and medical malpractice claims to defined limits. With respect to general liability, the Corporation is protected by the Indiana Tort Claims Act, under IC 34-13-3-4, which limits the tort liability for all Indiana governmental entities, in aggregate, to \$700 per person and \$5,000 per occurrence. The Corporation also purchases commercial insurance policies for certain other risks of loss with deductibles that range from \$25 to \$500. Settled claims have not exceeded coverage for the past three years.

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

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

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

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

Balance at January 1, 2022	\$ 32,298
Change in incurred claims (including IBNRs), net	4,339
Claim payments	(2,276)
Balance at January 1, 2023	34,361
Change in incurred claims (including IBNRs), net	1,672
Claim payments	(3,826)
Balance at December 31, 2023	<u>\$ 32,207</u>

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Health Insurance Coverage

The Corporation began in 2001 to provide self-insurance to its employees for healthcare and prescription usage. Asserted and unasserted self-insurance claims in the governmental and business-type activities of the government-wide statements represents an estimate of the ultimate net cost to the Corporation for amounts that are unpaid at December 31, 2023. The liability is based on claim factors determined by an actuary using projections and the historical loss experience of the Corporation and gives effect to estimates of trends in claim severity and frequency. Although the Corporation's management believes that the estimates of the liability for claims incurred but not reported is reasonable in the circumstances, it is possible that the actual incurred claims will not conform to the assumptions inherent in the estimation of future claims due to an absence of a significant amount of historical experience on which to base projections and the inherent variability with respect to the significant assumption utilized. Accordingly, the ultimate settlement of claims may vary significantly from the liability for asserted and unasserted self-insurance claims.

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

Balance at January 1, 2022	\$ 1,546
Change in incurred claims (including IBNRs), net	7,738
Claim payments	<u>(7,948)</u>
Balance at January 1, 2023	1,336
Change in incurred claims (including IBNRs), net	8,628
Claim payments	<u>(8,552)</u>
Balance at December 31, 2023	<u><u>\$ 1,412</u></u>

The amount recorded as a liability in the General Fund at December 31, 2023 is \$853 and represents the claims, which are matured and due as of year-end.

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

Balance at January 1, 2022	\$ 5,995
Change in incurred claims (including IBNRs), net	47,701
Claim payments	<u>(46,862)</u>
Balance at January 1, 2023	6,834
Change in incurred claims (including IBNRs), net	56,197
Claim payments	<u>(55,363)</u>
Balance at December 31, 2023	<u><u>\$ 7,668</u></u>

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Note 13: Retirement Plans

Plan Description

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

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF and can be found at <http://www.inprs.in.gov>. This report may be obtained by writing to Indiana Public Retirement System, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 1-844-464-6777.

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the My Choice: Retirement Savings Plan for Public Employees ("My Choice"). During 2023, the Corporation did not participate in the My Choice Plan.

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

Funding Policy

The funding policies of INPRS provide for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2023, the Corporation contributed 11.2% of employee compensation to the plan. The DC Account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the Corporation has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their DC Account. An employee's

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contribution and interest credits belong to the employee and do not belong to the state or the Corporation.

Retirement Benefits

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

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

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

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

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

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Disability and Survivor Benefits

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

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

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

Contributions

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the Corporation, contribution rates and amounts determined by the June 30, 2022 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2023. The Corporation's contractually required contribution rate for 2023 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Corporation's contribution to the plan for the year ended December 31, 2023, exclusive of employer-paid member contributions, was \$18,685, equal to the approved employer contribution and 11.2% of covered payroll for the year.

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

At December 31, 2023, the Corporation reported a liability of \$99,666 for its proportionate share of PERF's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Member census data as of June 30, 2022, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date. Wages reported by the

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Corporation relative to the collective wages of the plan served as the basis to determine the Corporation's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2023, the Corporation's proportion was 2.82%, which was a decrease of 0.17% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Corporation recognized a pension expense (contra expense) of \$16,082, which is comprised of \$6,142 related to governmental activities and \$9,940 related to business-type activities. At December 31, 2023, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actuarial differences	\$ 2,039	\$ -
Net difference between projected and actual earnings on pension plan investments	22,843	-
Changes of assumptions	5,435	-
Changes in proportion and differences between the Corporation's contributions and proportionate share contributions	629	4,938
Corporation's contributions subsequent to the measurement date	9,416	-
	<u>\$ 40,362</u>	<u>\$ 4,938</u>

At December 31, 2023, the Corporation reported \$3,112 in the governmental activities and \$6,304 in the business-type activities as deferred outflows of resources related to Corporation contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as net deferred outflows of resources at December 31, 2023, related to pensions will be recognized in pension expense (reduction) as follows:

	Governmental Activities	Business-Type Activities	Total
Year Ending December 31,			
2024	\$ 3,033	\$ 5,268	\$ 8,301
2025	266	34	300
2026	4,534	9,760	14,294
2027	951	2,162	3,113
	<u>\$ 8,784</u>	<u>\$ 17,224</u>	<u>\$ 26,008</u>

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Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	2.65% - 8.65% average, including inflation
Ad hoc cost of living adjustments	No adjustment granted for 2023-2025. Thereafter, the adjustment varies as follows: 2026 through 2033 - 0.40% 2034 through 2038 - 0.50% 2039 and on - 0.60%
Long-term expected rate of return	6.25%, net of pension plan investment expense

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study performed for the period June 30, 2014 through June 30, 2019.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20.0%	3.7%
Private markets	15.0%	6.4%
Fixed income - ex inflation linked	20.0%	2.2%
Fixed income - inflation linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real estate	10.0%	3.4%
Absolute return	5.0%	1.6%
Risk parity	20.0%	5.9%
Leverage Offset	-15.0%	
	<u>100%</u>	

Health and Hospital Corporation of Marion County, Indiana
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Notes to Basic Financial Statements
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(Dollars in thousands)

Discount Rate

The discount rate used to measure the total pension liability was 6.25% for the year ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the PERF's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.25)%	Current Discount Rate (6.25)%	1% Increase (7.25)%
Corporation's proportionate share of PERF's net pension liability:			
Governmental activities	\$ 49,616	\$ 30,447	\$ 14,461
Business-type activities	112,805	69,219	32,877
Total	<u>\$ 162,421</u>	<u>\$ 99,666</u>	<u>\$ 47,338</u>

Pension Plan Fiduciary Net Position

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

Health and Hospital Corporation of Marion County, Indiana
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Notes to Basic Financial Statements
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(Dollars in thousands)

Defined-Contribution Retirement Plan

The Corporation also contributes to the Health and Hospital Corporation of Marion County Retirement Plan, a defined-contribution retirement plan covering Eskenazi Health employees hired after June 30, 2014. The plan is administered by the Plan Committee of the Retirement Plan (Plan Committee), as appointed by the President and Chief Executive Officer of the Corporation. Retirement plan expense is recorded for the amount of the Corporation's required contributions, determined in accordance with the terms of the plan. Benefit and contribution provisions are contained in the plan document and were established and can be amended by action of the Plan Committee or the Corporation's governing body. The Corporation does not hold or control the assets of the defined-contribution plan as defined by GASB Statement, No. 84, *Fiduciary Activities*. The Corporation contributes 3% of eligible employee's compensation. Additionally, the Corporation contributes to the plan an amount equal to each eligible employee's contributions into their deferred compensation plan up to 4% of the employee's compensation. During 2023, the Corporation contributed \$9,356 into the defined-contribution retirement plan.

Note 14: Deferred Compensation Plans

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

Additionally, EMG has a 457(b) deferred compensation agreement with certain members of management and highly compensated employees. Under the plan, employees may elect to defer a portion of their current compensation to provide for retirement and other benefits of the employee. EMG may credit to the plan each year an amount as defined by EMG's board of directors. The Corporation records a restricted asset on the statement of net position, which is offset by a matching liability. Employer contributions for 2023 were approximately \$440.

Health and Hospital Corporation of Marion County, Indiana
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Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

Note 15: Affiliation and Physician Services Agreement

A tri-party agreement between the Corporation, Indiana University Health Physicians (IUHP), and Indiana University School of Medicine (IUSM) was effective in January 2022. During 2023, the Corporation primarily paid for physician services under a relative value unit basis. The Corporation continued to rely on the IUHP and IUSM to supply several leadership positions for Eskenazi Health, but the operations of Eskenazi Health remains the direct responsibility of the Corporation. Eskenazi Health incurred fees for professional, management and resident physician services of approximately \$50,125 during the year (recorded in medical and professional fees on the statement of revenues, expenses and changes in fund net position - proprietary funds).

Note 16: Long-Term Care Management Agreement

The Corporation has entered into a management agreement with American Senior Communities, LLC (ASC) to manage its nursing home operations, which are accounted for in the Long-Term Care Fund. The agreement expires in August 2027. The Corporation has the right to extend the term to one or more facilities for an additional period that is coterminous with the terms of the underlying facility lease agreements if written notice is given to ASC at least 90 days prior to the expiration of the initial term.

ASC has contracted with EagleCare, LLC (EagleCare) to provide the personnel required to operate each of the respective facilities. EagleCare and ASC are related parties in that the persons who own 100% of EagleCare also own 95% of ASC. ASC also provides management services to EagleCare in connection with its operations. These payments to EagleCare are included within contract labor expenses within the Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.

During 2023, the Corporation incurred approximately \$52,054 in management fees to ASC and EagleCare under the current management agreement for Long-Term Care operations. These fees are included within purchased services within the Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds. In the event the ASC management agreements are terminated or not renewed, it could have a material impact on the Corporation's financial statements.

The Corporation currently leases 7 of the nursing homes from entities related to ASC through common ownership. During 2023, the Corporation paid approximately \$22,359 to this organization in associated lease costs for Long-Term Care operating revenue.

At December 31, 2023, the Long-Term Care Fund had a payable to EagleCare of approximately \$25,383 primarily for accrued labor and related benefits. The Long-Term Care Fund also had a payable to ASC at December 31, 2023 of approximately \$14,737 for outstanding management services rendered to be paid from operations.

Health and Hospital Corporation of Marion County, Indiana
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(Dollars in thousands)

Note 17: 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, 2023, the Corporation received \$152,275 in tax cash receipts and \$397 in special assessment fees cash receipts from the County for the “Clean and Lien” program to clean up vacant lots. The Corporation paid the County \$755 in 2023 for autopsy and death reports, vital records, coroner fees and other matters.

Note 18: Joint Ventures

MDwise and Affiliates

Eskenazi Health has entered into agreements with MDwise to provide risk-based health care services, including, but not limited to inpatient, outpatient and physician services, to qualified Medicaid participants. Effective January 1, 2008, this program was expanded to include the provisions of the Healthy Indiana Plan (HIP) and during 2015, this program was expanded again to include HIP 2.0. The agreements and provision of services are referred to as the delivery systems.

Prior to January 1, 2019, Eskenazi Health received payments for the care of these Medicaid beneficiaries under a full-risk capitated payment methodology from MDwise and disbursed payments through a third-party administrator based upon processed claims. Under this full-risk model, while MDwise oversaw the program and services, Eskenazi Health served as its own network under MDwise, was responsible for administration, and bore all risks and rewards associated with its network. This full-risk model was terminated in December 2018, and all amounts outstanding under this full-risk arrangement were fully settled as of December 31, 2022.

Effective January 1, 2019, Eskenazi Health and MDwise entered into an agreement which changed the compensation model for the delivery systems, from full-risk capitation to partial risk. Under this arrangement, Eskenazi Health is no longer solely responsible for its network; rather, Eskenazi Health and MDwise share equally in the profits and losses. MDwise is responsible for all administrative services, and as such, Eskenazi Health no longer holds cash balances to pay claims or receive capitated payments. Revenues and expenses, including for IBNR estimates of claims, are set to target a predetermined medical loss ratio and Eskenazi Health is only entitled to (responsible for) receipts (claims payments) below (in excess of) the target amount. Under this revised arrangement, the only financial statement element recorded by Eskenazi Health is a receivable (or payable) for its 50% share of the profits and losses. At December 31, 2023, the partial risk delivery system is recorded as a net receivable of \$5,263, which relates to its financial performance since January 1, 2021, less payments received or disbursed. Under the partial risk model, the 2019 and 2020 program years are fully settled.

Health and Hospital Corporation of Marion County, Indiana
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(Dollars in thousands)

HHC-HTA, LLC

The Corporation is a 50% partner in the HHC-HTA, LLC (formerly HHC/Duke Realty Development LLC) (LLC). LLC is a limited liability corporation established by the Corporation and Duke Realty to jointly develop and construct an office building located on the Eskenazi Health Campus. The office building is owned by the LLC. The Corporation owns the land under the building and has leased the land to the LLC for 50 years. The Corporation is expected to be the sole primary lessee of the building for the next 30 years but does have the authority to sublet as it wishes. The lease entered into by the Corporation was effective November 1, 2013 and has an escalation rate of 7.75% every five years. Future minimum lease payments required to be paid under the lease are included within the governmental activities as reported earlier in these notes. The Corporation, as a partner in the LLC, also receives a return on its equity investment equal to 8.25% over the life of the lease. The LLC will continue to own the building at the end of the 30 year lease. However, the Corporation may purchase the building at market value or continue to lease the building from the LLC at the end of the original lease period. The investment in the LLC is recorded in the governmental activities of the statement of net position and is accounted for under the equity method. The carrying value of this joint venture at December 31, 2023 was \$34,786. Complete financials for the LLC can be obtained from the Healthcare Realty administrative offices at 3310 West End Avenue, Suite 700, Nashville, TN 37203.

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

	<u>HHC-HTA, LLC</u>
Current assets	\$ 13,100
Property and other long-term assets, net	<u>60,454</u>
Total assets	73,554
Total liabilities	<u>3,983</u>
Members' equity	<u>\$ 69,571</u>
Revenues	<u>\$ 10,024</u>
Excess of revenues over expenses	<u>\$ 4,924</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

Note 19: Explanation of Certain Differences Between Governmental Fund Financial Statements and the Government-Wide Financial Statements

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

Bonds payable (including premium)	\$ 149,984
Financed purchase obligations	368,673
Lease liabilities	121,958
Subscription liabilities	3,973
Asserted and unasserted self-insurance claims	559
Accrued compensated absences	8,970
	<hr/>
	\$ 654,117

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences (as applicable) in the treatment of long-term debt and related items.” The details of this amount are as follows:

Principal repayments on debt:	
General obligation bonds	\$ 6,600
Lease liabilities	6,004
Financed purchase obligations	16,072
Issuance of subscription and lease liabilities	(8,184)
Amortization of bond premium	(184)
Amortization of deferred loss on refunding	178
	<hr/>
	\$ 20,486

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

Note 20: Concentrations of Credit Risk

Eskenazi Health and Long-Term Care grant credit without collateral to their patients, most of whom are generally insured under third-party agreements. The mix of net patient service receivables from patients and third-party payers at December 31, 2023 is as follows:

Commercial insurance	22%
Medicare	17%
Medicaid	42%
Self-pay	13%
Other	6%
	<hr/>
	100%
	<hr/> <hr/>

Note 21: Contingencies

Litigation

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

Patient Billing Audits and Compliance Reviews

The Corporation is subject to various patient billing audits and compliance reviews by third party and governmental payers. As a result of these reviews, the Corporation has received demand letters alleging extrapolated overpayments relating to various programs. The Corporation conducts an in-depth review to determine the validity of each item noted within the reviews and vigorously defends the results of the reviews. Based on management's review and advice of legal counsel, management has recognized an estimate of the amount of ultimate expected loss as of December 31, 2023. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Government Grants

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

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to Basic Financial Statements
December 31, 2023
(Dollars in thousands)

Note 22: Subsequent Events

Effective March 2024, the Wayne Township Fire Department EMS merged with IEMS. This will result in expanded coverage and service areas for IEMS, which is reported as a part of the Eskenazi Health division.

Beginning in 2024, the Corporation is to begin receiving funds to establish and operate a Public Health Fund as prescribed by the Indiana General Assembly with a goal to improve the quality of services throughout the State. The first phase of funding was received by the Corporation totaling approximately \$11,792 in January 2024 and future funding for fiscal year 2025 is estimated at approximately \$23,500 per year.

As of December 31, 2023, the Corporation has several significant capital projects on going as part of the Corporation's 5 year strategic plan, which includes a new IEMS headquarters facility and a new public health lab. Capital contracts of approximately \$25,146 have been awarded as of December 31, 2023 for the significant capital projects the Corporation has ongoing.

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

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Corporation's Proportionate Share of the Net Pension Liability
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years*
(Dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Corporation's proportion of the net pension liability	2.8239%	2.9972%	3.0781%	3.1638%	3.3767%	4.0904%	4.1264%	4.4914%	4.6000%
Corporation's proportionate share of the net pension liability	\$ 99,666	\$ 94,526	\$ 40,504	\$ 95,558	\$ 111,601	\$ 138,952	\$ 184,103	\$ 203,839	\$ 187,353
Corporation's covered payroll	\$ 177,535	\$ 172,492	\$ 169,710	\$ 170,799	\$ 175,927	\$ 208,716	\$ 204,720	\$ 215,254	\$ 220,331
Corporation's proportionate share of the net pension liability as a percentage of its covered payroll	56%	55%	24%	56%	63%	67%	90%	95%	85%
Plan fiduciary net position as a percentage of the total pension liability	81%	82%	93%	81%	80%	79%	73%	71%	73%

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

Notes to Schedule:

Benefit changes: None for 2023

Changes of assumptions: None for 2023

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information
Schedule of Corporation's Pension Contributions
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years*
(Dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 18,685	\$ 19,134	\$ 18,744	\$ 19,586	\$ 19,173	\$ 20,552	\$ 22,244	\$ 23,175	\$ 24,534
Contributions in relation to the contractually required contribution	18,685	19,134	18,744	19,586	19,173	20,552	22,244	23,175	24,534
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporation's covered payroll	\$ 169,167	\$ 172,716	\$ 168,892	\$ 176,111	\$ 171,342	\$ 183,817	\$ 197,353	\$ 206,962	\$ 219,944
Contributions as a percentage of covered payroll	11.05%	11.08%	11.10%	11.12%	11.19%	11.18%	11.27%	11.20%	11.15%

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

Notes to Schedule:

Benefit changes: None for 2023

Changes of assumptions: None for 2023

Changes in actuarial methods: None for 2023

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Required Supplementary Information - Budgetary Comparison
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2023
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Taxes	\$ 145,748	\$ 145,748	\$ 149,789	\$ 4,041
Licenses and permits	4,983	4,983	5,000	17
Intergovernmental	400	400	397	(3)
Charges for services	1,275	1,275	2,299	1,024
Medicaid special revenue (net				
of intergovernmental transfers)	8,425	8,425	86,474	78,049
Interest	1,000	1,000	32,605	31,605
Grants	55,954	55,954	34,800	(21,154)
Miscellaneous	4,717	4,717	8,317	3,600
Total revenues	<u>222,502</u>	<u>222,502</u>	<u>319,681</u>	<u>97,179</u>
Expenditures				
Personal services	89,716	89,716	78,208	11,508
Supplies	9,366	9,366	6,435	2,931
Other charges and services	92,804	92,804	59,856	32,948
Capital outlays	12,554	12,554	6,050	6,504
Total expenditures	<u>204,440</u>	<u>204,440</u>	<u>150,549</u>	<u>53,891</u>
Other Financing Uses				
Transfers in	93,280	93,280	89,750	(3,530)
Transfers out	(111,439)	(111,439)	(111,129)	310
Total other financing uses	<u>(18,159)</u>	<u>(18,159)</u>	<u>(21,379)</u>	<u>(3,220)</u>
Net change in fund balances	(97)	(97)	147,753	40,068
Fund balances - beginning of year	<u>51,911</u>	<u>51,911</u>	<u>675,075</u>	<u>623,164</u>
Fund balances - end of year	<u>\$ 51,814</u>	<u>\$ 51,814</u>	<u>\$ 822,828</u>	<u>\$ 663,232</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to the Required Supplementary Information - Budgetary Comparison
December 31, 2023
(Dollars in thousands)

Budgets and Budgetary Accounting

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

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

Encumbrance Accounting

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

Reconciliation of Budgetary Basis Actual to GAAP Basis Actual

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

Net change in fund balance - GAAP basis	\$ 156,065
Add (Deduct):	
Encumbrances as of year-end	(18,927)
Change in prepaid expenditures	(597)
Change in accounts receivable	1,395
Change in accounts payable	2,629
Change in self-insurance claims	(52)
Change in accrued expense	7,240
	<hr/>
Net change in fund balance - Budgetary Basis	<u><u>\$ 147,753</u></u>

Other Supplementary Information

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2023
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Taxes	\$ 2,215	\$ 2,215	\$ 2,219	\$ 4
Interest	5	5	299	294
Build America Bonds interest subsidies	10,000	10,000	10,147	147
Total revenues	<u>12,220</u>	<u>12,220</u>	<u>12,665</u>	<u>445</u>
Expenditures				
Principal retirement	6,600	6,600	22,672	(16,072)
Interest and fiscal charges	<u>49,069</u>	<u>49,069</u>	<u>32,813</u>	<u>16,256</u>
Total expenditures	<u>55,669</u>	<u>55,669</u>	<u>55,485</u>	<u>184</u>
Excess of revenues over expenditures	<u>(43,449)</u>	<u>(43,449)</u>	<u>(42,820)</u>	<u>629</u>
Other Financing Sources				
Transfers in	<u>43,278</u>	<u>43,278</u>	<u>42,968</u>	<u>(310)</u>
Total other financing sources	<u>43,278</u>	<u>43,278</u>	<u>42,968</u>	<u>(310)</u>
Net Change in fund balances	(171)	(171)	148	319
Fund balances - beginning of year	<u>(87,158)</u>	<u>(87,158)</u>	<u>4,443</u>	<u>91,601</u>
Fund balances - end of year	<u>\$ (87,329)</u>	<u>\$ (87,329)</u>	<u>\$ 4,591</u>	<u>\$ 91,920</u>

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2023
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Taxes	\$ 249	\$ 249	\$ 267	\$ 18
Interest	300	300	5,466	5,166
Miscellaneous	-	-	455	455
Total revenues	<u>549</u>	<u>549</u>	<u>6,188</u>	<u>5,639</u>
Expenditures				
Capital outlays	<u>45,550</u>	<u>45,550</u>	<u>27,261</u>	<u>18,289</u>
Total expenditures	<u>45,550</u>	<u>45,550</u>	<u>27,261</u>	<u>18,289</u>
Excess of revenues over expenditures	<u>(45,001)</u>	<u>(45,001)</u>	<u>(21,073)</u>	<u>23,928</u>
Other Financing Sources				
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>45,194</u>	<u>194</u>
Total other financing sources	<u>45,000</u>	<u>45,000</u>	<u>45,194</u>	<u>194</u>
Net Change in fund balances	(1)	(1)	24,121	24,122
Fund balances - beginning of year	<u>(126,430)</u>	<u>(126,430)</u>	<u>45,004</u>	<u>171,434</u>
Fund balances - end of year	<u>\$ (126,431)</u>	<u>\$ (126,431)</u>	<u>\$ 69,125</u>	<u>\$ 195,556</u>

Statistical Section (Unaudited)

Health and Hospital Corporation of Marion County, Indiana

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

Statistical Section (Unaudited)

Table of Contents

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Table I
Net Position by Component - Accrual Basis of Accounting
Last Ten Fiscal Years
(Dollars in thousands)

	December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary Government										
Governmental activities										
Net investment in capital assets	\$ 80,732	\$ 40,022	\$ 27,492	\$ 17,222	\$ 26,770	\$ 22,839	\$ 22,108	\$ 16,462	\$ 29,633	\$ 9,860
Restricted	12,683	14,975	15,003	14,147	13,539	645	243	412	165	568
Unrestricted	<u>475,968</u>	<u>346,590</u>	<u>221,548</u>	<u>87,666</u>	<u>(17,339)</u>	<u>(113,452)</u>	<u>(148,962)</u>	<u>(200,702)</u>	<u>(300,861)</u>	<u>(346,636)</u>
Total governmental activities net position	<u>\$ 569,383</u>	<u>\$ 401,587</u>	<u>\$ 264,043</u>	<u>\$ 119,035</u>	<u>\$ 22,970</u>	<u>\$ (89,968)</u>	<u>\$ (126,611)</u>	<u>\$ (183,828)</u>	<u>\$ (271,063)</u>	<u>\$ (336,208)</u>
Business-type activities										
Net investment in capital assets	\$ 570,184	\$ 611,322	\$ 645,501	\$ 662,601	\$ 661,701	\$ 699,533	\$ 732,588	\$ 765,328	\$ 766,711	\$ 799,874
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>426,648</u>	<u>426,445</u>	<u>486,270</u>	<u>364,926</u>	<u>288,818</u>	<u>240,632</u>	<u>220,560</u>	<u>123,917</u>	<u>186,470</u>	<u>308,634</u>
Total business-type activities net position	<u>\$ 996,832</u>	<u>\$ 1,037,767</u>	<u>\$ 1,131,771</u>	<u>\$ 1,027,527</u>	<u>\$ 950,519</u>	<u>\$ 940,165</u>	<u>\$ 953,148</u>	<u>\$ 889,245</u>	<u>\$ 953,181</u>	<u>\$ 1,108,508</u>
Primary Government										
Net investment in capital assets	\$ 650,916	\$ 651,344	\$ 672,993	\$ 679,823	\$ 688,471	\$ 722,372	\$ 754,696	\$ 781,790	\$ 796,344	\$ 809,734
Restricted	12,683	14,975	15,003	14,147	13,539	645	243	412	165	568
Unrestricted	<u>902,616</u>	<u>773,035</u>	<u>707,818</u>	<u>452,592</u>	<u>271,479</u>	<u>127,180</u>	<u>71,598</u>	<u>(76,785)</u>	<u>(114,391)</u>	<u>(38,002)</u>
Total primary government net position	<u>\$ 1,566,215</u>	<u>\$ 1,439,354</u>	<u>\$ 1,395,814</u>	<u>\$ 1,146,562</u>	<u>\$ 973,489</u>	<u>\$ 850,197</u>	<u>\$ 826,537</u>	<u>\$ 705,417</u>	<u>\$ 682,118</u>	<u>\$ 772,300</u>

Health and Hospital Corporation of Marion County, Indiana

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

Table II

Schedule of Changes in Net Position - Accrual Basis of Accounting

Last Ten Fiscal Years

(Dollars in thousands)

	Years Ended December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Administration and finance	\$ 51,753	\$ 55,993	\$ 47,430	\$ 47,949	\$ 47,103	\$ 50,974	\$ 41,372	\$ 35,579	\$ 32,283	\$ 33,152
Healthcare delivery	44,148	38,480	61,572	71,126	81,302	100,117	103,450	120,086	85,678	108,604
Health improvement	43,766	38,117	37,689	37,380	40,226	37,377	36,061	35,062	32,540	30,227
Communicable disease prevention	26,423	32,779	39,572	35,529	17,881	17,501	17,613	17,374	16,531	15,538
Water quality and hazardous materials management	2,558	2,334	1,938	2,091	2,582	2,517	2,506	2,439	2,365	2,213
Vector disease control	3,645	3,447	2,963	3,032	3,477	3,494	3,443	3,593	3,347	3,545
Housing and neighborhood health	5,691	4,897	4,574	4,911	5,757	5,132	4,953	5,055	4,930	5,180
Consumer and employee risk reduction	2,576	2,293	2,065	1,752	2,101	2,001	2,034	1,944	1,841	1,808
Interest on long-term debt	36,501	30,830	36,162	37,305	38,384	39,439	40,425	41,250	39,406	40,572
Total governmental activities expenses	<u>217,061</u>	<u>209,170</u>	<u>233,965</u>	<u>241,075</u>	<u>238,813</u>	<u>258,552</u>	<u>251,857</u>	<u>262,382</u>	<u>218,921</u>	<u>240,839</u>
Business-type activities										
Eskenazi Health	971,984	902,926	790,336	764,217	735,835	731,439	717,858	664,886	617,220	588,246
LT Care	757,735	785,981	736,051	780,706	753,824	734,548	719,059	717,573	672,134	600,063
Total business-type activities expenses	<u>1,729,719</u>	<u>1,688,907</u>	<u>1,526,387</u>	<u>1,544,923</u>	<u>1,489,659</u>	<u>1,465,987</u>	<u>1,436,917</u>	<u>1,382,459</u>	<u>1,289,354</u>	<u>1,188,309</u>
Total primary government expenses	<u>\$ 1,946,780</u>	<u>\$ 1,898,077</u>	<u>\$ 1,760,352</u>	<u>\$ 1,785,998</u>	<u>\$ 1,728,472</u>	<u>\$ 1,724,539</u>	<u>\$ 1,688,774</u>	<u>\$ 1,644,841</u>	<u>\$ 1,508,275</u>	<u>\$ 1,429,148</u>
Program Revenues										
Governmental activities										
Charges for services										
Administration and finance (1)	\$ 2,949	\$ 1,707	\$ 1,824	\$ 2,342	\$ 1,384	\$ 1,323	\$ 17,514	\$ 4,944	\$ 4,853	\$ 5,019
Healthcare delivery	-	-	-	-	-	-	-	-	3,843	-
Health improvement	3,994	4,215	3,704	3,431	3,582	3,822	3,594	3,662	472	3,198
Communicable disease prevention	1,309	1,591	1,043	294	569	503	562	516	366	472
Water quality and hazardous materials management	483	482	470	457	499	474	366	373	567	360
Vector disease control	481	569	642	441	480	598	722	614	87	449
Housing and neighborhood health	77	32	40	23	89	98	92	116	2,370	361
Consumer and employee risk reduction	2,709	2,610	2,412	2,273	2,491	2,500	2,496	2,405	33,446	2,281
Operating grants and contributions (1)	33,878	30,263	31,950	35,169	22,470	25,069	27,295	33,768	336	72,403
Capital grants and contributions	1,052	-	34	66	75	25	2,025	13	-	-
Total governmental activities program revenues	<u>46,932</u>	<u>41,469</u>	<u>42,119</u>	<u>44,496</u>	<u>31,639</u>	<u>34,412</u>	<u>54,666</u>	<u>46,411</u>	<u>46,340</u>	<u>84,543</u>

(1) Certain intergovernmental revenues have been reclassified in 2012-2015; amounts in prior years have not been revised.

Health and Hospital Corporation of Marion County, Indiana

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

Table II
Schedule of Changes in Net Position - Accrual Basis of Accounting
Last Ten Fiscal Years
(Dollars in thousands)

	Years Ended December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities										
Charges for services										
Eskenazi Health	\$ 838,870	\$ 763,992	\$ 728,166	\$ 654,831	\$ 577,062	\$ 558,194	\$ 536,369	\$ 385,019	\$ 393,516	\$ 441,151
LT Care	869,109	822,946	866,387	933,884	949,995	969,592	958,177	990,101	892,469	807,418
Operating grants and contributions	9,957	20,935	106,326	112,176	25,359	26,691	29,071	26,566	27,621	24,942
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	<u>1,717,936</u>	<u>1,607,873</u>	<u>1,700,879</u>	<u>1,700,891</u>	<u>1,552,416</u>	<u>1,554,477</u>	<u>1,523,617</u>	<u>1,401,686</u>	<u>1,313,606</u>	<u>1,273,511</u>
Total primary government program revenues	<u>\$ 1,764,868</u>	<u>\$ 1,649,342</u>	<u>\$ 1,742,998</u>	<u>\$ 1,745,387</u>	<u>\$ 1,584,055</u>	<u>\$ 1,588,889</u>	<u>\$ 1,578,283</u>	<u>\$ 1,448,097</u>	<u>\$ 1,359,946</u>	<u>\$ 1,358,054</u>
Net program (expense)/revenue										
Governmental activities	\$ (170,129)	\$ (167,701)	\$ (191,846)	\$ (196,579)	\$ (207,174)	\$ (224,140)	\$ (197,191)	\$ (215,971)	\$ (172,581)	\$ (156,296)
Business-type activities	(11,783)	(81,034)	174,492	155,968	62,757	88,490	86,700	19,227	24,252	85,202
Total primary government net expense	<u>\$ (181,912)</u>	<u>\$ (248,735)</u>	<u>\$ (17,354)</u>	<u>\$ (40,611)</u>	<u>\$ (144,417)</u>	<u>\$ (135,650)</u>	<u>\$ (110,491)</u>	<u>\$ (196,744)</u>	<u>\$ (148,329)</u>	<u>\$ (71,094)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property and HCI taxes	\$ 143,122	\$ 137,309	\$ 133,655	\$ 128,679	\$ 126,457	\$ 123,512	\$ 119,300	\$ 113,931	\$ 110,577	\$ 111,475
Excise taxes	7,124	7,135	7,084	6,963	6,648	6,525	6,413	5,949	5,604	5,762
Financial institution taxes	2,029	2,359	2,088	1,690	1,556	1,192	1,261	1,402	1,300	1,226
Medicaid special revenue	81,380	96,158	97,559	41,826	90,338	26,565	23,429	87,487	65,467	79,228
Build America Bonds interest subsidies	10,147	10,229	10,341	10,255	10,191	10,153	10,115	10,105	10,083	10,061
Unrestricted investment earnings	40,268	9,235	515	2,365	8,979	5,885	2,174	316	158	88
Special items	-	-	-	-	4,042	-	-	-	-	-
Transfers	53,855	42,820	85,612	100,866	71,901	90,642	91,716	84,016	67,697	(251)
Total governmental activities	<u>337,925</u>	<u>305,245</u>	<u>336,854</u>	<u>292,644</u>	<u>320,112</u>	<u>264,474</u>	<u>254,408</u>	<u>303,206</u>	<u>260,886</u>	<u>207,589</u>

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

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

	Years Ended December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities										
Unrestricted investment earnings	\$ 24,703	\$ (1,698)	\$ 2,547	\$ 4,140	\$ 6,181	\$ 1,441	\$ 2,344	\$ 854	\$ (13)	\$ 154
Special items	-	(4,909)	3,115	17,766	13,317	-	66,575	-	-	-
Transfers	(53,855)	(42,820)	(85,612)	(100,866)	(71,901)	(90,642)	(91,716)	(84,016)	(67,697)	251
Total business-type activities	(29,152)	(49,427)	(79,950)	(78,960)	(52,403)	(89,201)	(22,797)	(83,162)	(67,710)	405
Total primary government	<u>\$ 308,773</u>	<u>\$ 255,818</u>	<u>\$ 256,904</u>	<u>\$ 213,684</u>	<u>\$ 267,709</u>	<u>\$ 175,273</u>	<u>\$ 231,611</u>	<u>\$ 220,044</u>	<u>\$ 193,176</u>	<u>\$ 207,994</u>
Change in Net Position										
Governmental activities	\$ 167,796	\$ 137,544	\$ 145,008	\$ 96,065	\$ 112,938	\$ 40,334	\$ 57,217	\$ 87,235	\$ 88,305	\$ 51,293
Business-type activities	(40,935)	(130,461)	104,244	77,008	10,354	(711)	63,903	(63,935)	(43,459)	85,606
Total primary government	<u>\$ 126,861</u>	<u>\$ 7,083</u>	<u>\$ 249,252</u>	<u>\$ 173,073</u>	<u>\$ 123,292</u>	<u>\$ 39,623</u>	<u>\$ 121,120</u>	<u>\$ 23,300</u>	<u>\$ 44,846</u>	<u>\$ 136,899</u>

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

Table III

Fund Balances, Governmental Funds - Modified Accrual Basis of Accounting

Last Ten Fiscal Years

(Dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 1,178	\$ 581	\$ 518	\$ 391	\$ 3,319	\$ 619	\$ 348	\$ 328	\$ 369	\$ 342
Assigned	18,927	16,730	22,330	24,582	17,166	8,335	5,397	2,326	1,640	1,073
Unassigned	863,643	710,372	640,512	539,836	434,496	385,884	376,632	360,767	297,574	245,037
	<u>863,643</u>	<u>710,372</u>	<u>640,512</u>	<u>539,836</u>	<u>434,496</u>	<u>385,884</u>	<u>376,632</u>	<u>360,767</u>	<u>297,574</u>	<u>245,037</u>
Total general fund	<u>\$ 883,748</u>	<u>\$ 727,683</u>	<u>\$ 663,360</u>	<u>\$ 564,809</u>	<u>\$ 454,981</u>	<u>\$ 394,838</u>	<u>\$ 382,377</u>	<u>\$ 363,421</u>	<u>\$ 299,583</u>	<u>\$ 246,452</u>
All Other Governmental Funds										
Restricted, reported in										
Debt service fund	\$ 12,683	\$ 12,648	\$ 12,722	\$ 7,583	\$ 12,674	\$ 12,744	\$ 16,211	\$ 16,162	\$ 16,160	\$ 16,148
Capital projects fund	312	-	-	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	1,262	1,343	1,372	1,263	1,476	1,250	1,207	1,073	971	1,291
Capital projects fund	93,124	91,577	95,965	84,775	73,312	75,982	57,963	43,637	30,247	17,600
	<u>93,124</u>	<u>91,577</u>	<u>95,965</u>	<u>84,775</u>	<u>73,312</u>	<u>75,982</u>	<u>57,963</u>	<u>43,637</u>	<u>30,247</u>	<u>17,600</u>
Total all other governmental funds	<u>\$ 107,381</u>	<u>\$ 105,568</u>	<u>\$ 110,059</u>	<u>\$ 93,621</u>	<u>\$ 87,462</u>	<u>\$ 89,976</u>	<u>\$ 75,381</u>	<u>\$ 60,872</u>	<u>\$ 47,378</u>	<u>\$ 35,039</u>

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

Table IV
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Dollars in thousands)

	Years Ending December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$ 152,275	\$ 146,806	\$ 142,828	\$ 137,332	\$ 134,660	\$ 131,232	\$ 126,974	\$ 121,282	\$ 117,481	\$ 118,464
Licenses and permits	5,000	5,029	4,886	4,403	4,663	4,684	4,576	4,487	4,464	4,342
Intergovernmental	34,196	31,452	30,935	33,767	22,616	19,814	19,343	18,502	18,126	16,329
Charges for services	2,300	2,539	1,674	765	1,364	1,575	1,456	1,855	1,105	1,182
Medicaid special revenue	128,795	49,748	97,126	71,469	63,701	26,426	26,581	89,452	58,910	104,327
Build America Bonds										
interest subsidies	10,147	10,229	15,367	5,117	10,191	10,153	10,115	10,105	10,083	10,061
Contributions	-	-	-	-	-	5,500	8,048	15,000	15,500	57,710
Investment income	42,460	12,310	3,780	5,492	12,136	9,023	3,899	3,366	2,208	3,413
Miscellaneous	4,297	3,767	3,468	7,524	9,249	5,786	9,468	5,770	4,511	3,779
Total revenues	<u>379,470</u>	<u>261,880</u>	<u>300,064</u>	<u>265,869</u>	<u>258,580</u>	<u>214,193</u>	<u>210,460</u>	<u>269,819</u>	<u>232,388</u>	<u>319,607</u>
Expenditures										
Administrative	50,594	48,376	55,869	50,319	47,009	53,018	42,008	35,846	31,883	29,593
Population health	31,837	35,865	34,452	29,957	28,596	27,781	26,620	26,680	25,722	25,116
Environmental health	13,350	12,433	11,775	11,423	13,071	12,514	11,781	12,213	11,958	12,503
Health center program	532	621	864	981	1,055	1,003	896	1,103	1,026	1,071
Data processing	6,085	5,717	5,308	6,103	5,152	5,139	4,940	4,144	3,747	3,500
Grants program	32,692	29,957	31,679	34,338	21,488	19,010	18,412	17,825	17,107	15,597
Capital outlays	61,642	22,865	14,445	5,609	26,617	5,321	4,868	2,871	3,755	15,635
Debt service										
Principal	22,672	20,660	19,461	18,327	17,256	16,209	15,239	14,426	16,280	15,119
Interest and fiscal charges	32,813	35,074	36,275	37,405	38,480	39,523	40,497	41,307	39,456	40,617
Intergovernmental	44,148	38,480	61,572	71,126	81,302	100,117	103,450	120,086	85,678	108,604
Total expenditures	<u>296,365</u>	<u>250,048</u>	<u>271,700</u>	<u>265,588</u>	<u>280,026</u>	<u>279,635</u>	<u>268,711</u>	<u>276,501</u>	<u>236,612</u>	<u>267,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,105</u>	<u>11,832</u>	<u>28,364</u>	<u>281</u>	<u>(21,446)</u>	<u>(65,442)</u>	<u>(58,251)</u>	<u>(6,682)</u>	<u>(4,224)</u>	<u>52,252</u>

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

Table IV - Continued
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Dollars in thousands)

	Years Ending December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources (Uses)										
Other debt issued	\$ 8,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94
Transfers in	198,206	178,597	237,506	286,611	252,426	296,271	296,262	357,047	300,974	205,984
Transfers out	(131,617)	(130,597)	(150,881)	(170,905)	(173,351)	(203,773)	(204,546)	(273,031)	(231,282)	(191,364)
Total other financing sources (uses), net	<u>74,773</u>	<u>48,000</u>	<u>86,625</u>	<u>115,706</u>	<u>79,075</u>	<u>92,498</u>	<u>91,716</u>	<u>84,016</u>	<u>69,692</u>	<u>14,714</u>
Net change in fund balances	<u>\$ 157,878</u>	<u>\$ 59,832</u>	<u>\$ 114,989</u>	<u>\$ 115,987</u>	<u>\$ 57,629</u>	<u>\$ 27,056</u>	<u>\$ 33,465</u>	<u>\$ 77,334</u>	<u>\$ 65,468</u>	<u>\$ 66,966</u>
Debt service as a percentage of noncapital expenditures	23.6%	24.5%	21.7%	21.4%	22.0%	20.3%	21.1%	21.1%	20.4%	23.9%
Debt service expenditures	\$ 55,485	\$ 55,734	\$ 55,736	\$ 55,732	\$ 55,736	\$ 55,732	\$ 55,736	\$ 55,733	\$ 55,736	\$ 55,736
Noncapital expenditures	234,723	227,183	257,255	259,979	253,409	274,314	263,843	263,843	273,630	232,857

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, 2023

(Dollars in thousands)

Year	Real Property		Personal Property		Total		Total Direct Tax Rate
	Assessed Value (1)	True Tax Value	Assessed Value (1)	True Tax Value	Assessed Value (1)	True Tax Value	
2023	\$ 55,807,440	\$ 55,807,440	\$ 7,393,407	\$ 7,393,407	\$ 63,200,847	\$ 63,200,847	0.1883
2022	47,348,843	47,348,843	7,133,793	7,133,793	54,482,636	54,482,636	0.2081
2021	45,324,406	45,324,406	7,095,509	7,095,509	52,419,915	52,419,915	0.2058
2020	43,112,252	43,112,252	6,906,428	6,906,428	50,018,680	50,018,680	0.2039
2019	40,967,917	40,967,917	6,837,711	6,837,711	47,805,628	47,805,628	0.2106
2018	39,556,997	39,556,997	6,700,531	6,700,531	46,257,528	46,257,528	0.2083
2017	37,570,129	37,570,129	6,659,770	6,659,770	44,229,899	44,229,899	0.2076
2016	36,739,079	36,739,079	6,325,056	6,325,056	43,064,135	43,064,135	0.2016
2015	36,808,352	36,808,352	6,160,989	6,160,989	42,969,341	42,969,341	0.1932
2014	33,971,641	33,971,641	5,972,597	5,972,597	39,944,238	39,944,238	0.2029

(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's Office

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

Table VI

Property Tax Rates - Direct and Overlapping Governments (2)
December 31, 2023

Year	Operations	Debt	Cumulative Building	Total	City	County Direct Rates		Other Direct Rates			Total Direct and Overlapping Rates (1)
						County	Municipal Corporations	School	State	Other	
2023	0.1841	0.0037	0.0005	0.1883	0.6136	0.3635	0.2061	1.3607	-	0.0482	2.7804
2022	0.2031	0.0044	0.0006	0.2081	0.6796	0.4063	0.2290	1.3884	-	0.0551	2.9665
2021	0.2003	0.0049	0.0006	0.2058	0.6973	0.3931	0.2310	1.3785	-	0.0559	2.9616
2020	0.1988	0.0045	0.0006	0.2039	0.7040	0.3869	0.2344	1.4284	-	0.0568	3.0144
2019	0.1993	0.0107	0.0006	0.2106	0.7092	0.3906	0.2390	1.5032	-	0.0563	3.1089
2018	0.1967	0.0110	0.0006	0.2083	0.7243	0.3893	0.2405	1.1336	-	0.0587	2.7547
2017	0.1954	0.0116	0.0006	0.2076	0.7313	0.3943	0.2441	0.9735	-	0.0619	2.6127
2016	0.1891	0.0119	0.0006	0.2016	0.7136	0.3883	0.2438	1.4170	-	0.0630	3.0273
2015	0.1816	0.0110	0.0006	0.1932	0.7069	0.3825	0.2273	1.3504	-	0.0607	2.9210
2014	0.1889	0.0134	0.0006	0.2029	0.7667	0.4034	0.2311	1.2889	-	0.0620	2.9550

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

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

Source: Marion County Auditor's Office.

Health and Hospital Corporation of Marion County, Indiana
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Table VII
Principal Property Tax Payers
Current Year and Nine Years Ago
December 31, 2023
(Dollars in thousands)

Taxpayers	2023			Percentage of Total City Taxable Assessed Valuation	Taxpayers	2014			Percentage of Total City Taxable Assessed Valuation
	Net Taxable Assessed Valuation (1) (2) (in thousands)	Rank				Net Taxable Assessed Valuation (2) (3) (in thousands)	Rank		
1 Eli Lilly and Company	\$ 1,470,827	1		2.327%	Eli Lilly and Company	\$ 1,135,239	1		2.894%
2 Citizens Energy Group	508,282	2		0.804%	Citizens Energy Group	431,328	2		1.100%
3 Federal Express Corporation	331,091	3		0.524%	Indianapolis Power and Light Company	327,493	3		0.835%
4 White Legacy Properties, LLC	231,227	4		0.366%	Federal Express Corporation	226,877	4		0.578%
5 Allison Transmission Inc.	199,903	5		0.316%	Convention Headquarters Hotels, LLC	174,342	5		0.445%
6 SFT Property LLC	174,530	6		0.276%	CW Monument Circle Inc.	163,944	6		0.418%
7 Rolls-Royce Corporation	125,782	7		0.199%	Allison Transmission Inc.	113,147	7		0.288%
8 G&I IX MJW Keystone Crossing, LLC	111,924	8		0.177%	Castleton Square, LLC	82,090	8		0.209%
9 Indianapolis Power and Light Company	106,786	9		0.169%	American United Life Insurance Company	80,393	9		0.205%
10 Citizens Gas & Coke	105,786	10		0.167%	SVC Manufacturing	72,820	10		0.186%
11 Decatur Technology Holdings LLC	93,794	11		0.148%	Ingredion Inc.	72,520	11		0.185%
12 MSA North Developer LLC	93,404	12		0.148%	Indiana Bell Telephone Compnay, Inc.	69,980	12		0.178%
13 Corteva Agriscience LLC	93,074	13		0.147%	HUB Properties GA, LLC	66,820	13		0.170%
14 SVC Manufacturing Inc.	92,199	14		0.146%	Market Tower Associates, LLC	63,014	14		0.161%
15 American United Life Insurance Company	91,578	15		0.145%	Rolls-Royce Corporation	61,221	15		0.156%
16 Cellco Partnership	90,083	16		0.143%	Verizon Wireless	60,292	16		0.154%
17 Castleton Square, LLC	89,965	17		0.142%	Circle Centre Development Co.	60,013	17		0.153%
18 IMD2 LLC	86,240	18		0.136%	DOW Agrosiences, LLC	54,453	18		0.139%
19 Westin Indianapolis LLC	77,904	19		0.123%	Summit Hospitality 22, LLC	52,767	19		0.135%
20 Comcast of Indianapolis LP	77,284	20		0.122%	NG 211 N Pennsylvania St, LLC	52,099	20		0.133%
	<u>\$ 4,251,663</u>			6.725%		<u>\$ 3,420,852</u>			8.722%

(1) Represents the January 1, 2022 valuations for taxes due and payable in 2023 as represented by the taxpayer.

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

(3) Data from the 2014 Health and Hospital Corporation's Annual Comprehensive Financial Report.

Health and Hospital Corporation of Marion County, Indiana
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Table VIII

Property Tax Levies and Collections

December 31, 2023

(Dollars in thousands)

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 91,876	\$ 88,568	96.40%	\$ -	\$ 88,568	96.40%
2022	83,500	80,661	96.60%	2,505	83,166	99.60%
2021	80,273	77,463	96.50%	2,409	79,872	99.50%
2020	75,839	72,805	96.00%	2,579	75,384	99.40%
2019	74,401	70,458	94.70%	2,529	72,987	98.10%
2018	71,625	69,476	97.00%	2,006	71,482	99.80%
2017	67,831	65,796	97.00%	1,764	67,560	99.60%
2016	63,929	61,372	96.00%	2,173	63,545	99.40%
2015	62,083	60,158	96.90%	1,553	61,711	99.40%
2014	57,993	55,905	96.40%	1,682	57,587	99.30%

Source: Marion County Auditor's Office

Health and Hospital Corporation of Marion County, Indiana
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Table IX
Ratios of Outstanding Debt by Type
December 31, 2023
(Dollars in thousands)

Fiscal Year	Governmental Activities						Business-Type Activities						Total Primary Government	Percentage of Personal Income (1) (2)	Debt Per Capita (1)
	General Obligation Bonds of 2005	General Obligation Bonds of 2010	Capital Lease	Renovation Bonds of 1988	Financed Purchase Obligations (3)	Lease & Subscription Liabilities (3)	Long-Term Care		Eskenza Health						
							Capital Leases (3)	Lease Liabilities (3)	Financed Purchase Obligations (3)	Lease & Subscription Liabilities (3)					
2023	\$ 4,444	\$ 145,540	\$ -	\$ -	\$ 368,673	\$ 125,931	\$ -	\$ 290,486	\$ 28,243	\$ 7,638	\$ 970,955	1.52%	\$ 999.85		
2022	6,818	149,950	-	-	380,683	124,936	-	373,162	25,373	5,401	1,066,323	1.67%	1,098.05		
2021	9,081	154,200	395,013	-	-	-	104,838	-	-	-	663,132	1.16%	686.34		
2020	11,240	158,245	408,454	-	-	-	186,870	-	-	-	764,809	1.34%	792.89		
2019	13,298	162,100	421,051	-	-	-	260,883	-	-	-	857,332	1.63%	898.04		
2018	15,267	163,560	432,867	2,195	-	-	327,445	-	-	-	941,334	1.90%	990.79		
2017	17,151	164,945	443,946	4,240	-	-	387,200	-	-	-	1,017,482	2.10%	1,081.01		
2016	18,959	166,270	454,335	6,140	-	-	440,737	-	-	-	1,086,441	2.39%	1,156.99		
2015	20,693	167,550	464,166	7,905	-	-	485,830	-	-	-	1,146,144	2.57%	1,226.82		
2014	23,067	168,785	476,096	9,545	-	-	397,032	-	-	-	1,074,525	2.87%	1,157.54		

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

(2) Personal income not available for 2023 so 2022 income was used to determine percentage.

(3) In 2023 and 2022, Health & Hospital adopted GASB 96 and GASB 87, respectively, which resulted in a change in presentation within this table. The years prior to 2023 and 2022 have not been adjusted for this standard.

Source: Notes to basic financial statements.

Health and Hospital Corporation of Marion County, Indiana
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Table X
Ratio of Net General Obligation Debt Outstanding
December 31, 2023
(Dollars in thousands)

Fiscal Year	Net General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts in Debt Service Funds	Total Net Bonded Debt		
2023	\$ 149,984	\$ 12,683	\$ 137,301	0.22%	\$ 141.39
2022	156,768	12,648	144,120	0.26%	148.41
2021	163,281	12,722	150,559	0.29%	155.83
2020	169,485	12,721	156,764	0.31%	162.52
2019	175,398	12,674	162,724	0.34%	170.45
2018	181,022	12,663	168,359	0.36%	177.20
2017	186,336	16,211	170,125	0.38%	180.75
2016	191,369	16,162	175,207	0.41%	186.58
2015	196,148	16,160	179,988	0.42%	192.66
2014	201,397	16,148	185,249	0.46%	199.56

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

Health and Hospital Corporation of Marion County, Indiana

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

Table XI

Schedule of Direct and Overlapping Debt and Bonded Debt Limit

December 31, 2023

(Dollars in thousands)

	Assessed Value (5)		Bonding Limit % Dollar Amount	Debt Outstanding (6)
Direct Debt:				
Health and Hospital Corporation of Marion County	\$ 55,807,440	0.67%	\$ 373,910	\$ 149,984
Other Direct Debt:				
Direct financing agreements				368,673
Lease and subscription liabilities				125,931
Total Health and Hospital Corporation debt				\$ 644,588
Overlapping:				
Marion County	\$ 57,338,125	0.67%	\$ 384,165	\$ -
City of Indianapolis				
Civil City	\$ 53,621,964	0.67%	\$ 359,267	\$ 63,440
Park District	57,338,125	0.67%	384,165	22,915
Redevelopment District	53,621,964	(3)	-	-
Flood Control District	57,338,125	0.67%	384,165	-
Metropolitan Thoroughfare District	57,338,125	1.33%	762,597	195,570
Solid Waste Disposal District	53,703,407	2.00%	1,074,068	-
Pub Safety Comm and Comp Facilities District	57,338,125	0.67%	384,165	29,510
Premiums on general obligation debt			-	20,029
Total city general obligation debt			\$ 3,348,429	\$ 331,464
Other Municipal Corporations				
Indianapolis Airport Authority	\$ 57,338,125	0.67%	\$ 384,165	\$ -
Capital Improvement Board	57,338,125	0.67%	384,165	-
Indianapolis-Marion County Building Authority	57,338,125	(1)	-	-
Indianapolis-Marion County Library	56,509,065	0.67%	378,611	64,840
Indianapolis Public Transportation Corp.	54,258,012	0.67%	363,529	-
Total municipal corporations			\$ 1,510,470	\$ 64,840
School Districts				
Beech Grove	\$ 602,559	(4)	\$ 4,037	\$ 4,245
Decatur	2,357,660	(4)	15,796	9,395
Franklin	4,011,663	(4)	26,878	-
Indianapolis Public Schools	16,201,197	(4)	108,548	66,285
Lawrence	6,713,537	(4)	44,981	27,720
Perry	5,110,497	(4)	34,240	24,673
Pike	6,152,976	(4)	41,225	25,290
Speedway	829,060	(4)	5,555	610
Warren	3,626,099	(4)	24,295	6,495
Washington	7,632,564	(4)	51,138	14,145
Wayne	4,100,313	(4)	27,472	10,675
Total school districts	\$ 57,338,125		\$ 384,165	\$ 189,533

Health and Hospital Corporation of Marion County, Indiana

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Table XI
Schedule of Direct and Overlapping Debt and Bonded Debt Limit
December 31, 2023
(Dollars in thousands)

	Assessed Value (5)		Bonding Limit %	Dollar Amount	Debt Outstanding (6)
Other Cities and Towns					
Beech Grove	\$ 636,047	0.67%	\$ 4,262	\$ -	
Lawrence	2,169,611	0.67%	14,536	758	
Southport	81,443	0.67%	546	-	
Speedway	829,060	0.67%	5,555	3,509	
Total Other Cities and Towns	<u>\$ 3,716,161</u>		<u>\$ 24,898</u>	<u>\$ 4,267</u>	
Townships					
Center	\$ 9,392,733	0.67%	\$ 62,931	\$ -	
Decatur	2,361,128	0.67%	15,820	-	
Franklin	4,178,480	0.67%	27,996	-	
Lawrence	7,267,936	0.67%	48,695	2,385	
Perry	5,593,474	0.67%	37,476	-	
Pike	5,977,820	0.67%	40,051	-	
Warren	4,928,871	0.67%	33,023	-	
Washington	11,055,899	0.67%	74,075	-	
Wayne	6,270,879	0.67%	42,015	-	
Total Townships	<u>\$ 57,027,220</u>		<u>\$ 382,082</u>	<u>\$ 2,385</u>	
Excluded Library Districts					
Speedway	<u>\$ 829,060</u>	0.67%	<u>\$ 5,555</u>	<u>\$ -</u>	
Total Excluded Library Districts	<u>\$ 829,060</u>		<u>\$ 5,555</u>	<u>\$ -</u>	
Ben Davis Conservancy District	<u>\$ 569,421</u>	(2)	<u>\$ -</u>	<u>\$ -</u>	
Total Overlapping Debt				<u>\$ 592,489</u>	
Total Direct and Overlapping Debt				<u>\$ 1,237,077</u>	

Source: City of Indianapolis, Office of Finance and Management

- (1) There is no debt limit for the Building Authority. Its debt service requirements are funded by rentals paid by the City of Indianapolis and Marion County from ad valorem taxes mandated by the Building Authority's enabling legislation.
- (2) Ben Davis Conservancy District has no bonding limit. Bonds are payable from either collection of special benefit taxes or revenues produced from the project per Indiana Code 13-3-3-81.
- (3) There is no statutory constitutional debt limitation to the Redevelopment Districts.
- (4) A statutory 0.67% limit on school district debt does not apply to any debt that is incurred by a school district building corporation for the purpose of constructing facilities to be leased to the school district at rentals sufficient to fund the corporation's annual debt service requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
- (5) Represents the January 1, 2022 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2023.

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

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

Health and Hospital Corporation of Marion County, Indiana
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Table XII
Legal Debt Margin Calculation
December 31, 2023
(Dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year Ended December 31, 2023	
Net assessed value - 2023	\$ 55,807,440
Debt limit (.67% of assessed values)	373,910
Debt applicable to limit	
Bonded Debt	147,830
Notes payable from tax levy	<u>-</u>
Total net debt applicable to limit	<u>147,830</u>
Legal Debt Margin	<u><u>\$ 226,080</u></u>

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 373,910	\$ 317,237	\$ 303,674	\$ 288,852	\$ 274,485	\$ 265,032	\$ 251,720	\$ 246,152	\$ 246,616	\$ 227,610
Total net debt applicable to limit	<u>147,830</u>	<u>154,430</u>	<u>160,760</u>	<u>166,780</u>	<u>172,510</u>	<u>177,950</u>	<u>183,080</u>	<u>187,930</u>	<u>192,525</u>	<u>197,590</u>
Legal debt margin	<u><u>\$ 226,080</u></u>	<u><u>\$ 162,807</u></u>	<u><u>\$ 142,914</u></u>	<u><u>\$ 122,072</u></u>	<u><u>\$ 101,975</u></u>	<u><u>\$ 87,082</u></u>	<u><u>\$ 68,640</u></u>	<u><u>\$ 58,222</u></u>	<u><u>\$ 54,091</u></u>	<u><u>\$ 30,020</u></u>
Total net debt applicable to the limit as a percentage of debt limit	39.54%	48.68%	52.94%	57.74%	62.85%	67.14%	72.73%	76.35%	78.07%	86.81%

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, 2023
(Dollars in thousands)

Year	(1) (2) Population	(2) Personal Income	(2) Per Capita Personal Income	Public School Enrollment	(3) Unemployment Rate
2023	971,102	\$ 63,729,003	\$ 67	141,301	3.5%
2022	971,102	63,729,003	66	141,301	3.2%
2021	966,183	57,259,810	59	127,552	1.9%
2020	964,582	57,259,810	54	131,830	5.7%
2019	954,670	52,478,123	52	131,292	2.9%
2018	950,082	49,585,841	51	132,838	3.4%
2017	941,229	48,413,129	48	132,596	3.0%
2016	939,020	45,416,786	43	131,754	4.0%
2015	934,243	44,610,603	40	130,371	4.6%
2014	928,281	37,438,602	40	130,007	5.9%

(1) Source: Census Bureau-Population Estimates for 2014-2023 reflect county population estimates.

(2) Source: U.S. Bureau of Economics Census Bureau mid-year population estimates. Per capita personal income was computed using Census Bureau mid-year population estimates. Estimates for 2014-2022 reflect county population estimates available as of March 2024. Data was not yet available for 2023 personal income.

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

Health and Hospital Corporation of Marion County, Indiana

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

Table XIV
Principal Employers
Current Year and Nine Years Ago ⁽²⁾
December 31, 2023

Taxpayer	2023			2014		
	(1) Employees	(1) Rank	(1) Percentage of Total Metropolitan Statistical Area Employment	(2) Employees	(2) Rank	(2) Percentage of Total Metropolitan Statistical Area Employment
Indiana University Health	23,187	1	2.39%	11,810	2	1.27%
Ascension St. Vincent	17,398	2	1.79%	17,398	1	1.87%
Community Health Network	15,000	3	1.54%	10,402	4	1.12%
IUPUI	14,000	4	1.44%	7,365	8	0.79%
Eli Lilly and Company	11,872	5	1.22%	10,735	3	1.16%
Walmart	9,582	6	0.99%	8,830	5	0.95%
Kroger Co	7,520	7	0.77%	7,840	7	
Federal Express	5,800	8	0.60%	6,000	9	0.65%
Elevance Health	4,870	9	0.50%			
Meijer	4,707	10	0.48%			
Marsh Supermarkets				8,000	6	0.86%
Rosche Diagnostics				4,000	10	0.43%

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

(2) Data from Health and Hospital Corporation's 2014 Annual Comprehensive Financial Report.

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

Table XV

Full-Time Equivalent City Government Employees by Function/Program
December 31, 2023

Function/Program	Full-Time Equivalent Employees at December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary Government Employees:										
Administration	160	147	144	157	149	149	143	135	128	131
Health improvement	380	365	365	391	392	376	373	366	354	349
Communicable disease prevention	142	154	190	138	132	130	129	127	125	123
Water quality and hazardous materials	28	26	26	28	29	28	27	27	28	26
Housing and neighborhood health	63	61	63	71	72	72	71	71	72	80
Consumer and employee risk reduction	29	29	28	26	27	27	27	27	27	26
Vector disease control	42	42	41	44	46	48	49	52	50	53
Business-type Employees:										
Eskenazi Health	4,436	4,210	4,130	4,073	4,047	4,284	4,310	4,177	3,853	3,828
Long-Term Care (1)	-	-	-	-	-	-	-	-	-	-
Total Employees	5,280	5,034	4,987	4,928	4,894	5,114	5,129	4,982	4,637	4,616

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

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

Health and Hospital Corporation of Marion County, Indiana

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

Table XVI

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Health Improvement										
Community Based Clinic Services										
Vaccine doses administered	27,504	26,372	28,615	28,811	64,491	53,557	57,262	61,000	58,034	62,100
Vital Statistics - certified birth copies issued	52,732	59,641	41,102	46,803	58,171	52,247	47,074	46,392	48,552	47,062
Vital Statistics - certified death copies issued	53,881	59,763	54,421	58,174	50,729	50,048	50,922	48,226	51,621	54,205
WIC Services - transactions (per month) (i)	170,220	184,440	192,198	168,641	165,133	260,583	56,083	24,023	30,959	32,223
WIC Services - nutrition education	14,185	15,370	18,239	14,053	13,761	13,086	11,041	7,059	9,378	29,150
Dental Health/Education Services	42,263	27,382	21,401	13,097	65,712	63,650	62,220	35,765	45,847	50,625
Communicable Disease Prevention										
Chronic Disease										
Hepatitis A,B,C shots	780	851	764	617	1,443	1,431	1,382	1,383	1,216	1,114
AIDS cases	133	87	97	88	23	36	38	36	29	35
HIV infection - total cases	273	235	231	163	166	209	196	166	148	192
Tuberculosis cases reported	61	41	53	35	57	33	39	43	54	52
Sexually transmitted diseases total cases	15,621	15,336	16,779	15,167	13,878	14,123	15,213	14,228	12,272	12,952
Influenza-Like Illness	12,585	18,357	11,912	13,273	11,918	10,055	6,534	5,836	4,510	4,807
Water Quality and Hazardous Materials										
Water Quality										
Laboratory services performed	46,762	41,301	39,123	44,327	62,784	61,274	68,733	58,807	56,235	47,175
Swimming pool samples	1,235	1,153	1,173	1,547	4,395	4,155	5,155	4,055	4,250	4,360
Surface water samples taken	2,496	2,360	2,849	2,400	2,595	2,614	2,598	2,590	2,598	2,531
Hazardous Materials Management										
Responses to emergency situations	246	277	703	685	617	763	707	281	266	659
Drinking water wells surveyed for toxins	290	253	385	446	840	572	489	396	300	541
Septic systems permits	86	93	160	132	111	87	128	100	79	79
Well construction permits	133	144	171	162	121	105	97	105	87	97
Well pump permits	529	503	575	650	426	266	266	212	167	163
Housing and Neighborhood Health										
Initial housing orders	5,639	1,898	1,932	1,317	2,538	2,288	2,247	3,126	4,660	4,863
Housing compliances	5,790	5,786	5,189	3,874	6,734	5,432	5,571	4,783	4,613	4,977
Initial sanitation orders	10,512	5,033	13,117	11,479	14,279	13,294	13,513	14,934	15,429	13,571
Sanitation compliances	10,744	7,961	10,604	11,819	5,655	10,491	16,422	14,135	10,738	12,323
Court cases filed	2,912	2,233	931	1,516	3,352	3,312	3,379	3,906	3,921	3,841
Court cases resolved	2,605	2,404	987	1,837	2,582	2,900	3,545	2,566	2,004	2,500
Unsafe buildings-structures demolished	**	**	**	**	**	**	**	**	**	223
Unsafe buildings-structures boarded	**	**	**	**	**	**	**	**	**	5,037
Unsafe buildings-structures repaired	**	**	**	**	**	**	**	**	**	777
Lead - children screened	22,967	12,228	11,185	14,475	14,073	12,087	11,499	9,618	4,721	7,779

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Consumer and Employee Risk Reduction										
Foodborne disease prevention										
Foodborne inspections	20,528	19,511	18,519	13,229	15,316	16,382	18,043	16,822	19,734	17,735
Foodborne investigations	141	196	138	118	261	238	196	207	207	241
Foodborne complaints	1,156	1,167	1,091	3,374	1,118	1,062	975	972	920	917
Foodborne licenses issued	8,030	7,854	6,316	6,438	7,443	7,112	7,147	7,090	6,981	6,635
Occupational health										
Radon investigations	69	124	198	112	144	113	115	215	95	46
Related indoor air inspections	579	922	470	865	1,898	2,115	2,044	2,480	3,017	2,999
Vector Disease Control										
Environmental/Rodent Control										
Total premises baited for rodents	1,148	1,457	1,339	1,414	1,675	2,420	2,914	3,103	2,232	2,034
Abandoned property cleanups	1,096	1,053	1,611	1,625	1,838	2,327	2,490	3,944	2,911	4,021
Assisted cleanups of neighborhoods	52	28	21	-	8	11	4	9	7	10
Total weight (lbs.) of trash removed	6,994,100	6,888,000	8,052,180	7,549,800	7,437,680	10,258,440	11,210,480	14,798,225	14,272,760	15,263,180
Mosquito Control										
Inspections of mosquito breeding sites	9,385	8,624	14,000	14,000	16,929	14,266	17,429	17,987	18,744	21,716
Mosquito breeding sites treated	4,396	4,261	6,557	6,668	7,407	5,470	7,491	8,410	9,835	9,829
Adulticiding, lineal miles sprayed	3,002	2,163	3,574	4,328	4,249	3,954	4,512	4,775	4,514	3,673
Complaint services, adulticiding	6,252	4,931	7,148	8,657	8,720	7,989	9,230	8,521	5,374	4,123
Combination complaints	6,529	5,261	7,523	9,324	9,646	8,790	10,286	9,935	6,772	5,011
Long-Term Care										
Total Beds	8,704	9,236	9,524	9	9,524	9,524	9,524	9,524	9,524	7,944
Eskenazi Health										
Admissions (Acute, Behavioral, Lockefield)	16,132	16,232	16,224	15,959	17,151	16,596	15,896	15,492	14,977	14,788
Patient Days (Acute, Behavioral, Lockefield)	83,272	84,122	87,855	85,854	82,350	75,541	77,496	72,741	67,403	68,253
OP Encounters (net of ED)	1,007,816	1,005,803	1,004,282	956,057	953,299	859,145	815,999	804,189	747,007	736,130
ED Visits	101,984	96,204	92,038	86	103,981	103,046	91,675	94,733	87,624	95,258
Advantage Members	41,607	33,239	10,221	11	11,630	12,714	9,139	12,531	15,811	32,916
Uncompensated Care (000's Omitted)	411,398	329,370	321,351	284,294	390,959	376,046	293,617	410,579	535,005	381,110
Surgeries	10,043	9,539	9,101	8	9,062	9,078	8,967	8,400	7,715	7,242
Births	3,246	2,938	2,481	2	2,704	2,677	2,306	2,316	2,233	2,046

n/a = Not available.

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

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

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

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

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Health Improvement										
Dental chairs	26	26	26	26	25	25	25	25	25	25
Dental x-ray units	24	24	24	24	23	23	23	23	23	23
Fiberoptic Dentalite	10	10	10	10	10	10	10	10	10	10
Dental Portable Scaler	7	7	7	7	7	7	7	7	7	7
Kiosk Touchscreen system	5	5	5	5	5	5	5	5	5	5
Vital Statistics scanners/readers	7	7	7	7	7	1	1	1	1	1
Generators/power source	5	5	5	5	5	5	5	5	5	5
Planmeca digital panoramic machine	4	4	4	4	4	4	2	2	2	2
Community Health Vehicles	4	4	3	3	3	3	2	-	-	-
Communicable Disease Prevention										
Water purification systems for lab	3	3	3	3	3	3	3	3	3	3
Agglutination Processor	1	1	1	1	1	1	-	-	-	-
Refrigerators/freezer for lab	65	43	43	35	34	24	24	23	23	23
Incubator for lab	11	8	8	8	7	7	7	7	7	7
Trailer with hitch	11	11	11	11	11	11	11	11	8	8
Generator power-diesel	3	3	3	3	3	3	3	3	3	3
Storage area network with cabinet	2	2	2	2	2	2	2	2	2	2
Kodak color scanners	6	6	6	6	6	6	6	6	6	6
Truck - Super 4x4	5	5	4	4	3	3	3	3	3	3
Water Quality and Hazardous Materials										
Water quality trucks for site cleanups	15	14	14	14	14	14	17	17	17	17
Analyzers for hazardous materials	6	6	5	5	5	5	5	5	5	5
Housing and Neighborhood Health										
Analyzers for lead testing	10	10	10	10	10	10	10	9	9	8
Van/cars for housing visits	17	17	17	17	15	10	10	8	8	7
Vector Disase Control										
Environmental trucks/vans for cleanup	32	32	29	29	28	28	27	27	27	24
Dump Trucks	21	21	19	19	19	17	20	18	18	17
Tractors/Trailers	29	29	29	29	29	27	28	28	28	28
Rodent/Mosquito control trucks for spraying	83	83	79	76	71	67	69	65	64	64
Rodent/Mosquito control - sprayers	23	19	19	16	16	12	12	12	12	12
Rodent/Mosquito control - generators	6	6	6	6	6	6	6	6	6	6
Long-Term Care										
# of buildings	73	76	78	78	78	78	78	78	78	61
Eskenazi Health										
# of beds	336	336	336	336	336	336	336	336	346	315

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



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

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

Single Audit Report

For the Year Ended December 31, 2023

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, 2023

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2023 Total Federal Expenditures	2023 Amount Passed-Through to Subrecipients
U.S. Department of Agriculture	Direct	N/A	Community Food Projects Competitive Grant Program	10.225	\$ 17,550	\$ -
	Direct	N/A	Food Insecurity Nutrition Incentive Grants Program	10.331	107,010	-
	Indiana State Department of Health	65275	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	44,126,105	-
	Indiana State Department of Health	76956	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,821,600	-
	<i>SNAP Cluster</i>				45,947,705	-
	Indiana State Department of Health	62668	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	25,000	-
	Indiana Family and Social Services Administration	70745	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	78,000	-
	<i>Total SNAP Cluster</i>				103,000	-
	<i>Food Distribution Cluster</i>					
	Indiana State Department of Health	65092	Commodity Supplemental Food Program	10.565	47,627	-
	Indiana State Department of Health	65092	Emergency Food Assistance Program	10.568	47,627	-
	<i>Total Food Distribution Cluster</i>				95,254	-
			Total U.S. Department of Agriculture		46,270,519	-
U.S. Department of Housing and Urban Development	City of Indianapolis	13FG-N015000022	Continuum of Care Program	14.267	538,100	-
	City of Indianapolis	13FG-N017000022	Continuum of Care Program	14.267	192,237	-
	City of Indianapolis	13FG-N017000023	Continuum of Care Program	14.267	285,197	-
	City of Indianapolis	13FG-N034000022	Continuum of Care Program	14.267	101,268	-
	City of Indianapolis	13FG-N034000023	Continuum of Care Program	14.267	175,498	-
					1,292,300	-
			Total U.S. Department of Housing and Urban Development		1,292,300	-
U.S. Department of Justice	Direct	N/A	Community-Based Violence Prevention Program	16.123	23,960	-
	Indiana Criminal Justice Institute	70774	Crime Victim Assistance	16.575	3,642	-
	Indiana Criminal Justice Institute	FQHC VOCA 22-24 GRNT	Crime Victim Assistance	16.575	281,659	-
	Indiana Criminal Justice Institute	VOCA SUPP-2022-00139-FR9	Crime Victim Assistance	16.575	179,105	-
	Indiana Criminal Justice Institute	VOCA-2020-00297	Crime Victim Assistance	16.575	9,000	9,000
	Indiana Criminal Justice Institute	VOCA-2022-00179	Crime Victim Assistance	16.575	307,071	-
	Indiana Criminal Justice Institute	VOCA-2022-00257	Crime Victim Assistance	16.575	363,666	92,349
					1,144,143	101,349
	Direct	N/A	Comprehensive Opioid Abuse Site-Based Program	16.838	624,129	-
			Total U.S. Department of Justice		1,792,232	101,349

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2023

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2023 Total Federal Expenditures	2023 Amount Passed-Through to Subrecipients
U.S. Department of Transportation						
	Indiana Department of Health	68209	Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	\$ 14,100	\$ -
	Indiana Department of Health	68210	Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	6,173	-
	Indiana Department of Health	68213	Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	17,850	-
	Indiana Department of Health	68214	Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	7,000	-
	Indiana Department of Health	68216	Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	11,981	-
	Indiana Department of Health	68220	Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	17,750	-
					74,854	-
			Total U.S. Department of Transportation		74,854	-
U.S. Department of Treasury						
	City of Indianapolis	18691	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	(1,456)	-
	City of Indianapolis	N/A	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	931,382	-
	Indiana State Department of Health	64506	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	224,959	13,316
	The Health Foundation of Greater Indianapolis	23-1601	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	49,573	-
					1,204,458	13,316
			Total U.S. Department of Treasury		1,204,458	13,316
Federal Communications Commission						
	Direct	N/A	COVID-19 Telehealth Program	32.006	32,328	-
			Total Federal Communications Commission		32,328	-
U.S. Department of Environmental Protection Agency						
	Direct	N/A	State Environmental Justice Cooperative Agreement Program	66.312	10,212	-
			Total U.S. Department of Environmental Protection Agency		10,212	-
U.S. Department of Health and Human Services Aging Cluster						
	Direct	N/A	Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	73,668	-
	Total Aging Cluster				73,668	-
	Indiana State Department of Health	63250	Public Health Emergency Preparedness	93.069	430,633	-
	Direct	N/A	Environmental Public Health and Emergency Response	93.070	253,524	-
	Indiana State Department of Health	65634	Environmental Public Health and Emergency Response	93.070	57,260	-
	Indiana State Department of Health	75215	Environmental Public Health and Emergency Response	93.070	21,238	-
					332,022	-
	Indiana State Department of Health	17612	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	(4,050)	-
	Indiana State Department of Health	49572	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	191,654	-
					187,604	-
	Indiana University	9794	Emergency Medical Services for Children	93.127	83,672	-
	Indiana University	8888-IEMS	Emergency Medical Services for Children	93.127	37,307	-
					120,979	-
	Direct	N/A	Injury Prevention and Control Research and State and Community Based Programs	93.136	428,882	25,982
	Indiana State Department of Health	2500004049	Injury Prevention and Control Research and State and Community Based Programs	93.136	37,941	-
	Indiana State Department of Health	3883	Injury Prevention and Control Research and State and Community Based Programs	93.136	1,292,612	-
					1,759,435	25,982

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2023

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2023 Total Federal Expenditures	2023 Amount Passed-Through to Subrecipients
	Direct	N/A	COVID-19 Community Programs to Improve Minority Health Grant	93.137	\$ 780,978	\$ 350,605
	University of Illinois	18162	HIV-Related Training and Technical Assistance	93.145	334,820	12,236
	Indiana Family and Social Services Administration	75903	Projects for Assistance in Transition from Homelessness (PATH)	93.150	29,000	-
	Indiana Family and Social Services Administration	N/A	Projects for Assistance in Transition from Homelessness (PATH)	93.150	68,000	-
					97,000	-
	Trustees of Indiana University	N/A	COVID-19 Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	6,551	-
	Direct	N/A	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197	231,036	69,673
	Indiana Family Health Council	4/1/22-3/31/23 Title X Agreement	Family Planning Services	93.217	264,420	5,382
	Indiana Family Health Council	4/1/23-3/31/24 Title X Agreement	Family Planning Services	93.217	752,421	-
					1,016,841	5,382
	Health Centers Program Cluster					
	Direct	N/A	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	1,226,374	-
	Direct	N/A	COVID-19 Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	7,598,923	-
	Direct	N/A	Affordable Care Act (ACA) Grants for New and Expanded Services Under the Health Center Program	93.527	3,881,945	-
					12,707,242	-
	Indiana University	8965-ESK	Research on Healthcare Costs, Quality and Outcomes	93.226	628	-
	Indiana University	8822-ESK	Mental Health Research Grants	93.242	25,106	-
	Direct	N/A	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243	395,494	-
	Indiana State Department of Health	53408	COVID-19 Immunization Cooperative Agreements	93.268	816,887	-
	Indiana State Department of Health	57765	Viral Hepatitis Prevention and Control	93.270	16,918	-
	Direct	N/A	Racial and Ethnic Approaches to Community Healthcare	93.304	134,084	44,344
	Indiana University	9584	Minority Health and Health Disparities Research	93.307	34,305	-
	Indiana State Department of Health	37120	Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	46,954	-
	Indiana State Department of Health	66214	Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	85,543	-
	Indiana State Department of Health	75711	Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	27,496	-
	Indiana State Department of Health	76550	Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	59,265	-
	Indiana State Department of Health	78548	Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	62,674	-
	Indiana State Department of Health	64109	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	96,250	-
					378,182	-

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2023

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2023 Total Federal Expenditures	2023 Amount Passed-Through to Subrecipients
	Direct	N/A	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	\$ 14,081	\$ -
	Indiana State Department of Health	64109	COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	673,750	-
	Indiana State Department of Health	63168	Health Department Response to Public Health or Healthcare Crises	93.391	17,326	-
	Indiana State Department of Health	64775	Health Department Response to Public Health or Healthcare Crises	93.391	7,716	-
	Indiana State Department of Health	65398	Health Department Response to Public Health or Healthcare Crises	93.391	55,804	-
	Indiana State Department of Health	70375	Health Department Response to Public Health or Healthcare Crises	93.391	7,069	-
	Indiana State Department of Health	75160	Health Department Response to Public Health or Healthcare Crises	93.391	16,589	-
	Direct	N/A	COVID-19 Health Department Response to Public Health or Healthcare Crises	93.391	1,304,362	140,209
					1,408,866	140,209
	Direct	N/A	National Partnership to Improve and Protect the Nation's Health	93.421	82,912	-
	National Environmental Health Association	N/A	National Partnership to Improve and Protect the Nation's Health	93.421	1,000	-
	National Association of County and City Health Officials	2022-070507	National Partnership to Improve and Protect the Nation's Health	93.421	35,000	-
	National Association of County and City Health Officials	2022-082205	National Partnership to Improve and Protect the Nation's Health	93.421	90,213	-
	National Association of County and City Health Officials	2023-072410	National Partnership to Improve and Protect the Nation's Health	93.421	50,000	-
	National Association of County and City Health Officials	2202-041203	National Partnership to Improve and Protect the Nation's Health	93.421	3,446	-
					262,571	-
	Indiana University	8974-ESK	Alzheimer's Disease Program Initiative	93.470	9,896	-
	Direct	N/A	Community Health Workers for Public Health Response	93.495	826,556	-
	Direct	N/A	COVID-19 Community Health Workers for Public Health Response	93.495	34,857	-
					861,413	-
	Indiana Criminal Justice Institute	62564	Family Violence Prevention and Service/Sexual Assault/Rape Crisis Services and Supports	93.497	27,251	-
	Direct	N/A	Grants for Capital Development in Health	93.526	1,139,852	-
	Indiana Family Health Council	4/1/22-3/31/23 TANF & Title XX Agreement	Temporary Assistance for Needy Families	93.558	494,031	-
	Indiana State Department of Health	69441	Refugee and Entrant Assistance - State Program	93.566	359,360	-
CCDF Cluster						
	FSSA Office of Early Childhood and Out of School Learning	66170	Child Care and Development Block Grants	93.575	22,016	-
Total CCDF Cluster					22,016	-
	Indiana Family Health Council	4/1/22-3/31/23 TANF & Title XX Agreement	Social Services Block Grant	93.667	150,286	-
	Indiana Family and Social Services Administration	25277	Social Services Block Grant	93.667	122,568	-
					272,854	-
	Direct	N/A	Ending the Epidemic: A Plan for America: Ryan White HIV/AIDS Program	93.686	1,414,849	191,914
	Direct	N/A	PPHF: Racial and Ethnic Approaches to Community Health Program	93.738	782,049	251,323

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2023

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2023 Total Federal Expenditures	2023 Amount Passed-Through to Subrecipients
	Indiana Family and Social Services Administration	N/A	State Targeted Response to the Opioid Crisis Grants	93.788	\$ 40,000	\$ -
	Indiana Family and Social Services Administration	67816	State Targeted Response to the Opioid Crisis Grants	93.788	371,818	-
	Direct	N/A	State Targeted Response to the Opioid Crisis Grants	93.788	22,577	-
					434,395	-
	Direct	N/A	Section 223 Demonstration Programs	93.829	1,400,543	-
	Indiana University	9519	Lung Diseases Research	93.838	1,677	-
	Trustees of Indiana University	8456	Child Health and Human Development Extramural Research	93.865	292	-
	Indiana University	2618	Aging Research	93.866	17,352	-
	Indiana University	8184	Aging Research	93.866	54,836	-
	Indiana University	8340	Aging Research	93.866	95,295	-
	Indiana University	8864	Aging Research	93.866	144,806	-
	Indiana University	8885-ESK	Aging Research	93.866	4,556	-
	Indiana University	IN-4082984-HHC	Aging Research	93.866	57,794	-
	Indiana University	N/A	Aging Research	93.866	4,040	-
					378,679	-
	Direct	N/A	HIV Emergency Relief Project Grants	93.914	5,432,000	2,430,302
	Indiana State Department of Health	61872	HIV Care Formula Grants	93.917	129,715	-
	Indiana State Department of Health	66061	HIV Care Formula Grants	93.917	167,852	-
	Indiana State Department of Health	46892 Amend #2	HIV Care Formula Grants	93.917	1,126,002	-
					1,423,569	-
	Direct	N/A	Healthy Start Initiative	93.926	1,241,556	61,171
	Indiana State Department of Health	50023	HIV Prevention Activities Health Department Based	93.940	46,571	-
	Indiana State Department of Health	65542	HIV Prevention Activities Health Department Based	93.940	556,522	-
	Indiana State Department of Health	65771	HIV Prevention Activities Health Department Based	93.940	799,975	534,859
	Indiana State Department of Health	72006	HIV Prevention Activities Health Department Based	93.940	49,040	-
	Indiana State Department of Health	72115	HIV Prevention Activities Health Department Based	93.940	95,168	-
	Indiana State Department of Health	75539	HIV Prevention Activities Health Department Based	93.940	588,261	451,400
	Indiana State Department of Health	49975 Amend #1	HIV Prevention Activities Health Department Based	93.940	30,131	-
	Indiana State Department of Health	N/A	HIV Prevention Activities Health Department Based	93.940	65,924	-
	Direct	N/A	HIV Prevention Activities Health Department Based	93.940	49,651	-
					2,281,243	986,259
	Trustees of Indiana University	8856	Assistance Programs for Chronic Disease Prevention and Control	93.945	573	-
	Direct	N/A	Block Grants for Community Mental Health Services	93.958	1,570,871	-
	Indiana Family and Social Services Administration	25277	Block Grants for Community Mental Health Services	93.958	283,276	-
	Indiana Family and Social Services Administration	59524	Block Grants for Community Mental Health Services	93.958	781,674	137,243
	Indiana Council of Community Mental Health Centers, Inc.	B08T084578, B09SM085914	COVID-19 Block Grants for Community Mental Health Services	93.958	12,167	-
					2,647,988	137,243

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2023

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2023 Total Federal Expenditures	2023 Amount Passed-Through to Subrecipients
	Indiana Family and Social Services Administration	25277	Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$ 610,828	\$ -
	Indiana Family and Social Services Administration	29377	Block Grants for Prevention and Treatment of Substance Abuse	93.959	76,953	-
	Indiana Council of Community Mental Health Centers, Inc.	B08TI084578, B09SM085914	COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	12,133	-
					699,914	-
	Direct	N/A	CDC's Collaboration with Academia to Strengthen Public Health	93.967	1,265,195	211,909
	Indiana University	U1QHP28719	PPHF Geriatric Education Centers	93.969	46,202	-
	Indiana State Department of Health	60498	Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	597,211	-
	Indiana State Department of Health	60663	Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	1,650	-
	Indiana State Department of Health	72298	Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	182,517	-
					781,378	-
	Indiana State Department of Health	57460	Maternal and Child Health Services Block Grant to the States	93.994	26,000	-
	Indiana State Department of Health	62133	Maternal and Child Health Services Block Grant to the States	93.994	20,000	20,000
					46,000	20,000
			Total U.S. Department of Health and Human Services		45,704,456	4,938,552
U.S. Department of Homeland Security	Indiana Department of Homeland Security	12355824	Homeland Security Grant Program	97.067	77,473	-
	Indiana Department of Homeland Security	EMW-2022-SS-00064	Homeland Security Grant Program	97.067	115,279	-
					192,752	-
			Total U.S. Department of Homeland Security		192,752	-
			Total Federal Expenditures		\$ 96,574,111	\$ 5,053,217

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Health and Hospital Corporation of Marion County, Indiana under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Health and Hospital Corporation of Marion County, Indiana, it is not intended to and does not present the financial position, changes in net position or cash flows of Health and Hospital Corporation of Marion County, Indiana.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Health and Hospital Corporation of Marion County, Indiana has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Federal Loan Programs

Health and Hospital Corporation of Marion County, Indiana had no federal loans that they were administering as of December 31, 2023.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, and each major fund of 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, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 27, 2024, which contained an emphasis-of-matter paragraph for a change in accounting principle. The financial statements of Eskenazi Medical Group, Inc. (EMG) and Lions Insurance Company (Lions), component units included in the financial statements of the business-type activities, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with EMG or Lions.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Indianapolis, Indiana
June 27, 2024**

Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Health and Hospital Corporation of Marion County, Indiana's (Corporation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2023. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Corporation, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements. We have issued our report thereon dated June 27, 2024, which contained unmodified opinions on those financial statements, and also included an emphasis-of-matter paragraph for adoption of a new accounting standard. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Indianapolis, Indiana
June 27, 2024**

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2023

6. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery
93.224 & 93.527	Health Centers Program Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs was \$2,897,223.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

Section II – Financial Statement Findings

Reference Number	Finding	Questioned Costs
No matters are reportable.		

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding	Questioned Costs
No matters are reportable.		

Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Status of Prior Audit Findings
Year Ended December 31, 2023

Reference Number	Summary of Finding	Status
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No matters are reportable.