This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 6, 2025

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: (see "RATINGS")
Moody's: Aa2
S&P: AA+

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, ("Bond Counsel"), under existing laws, interest on the Series 2025C Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2025C Bonds, and is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax. In the opinion of Bond Counsel, under existing laws, interest on the Series 2025C Bonds is exempt from income taxation in the State of Indiana for all purposes, except the State financial institutions tax. See "TAX MATTERS" and APPENDIX D "Form of Opinion of Bond Counsel" herein.

$127,480,000*
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
REFUNDING BONDS, SERIES 2025C
(UNLIMITED AD VALOREM PROPERTY TAX SUPPORTED PROJECT)

Dated: Date of Delivery

Due: as shown on the inside cover

The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2025C (Unlimited Ad Valorem Property Tax Supported Project) (the "Series 2025C Bonds") will be dated the date of delivery, and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover hereof. The Series 2025C Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2025C Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2025C Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Series 2025C Bonds. Interest on the Series 2025C Bonds is payable on January 15 and July 15 of each year commencing January 15, 2026. Interest, together with the principal and redemption premium, if any, of the Series 2025C Bonds, will be paid directly to DTC by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") under the Indenture, as defined and described herein, so long as DTC or its nominee is the registered owner of the Series 2025C Bonds. The final disbursement of such payments to the Beneficial Owners of the Series 2025C Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as defined and more fully described herein under the caption "THE SERIES 2025C BONDS - Book-Entry-Only System."

The Series 2025C Bonds are being issued by The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") for the principal purposes of providing funds to: (i) purchase the 2025C Qualified Obligations (as hereinafter defined) the proceeds of which will be used, together with other available amounts, to effect a current refunding of the Bond Bank's Bonds, Series 2010A-2 (Build America Bonds – Direct Payment – Federally Taxable) (the "Series 2010A-2 Bonds"), (ii) pay the premium for a municipal bond insurance debt service reserve fund surety policy to be issued by Build America Mutual Assurance Company (the "Series 2025C Reserve Fund Insurer"), and (iii) pay all costs incidental to, or on account of the issuance of the Series 2025C Bonds and 2025C Qualified Obligations (as herein defined). The Series 2010A-2 Bonds were issued to provide funds to purchase the 2010A-2 Qualified Obligations (as herein defined) issued by The Health and Hospital Corporation of Marion County, Indiana (the "Qualified Entity"), the proceeds of which were used to (i) fund a portion of the cost of the Eskenazi Hospital Project (as herein defined); (ii) fund a debt service reserve for the Series 2010A-2 Bonds; (iii) fund capitalized interest on the Series 2010A-2 Bonds; and (iv) pay the cost of issuance of the Series 2010A-2 Bonds and related expenses.

A detailed maturity schedule for the Series 2025C Bonds is set forth on the inside cover of this Official Statement.

The Series 2025C Bonds are subject to optional redemption prior to maturity and may, at the option of the underwriters, be issued as term bonds subject to mandatory redemption prior to maturity, as described herein.

The Series 2025C Bonds are limited obligations of the Bond Bank payable solely out of the revenues and funds of the Bond Bank pledged therefor under the Indenture. The Series 2025C Bonds do not constitute a debt, liability or loan of the credit of the State of Indiana or any political subdivision thereof, including the City of Indianapolis, Indiana (the "City"), Marion County, Indiana (the "County"), or the Qualified Entity, under the constitution and laws of the State of Indiana or a pledge of the faith, credit and taxing power of the State of Indiana or any political subdivision thereof, including the City, the County or the Qualified Entity. The sources of payment of, and security for, the Series 2025C Bonds are more fully described herein. The Bond Bank has no taxing power.

The Series 2025C Bonds do not constitute a general or moral obligation of the Bond Bank, the City or the Qualified Entity. Although the Bond Bank will maintain a debt service reserve fund for the Series 2025C Bonds, the provisions of Indiana Code 5-1.4-5-4, pertaining to a moral obligation of the City-County Council of Indianapolis and Marion County to appropriate and replenish a debt service reserve fund, do not apply to the Series 2025C Bonds.

This cover page contains information for reference only and is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2025C Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriters and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the counsel described herein under the caption "CERTAIN LEGAL MATTERS." It is expected that the Series 2025C Bonds will be available for delivery through the facilities of DTC in New York, New York on or about _____, 2025.

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Official Statement dated: _____, 2025

* Preliminary, subject to change

**$127,480,000*
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
REFUNDING BONDS, SERIES 2025C
(UNLIMITED AD VALOREM PROPERTY TAX SUPPORTED PROJECT)**

Maturity Date (January 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP(1)
2026	$8,795,000				
2027	6,115,000				
2028	6,410,000				
2029	6,725,000				
2030	7,050,000				
2031	7,390,000				
2032	7,750,000				
2033	8,125,000				
2034	8,525,000				
2035	8,940,000				
2036	9,370,000				
2037	9,835,000				
2038	10,305,000				
2039	10,810,000				
2040	11,335,000				

$_____ _____% Term Bonds Due January 15, ____, Yield ____% (2) Priced at _____%, CUSIP(1) _____

(1) Copyright 2025, CUSIP Global Services which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP numbers are provided for convenience and reference only. None of the Bond Bank, the Qualified Entity, the Underwriters, or the Trustee is responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Series 2025C Bonds or as indicated above. The CUSIP numbers are subject to being changed after the issuance of the Series 2025C Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of the Series 2025C Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of the Series 2025C Bonds.

(2) Yield to par call on _____.

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No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2025C Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Bond Bank, the Qualified Entity or the Underwriters. This Official Statement, which includes the cover page and appendices, does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025C Bonds by any person, in any state or other jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the Bond Bank or the Qualified Entity or in the information presented herein since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information, and it is not to be construed as the promise or guarantee of the Underwriters.

THE SERIES 2025C BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BOND BANK, THE QUALIFIED ENTITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. THE SERIES 2025C BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

BOARD OF DIRECTORS

Norman Gurwitz, Chairperson
Michael Carter, Vice Chairperson
Melody Park
Frank Short

Joseph Glass, Executive Director and General Counsel

THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY

BOARD OF TRUSTEES

Robert Lazard, Chairperson
Carl Drummer, Vice Chairperson
Kelly Doucet
Gary Fisch, M.D.
Thomas Hanify
Brenda Horn
Michael O'Brien

Paul Babcock, President and Chief Executive Officer
James W. Simpson, Interim Chief Financial Officer and Assistant Treasurer
Lisa E. Harris, M.D., CEO and Medical Director, Eskenazi Health
Virginia A. Caine, M.D., Director, Marion County Health Department

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UNDERWRITER'S COUNSEL

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Indianapolis, Indiana

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
Indianapolis, Indiana

MUNICIPAL ADVISOR

Crowe LLP
Indianapolis, Indiana

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OFFICIAL STATEMENT
RELATING TO
$127,480,000*
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
REFUNDING BONDS, SERIES 2025C
(UNLIMITED AD VALOREM PROPERTY TAX SUPPORTED PROJECT)

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to set forth certain information concerning the issuance and sale by The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") of its $127,480,000* aggregate principal amount of Refunding Bonds, Series 2025C (Unlimited Ad Valorem Property Tax Supported Project) (the "Series 2025C Bonds") to be issued by the Bond Bank. The Series 2025C Bonds have been authorized by a Resolution adopted by the Board of Directors of the Bond Bank on August 18, 2025, and will be issued pursuant to the provisions of a Trust Indenture, dated as of February 1, 2010 (the "Original Indenture"), as amended and supplemented by a First Supplemental Trust Indenture dated as of November 1, 2025 (the "2025C Supplemental Indenture" and, collectively, with the Original Indenture, the "Indenture"), between the Bond Bank and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the laws of the State of Indiana (the "State"), including particularly Indiana Code 5-1.4, as amended from time to time (the "Act"). The Trustee is the Registrar and Paying Agent ("Registrar" or "Paying Agent") under the Indenture.

All financial and other information presented in this Official Statement has been provided by The Health and Hospital Corporation of Marion County, Indiana (the "Qualified Entity") from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Qualified Entity. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue to be repeated in the future.

The offering of the Series 2025C Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2025C Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement, including the appendices, and the documents summarized or described herein. The detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, inside cover page, other preliminary pages and appendices, is unauthorized.

The Financing Plan

The proceeds from the sale of the Series 2025C Bonds will be used to provide funds to: (i) purchase the 2025C Qualified Obligations (as hereafter defined), the proceeds of which will be used, together with other available amounts, to effect a current refunding of the Bond Bank's Bonds, Series 2010A-2 (Build America Bonds – Direct Payment – Federally Taxable) (the "Series 2010A-2 Bonds"), (ii) pay the premium for a municipal bond insurance debt service reserve fund surety policy to be issued by Build America Mutual Assurance Company (the "Series 2025C Reserve Fund Insurer"), and (iii) pay all costs incidental to, or on account of the issuance of the Series 2025C Bonds and the 2025C Qualified Obligations (as hereinafter defined). The Series 2010A-2 Bonds were issued by the Bond Bank to provide funds to purchase the General Obligation Bonds, Series 2010A-2 (the "2010A-2 Qualified Obligations") issued by The Health and Hospital Corporation of Marion County, Indiana (the "Qualified Entity"), for the purpose of (i) funding a portion of the cost of the Eskenazi Hospital Project (as herein defined); (ii) funding capitalized interest on the 2010A-2 Qualified Obligations; and (iii) paying the cost of issuance of and related expenses. The Qualified Entity adopted Resolution No. 2-2025 (the "Authorizing Instrument") authorizing the issuance of its General Obligation Refunding Bonds (Eskenazi Hospital Project), Series 2025C (the "2025C Qualified Obligations") to the Bond Bank for the purpose of effecting a simultaneous current refunding of its 2010A-2 Qualified Obligations and the Bond Bank's Series 2010A-2 Bonds. Simultaneous with the sale of the Series 2025C Bonds to the Underwriters, the Qualified Entity will enter into a Qualified Entity Purchase Agreement (the "Series 2025C Qualified

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Entity Purchase Agreement") with the Bond Bank setting forth the terms of the purchase of such 2025C Qualified Obligations by the Bond Bank.

Refunding of the Series 2010A-2 Bonds

The Series 2010A-2 Bonds were issued as bonds designated as "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). At the time the Series 2010A-2 Bonds were issued, the Bond Bank expected to receive cash subsidy payments from the United States Treasury (the "Subsidy Payments") equal to 35% of the interest payable on the Series 2010A-2 Bonds as required by sections 54AA and 6431 of the Internal Revenue Code of 1986, as amended (the "Code") (as such sections were added to the Code by the Recovery Act). However, as a result of the enactment of the Budget Control Act of 2011 (the "Budget Control Act") and the American Taxpayer Relief Act of 2012 (the "Taxpayer Relief Act"), the Subsidy Payments for the Series 2010A-2 Bonds became subject to sequestration and have been reduced to an amount less than 35% of the interest payable on the Refunded Bonds as originally required by sections 54AA and 6431 of the Code.

The Series 2010A-2 Bonds are subject to extraordinary optional redemption upon the occurrence of an Extraordinary Event (as defined in the Original Indenture). Pursuant to the extraordinary optional redemption provisions for the Series 2010A-2 Bonds, an "Extraordinary Event" means the modification, amendment or interpretation of Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act) in a manner pursuant to which any Subsidy Payments from the United States Treasury are reduced or eliminated.

The extraordinary optional redemption provisions for the Series 2010A-2 Bonds are described in the related Official Statement for the Series 2010A-2 Bonds, which can be found at https://emma.msrb.org/EP395065-EP310884-EP706894.pdf. The foregoing link is provided for reference and convenience only. The Official Statement for the Series 2010A-2 Bonds is not incorporated herein by reference and does not constitute part of this Official Statement.

For various reasons, including but not limited to, the enactment of the Budget Control Act and the Taxpayer Relief Act and the resulting reduction of the cash Subsidy Payments required to be paid by the United States Treasury to the Bond Bank with respect to the Series 2010A-2 Bonds pursuant to section 6431 of the Code, and the judgment of the United States Court of Appeals for the Federal Circuit in Ind. Mun. Power Agency, et al. v. U.S., 59 F.4th 1382 (Fed. Cir. 2023), finding that sequestration was properly applied to cash Subsidy Payments, the Bond Bank has determined that an "Extraordinary Event" has occurred with respect to the Series 2010A-2 Bonds. Therefore, the Bond Bank expects to redeem the Series 2010A-2 Bonds pursuant to the extraordinary optional redemption provisions applicable to the Series 2010A-2 Bonds.

The Series 2010A-2 Bonds maturing on or after January 15, 2026 (collectively, the "Refunded Bonds") will be called for optional redemption on _____, 2025 (the "Redemption Date") which is also the Closing Date (as defined herein) of the Series 2025C Bonds, at the Extraordinary Redemption, defined in the Original Indenture as an amount equal to the greater of: (1) 100% of the principal amount of the Refunded Bonds; or (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Refunded Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Refunded Bonds are to be redeemed, discounted to the Redemption Date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points; plus, in each case, accrued interest on the Refunded Bonds to be redeemed to the Redemption Date. The Treasury Rate, as defined in the Original Indenture, means, as of the Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two business days prior to the Redemption Date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to the maturity date of the Refunded Bonds; provided, however, that if the period from the Redemption Date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Causey Public Finance, LLC, Denver, Colorado, a firm of independent public accountants (the "Calculation Agent"), has been retained by the Bond Bank to serve as the calculation agent, with responsibility for determining the Extraordinary Redemption Price for the Refunded Bonds on the Redemption Date, which determination shall be made in connection with pricing the Series 2025C Bonds and shall be conclusive and binding on the Trustee, the Bond Bank and the registered owners of the Refunded Bonds. Upon the Calculation Agent's determination of the Extraordinary

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Redemption Price for the Refunded Bonds, the Bond Bank expects to issue a conditional notice of redemption for the Refunded Bonds in accordance with the terms of the Original Indenture.

The Calculation Agent will deliver to the Bond Bank its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Accountants, the information and assertions provided by the Bond Bank and others. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the Extraordinary Redemption Price for the Refunded Bonds on the Redemption Date and the adequacy of the deposit in the Series 2025C Refunding Account to pay the Extraordinary Redemption Price of the Refunded Bonds due on the Redemption Date.

Other Bonds Issued to Finance the Eskenazi Hospital Project

The Indianapolis-Marion County Building Authority (the "Authority") has also previously issued its Hospital Project Bonds, Series 2010B-2 (Eskenazi Hospital Project) (the "2010B-2 Authority Bonds"), and its Hospital Project Refunding Bonds, Series 2023A (Eskenazi Hospital Project) (the "2023A Authority Bonds" and, together with the 2010B-2 Authority Bonds, the "Authority Bonds"). The Authority Bonds were sold to the Bond Bank to finance and refinance a portion of the costs of the Eskenazi Hospital Project*. The Hospital Facility and the Ambulatory Clinic Facility (each as defined under "THE ESKENAZI HOSPITAL PROJECT" herein), which were part of the Eskenazi Hospital Project and financed or refinanced with the proceeds of the Authority Bonds, are being leased by the Authority to the Qualified Entity pursuant to the Master Lease (Eskenazi Hospital Project), dated as of March 1, 2010 (the "Lease"), as amended and supplemented. Lease rental payments by the Qualified Entity under the Lease are the source of payment for the Authority Bonds. The obligations of the Qualified Entity to make lease rental payments under the Lease are payable from an unlimited ad valorem property tax, to the extent other revenues of the Qualified Entity are not sufficient for such purpose. The 2010B-2 Authority Bonds are outstanding in the aggregate principal amount of $328,200,000 and were purchased by the Bond Bank from the proceeds of its $359,330,000 aggregate principal amount of Bonds, Series 2010 B-2 (Build America Bonds – Direct Payment – Federally Taxable) (the "Series 2010B-2 Bonds"). The 2023A Authority Bonds are outstanding in the aggregate principal amount of $29,660,000 and were purchased by the Bond Bank from the proceeds of its $37,765,000 aggregate principal amount of Refunding Bonds, Series 2023A (the "2023A Bonds").

Contemporaneously with the sale and issuance of the Series 2025C Bonds described herein, the Bond Bank anticipates selling and issuing its Refunding Bonds, Series 2025D (the "Series 2025D Bonds") for the principal purposes of providing funds to: (i) purchase the Authority's Hospital Project Refunding Bonds (Eskenazi Hospital Project), Series 2025D (the "2025D Authority Bonds"), the proceeds of which will be used, along with other available amounts, to effect simultaneous current refunding of the Authority's 2010B-2 Authority Bonds and the Bond Bank's the Series 2010B-2 Bonds, through the exercise of its extraordinary optional redemption right with respect to the Series 2010B-2 Bonds, (ii) pay the premium for a municipal bond insurance debt service reserve fund surety policy to be issued by Build America Mutual Assurance Company related to the Series 2025D Bonds, and (iii) pay all costs incidental to, or on account of the issuance of the Series 2025D Bonds and the 2025D Authority Bonds.

THE BOND BANK'S SERIES 2025D BONDS WILL BE ISSUED UNDER A SEPARATE TRUST INDENTURE, AND WILL BE SECURED BY THE TRUST ESTATE ESTABLISHED THEREUNDER, SEPARATE AND APART FROM THE TRUST ESTATE, DESCRIBED HEREIN, SECURING THE SERIES 2025C BONDS. FURTHERMORE, THE BOND BANK'S SERIES 2025D BONDS WILL NOT CONSTITUTE "BONDS" AND THE 2025D AUTHORITY BONDS WILL NOT CONSTITUTE "QUALIFIED OBLIGATIONS" UNDER THE INDENTURE, DESCRIBED HEREIN. For a detailed description of the sources of security, the plan of finance and information related to the Bond Bank's Series 2025D Bonds and the Authority's 2025D Authority Bonds, please see the Bond Bank's Preliminary Official Statement, dated October 6, 2025, regarding the Bond Bank's Series 2025D Bonds.

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* Beginning in 2007, the Qualified Entity made a determination to replace the then-existing Wishard Memorial Hospital and related facilities through the construction and financing of replacement facilities. The replacement facilities and the bonds issued to finance the same were originally referred to or designated as the "Wishard Hospital Project". However, the project is now commonly referred to as the Eskenazi Hospital Project. See "THE ESKENAZI HOSPITAL PROJECT" herein.

Security and Sources of Payment for the Series 2025C Bonds

The Series 2025C Bonds will be issued under and secured under the Indenture. After the refunding of the Series 2010A-2 Bonds, the Series 2025C Bonds will be the only bonds outstanding under the Indenture. The principal of and interest on any and all of the Series 2025C Bonds, together with any additional bonds and any refunding bonds (collectively, the "Additional Bonds") that may be authorized and issued by the Bond Bank under the Indenture on a parity with the Series 2025C Bonds (collectively, the "Bonds"), are payable from those revenues and funds of the Bond Bank which, together with the 2025C Qualified Obligations, are pledged pursuant to the Indenture for the benefit of the owners of the Series 2025C Bonds without priority. Neither the faith, credit nor taxing power of the State or any political subdivision thereof, including the City, the County and the Qualified Entity, are pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2025C Bonds. The Series 2025C Bonds are not a debt, liability, loan of the credit or pledge of the faith and credit of the State or of any political subdivision thereof, including the City, the County or the Qualified Entity. The Bond Bank has no taxing power and has only those powers and sources of revenue set forth in the Act.

The Bonds are issued and secured separately from any other obligations issued by the Bond Bank, including the Series 2025D Bonds.

Under the Indenture, the Bonds are secured by the pledge to the Trustee of the Trust Estate established under the Indenture (the "Trust Estate"), defined to be all property, rights and amounts pledged and assigned by the Indenture, the 2025C Qualified Obligations and any Additional Qualified Obligations (as hereinafter defined) acquired and held by the Trustee pursuant to the Indenture and the earnings thereon and all proceeds thereof, including all Qualified Obligation Payments (as hereinafter defined), the funds and accounts (the "Funds" and the "Accounts") created or established under the Indenture and all moneys and investments therein, but not the Rebate Fund established under the Indenture (the "Rebate Fund"), and the Revenues (as hereinafter defined). All Bonds will be secured equally and ratably by the Trust Estate. The sources of payment for the Series 2025C Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025C BONDS."

The payment of principal of and interest on the 2025C Qualified Obligations is payable by the Qualified Entity from an unlimited ad valorem property tax required by law to be levied by or on behalf of the Qualified Entity, to the extent other revenues of the Qualified Entity are not sufficient for such purpose. The projects for which the 2025C Qualified Obligations are being issued were approved by a public referendum on November 3, 2009. The 2025C Qualified Obligations have been issued pursuant to the Authorizing Instrument and the Indiana Code 16-22-8 (the "HHC Statute"). The maximum amount of bonds for the original projects have been issued that public referendum and any new borrowings, other than refunding bonds, would require new approvals. The City-County Council of the City of Indianapolis, Indiana and the County of Marion, Indiana (the "City-County Council") has adopted a resolution approving the issuance of the 2025C Qualified Obligations by the Qualified Entity. The sources of payment for the 2025C Qualified Obligations are further described under the captions "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025C BONDS" and "PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION; AND CIRCUIT BREAKER TAX CREDITS" herein.

Debt Service Reserve Fund

The Series 2025C Bonds are also secured by the Series 2025C Debt Service Reserve Account (the "Series 2025C Reserve Account") of the Debt Service Reserve Fund ("Reserve Fund") created under the Indenture. At the time of issuance of the Series 2025C Bonds, the Reserve Requirement (as defined herein) is $_____.

Moneys in the Series 2025C Reserve Account up to the amount of the Reserve Requirement are required under the Indenture to be held and applied solely to the payment of the interest on and principal of the Series 2025 Bonds as the same shall become due and payable. Such moneys may not be withdrawn from the Series 2025C Reserve Account if a withdrawal would reduce the amount in the Series 2025C Reserve Account to an amount less than the Reserve Requirement, except for payment of interest then due and payable on the Bonds and the payment of principal of Bonds then maturing and payable, whether by reason of maturity or mandatory redemption, for which other moneys held under the Indenture are not then available.

The Indenture permits the Bond Bank to satisfy all or a portion of the Reserve Requirement by depositing a Reserve Fund Credit Instrument (as defined herein) in the Series 2025C Reserve Account. The Bond Bank will satisfy

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the Reserve Requirement with respect to the Series 2025C Bonds by maintaining a Reserve Fund Credit Instrument in the Series 2025C Reserve Account, which is to be provided by the Series 2025C Reserve Fund Insurer. See "RESERVE FUND CREDIT INSTRUMENT" herein.

ALTHOUGH THE SERIES 2025C RESERVE ACCOUNT WILL BE ESTABLISHED FOR THE BONDS, THE APPROVING RESOLUTION OF THE BOND BANK PROVIDES THAT SUCH RESERVE FUND WILL NOT CONSTITUTE A RESERVE FUND UNDER INDIANA CODE 5-1.4-5, AS AMENDED, PERTAINING TO A MORAL OBLIGATION OF THE CITY-COUNTY COUNCIL OF INDIANAPOLIS AND MARION COUNTY TO APPROPRIATE AND REPLENISH A DEBT SERVICE RESERVE FUND, DO NOT APPLY TO THE SERIES 2025C BONDS. CONSEQUENTLY, IN THE EVENT OF A DEFICIENCY IN THE SERIES 2025C RESERVE ACCOUNT, THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE BOND BANK WILL NOT SEEK AN APPROPRIATION FROM THE CITY-COUNTY COUNCIL (AS HEREINAFTER DEFINED) PURSUANT TO INDIANA CODE 5-1.4-5, AS AMENDED, TO RESTORE THE SERIES 2025C RESERVE ACCOUNT TO AN AMOUNT EQUAL TO THE RESERVE REQUIREMENT. NOR HAS THE CITY-COUNTY COUNCIL APPROVED ANY INTENT TO APPROPRIATE ANY MONEY TO RESTORE THE SERIES 2025C RESERVE ACCOUNT TO AN AMOUNT EQUAL TO THE RESERVE REQUIREMENT.

The Series 2025C Bonds

Interest on the Series 2025C Bonds will accrue over time at the rates per annum set forth on the inside cover page hereof. Interest on the Series 2025C Bonds will be payable on January 15, 2026 and semiannually on each January 15 and July 15 thereafter. The Series 2025C Bonds will be issued in fully registered form in the denomination of $5,000 or any integral multiple thereof. See "THE SERIES 2025C BONDS."

The Series 2025C Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of the Series 2025C Bonds will be made in book-entry-only form. Purchasers of the Series 2025C Bonds will not receive certificates representing their beneficial ownership interest in the Series 2025C Bonds. Interest on the Series 2025C Bonds, together with the principal of the Series 2025C Bonds, will be paid by the Paying Agent directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2025C Bonds. See "THE SERIES 2025C BONDS - Book-Entry-Only System."

Certain Series 2025C Bonds are subject to optional and may, at the discretion of the Underwriters, be subject to mandatory sinking fund redemption prior to maturity as described herein under the caption "THE SERIES 2025C BONDS – Redemption Provisions of the Series 2025C Bonds."

The Bond Bank and the Act

The Bond Bank is a body corporate and politic, separate from the City, established for the public purposes set forth in the Act. The Bond Bank has no taxing power. The Bond Bank is governed by a Board of five Directors, each appointed by the Mayor of the City.

Pursuant to the Act, the purpose of the Bond Bank is to buy and sell securities of a "qualified entity," as defined in the Act to be the City, the County, any special taxing district located wholly within the County, any entity whose tax levies are subject to review and modification by the City-County Council under Indiana Code 36-3-6-9, and any authority created under Indiana Code Title 36 that leases land or facilities to any of the foregoing qualified entities. The Health and Hospital Corporation of Marion County, Indiana is a "qualified entity" as defined in the Act.

The Official Statement; Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained in this Introduction is qualified by reference to this entire Official Statement (including the appendices). This Introduction is only a brief description and a full review should be made of this entire Official Statement (including the appendices), as well as the documents summarized or described in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Summaries of certain provisions of the Indenture and definitions of some of the

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capitalized words and terms used in this Official Statement are set forth in APPENDIX C "SUMMARY OF PRINCIPAL FINANCING DOCUMENTS AND DEFINITIONS."

Audited financial statements of the Qualified Entity for the year ended December 31, 2024 are attached hereto as APPENDIX B. See "AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION" herein.

Information contained in this Official Statement with respect to the Bond Bank and the Qualified Entity and copies of the Indenture and the Authorizing Instrument may be obtained from The Indianapolis Local Public Improvement Bond Bank, 200 East Washington Street, Room 2260, City-County Building, Indianapolis, Indiana 46204. The Bond Bank's telephone number is (317) 327-4220.

THE ESKENAZI HOSPITAL PROJECT

Beginning in 2007, the leadership team of the Qualified Entity began the review and evaluation of the necessity of modernizing or replacing the then-existing Wishard Memorial Hospital and related facilities ("Existing Facilities") and the best approach to such modernization or replacement of the Existing Facilities, the oldest of which were originally constructed in 1914. The Qualified Entity assembled national and local experts to assist the leadership team in analyzing and evaluating every option to determine the most efficient, cost effective and high-quality option. Numerous alternatives and selection criteria were developed during this phase. The Qualified Entity extensively evaluated each option under the identified selection criteria, including community need, cost and efficiency. Based on this analysis, the Qualified Entity determined that the best solution was to replace the Existing Facilities by building a replacement hospital and healthcare facilities ("Replacement Facilities") on a site adjacent to the campus of the Indiana University School of Medicine at the Indiana University-Purdue University at Indianapolis ("Campus").

The Replacement Facilities are comprised of an 11-story acute care hospital facility, now known as the "Sidney and Lois Eskenazi Hospital," of approximately 1,200,000 square feet with 336 inpatient beds, 17 operating rooms, 4 interventional labs and 12 labor delivery rooms (the "Hospital Facility"), and an adjacent 6-story structure of approximately 175,000 square feet with 110 exam rooms which houses the outpatient clinic facilities, now known as the "Sandra Eskenazi Outpatient Care Center" (the "Ambulatory Clinic Facility"). The Replacement Facilities were completed and opened in December, 2013, and are now fully operational. The Replacement Facilities also included a new data center located on the fifth floor in the Hasbrook Building ("Data Center") located at 3838 N. Rural Street in Indianapolis, Indiana. The Data Center was completed in December, 2011, and is now fully operational. In addition to the Replacement Facilities, the Master Facility Plan also included the construction of a 5-story office building of approximately 275,000 square feet ("Office Building") primarily to provide administrative offices for Eskenazi Health Services, which was completed in December, 2013; a 6-story parking garage of approximately 2,700 spaces ("Parking Garage"), which was completed in January, 2012; and a consolidated utility plant ("Power Plant"), which was completed in 2012. The Office Building, the Parking Garage and the Power Plant are referred to herein as the "Related Facilities". See Appendix A "GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES AND HEALTHCARE RISKS" for additional information about the Qualified Entity and its facilities.

In June 2011, approximately $40,000,000 was donated towards the cost of the Replacement Facilities and Related Facilities. In recognition of such donation, the project to provide the Replacement Facilities and the Related Facilities was named the "Eskenazi Hospital Project" and such facilities were named as indicated above.

The proceeds of the Refunded Bonds, together with proceeds from other bonds and a cash contribution by the Qualified Entity, were used to fund the costs of the Replacement Facilities, the related sitework and demolition and a portion of the Power Plant. The Office Building, the Parking Garage and a portion of the Power Plant were financed in whole or in part from sources other than the proceeds of the Refunded Bonds and other bonds issued on behalf of the Qualified Entity.

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APPLICATION OF PROCEEDS OF THE SERIES 2025C BONDS

Set forth below is a summary of the estimated sources and uses of the proceeds of the Series 2025C Bonds:

Estimated sources of funds:	
Principal Amount of Series 2025C Bonds	$127,480,000*
Plus [Net] Original Issue Premium	
Release of Amounts in General Fund	
Release of Amounts in Debt Service Reserve Fund	
Total	
Estimated uses of funds:	
Deposit to Refunding Account	
Payment of Premium for Reserve Fund Surety Policy	
Deposit to Bond Issuance Expense Account	
Underwriter's Discount	
Total	

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025C BONDS

The Bonds, including the Series 2025C Bonds, are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Bonds.

The Series 2025C Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including the Bond Bank, the City, the County or the Qualified Entity, under the constitution of the State, or a pledge of the faith, credit or taxing power of the State or any political subdivision thereof, including the Bond Bank, the City, the County or the Qualified Entity. The Bond Bank has no taxing power.

Under the Indenture, the Bonds are secured by a pledge to the Trustee of the 2025C Qualified Obligations and any Additional Qualified Obligations (collectively, the "Qualified Obligations") and all principal and interest payments, made or required to be made on the Qualified Obligations (the "Qualified Obligation Payments"), as described herein. In addition, the Indenture pledges to the payment of the Bonds all proceeds of the Trust Estate, including without limitation, the earnings on and all proceeds of the Qualified Obligations, including all Qualified Obligation Payments, the Funds and the Accounts and all moneys and investments therein, but not the Rebate Fund, and the Revenues. Under the Act and Indiana Code 5-1-14-4, such pledge is valid and binding from and after the date of delivery of the Series 2025C Bonds under the Indenture, and such Qualified Obligations and the Qualified Obligation Payments thereon shall be immediately subject to the lien of such pledge without any physical delivery of the payments or further act, and the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, irrespective of whether such parties have notice thereof.

Reserve Fund – Series 2025C Reserve Account

The Bonds are also secured by the Series 2025C Debt Service Reserve Account (the "Series 2025C Reserve Account") of the Debt Service Reserve Fund ("Reserve Fund") created under the Indenture. At the time of issuance of the Series 2025C Bonds, the reserve requirement for the Reserve Fund (the "Reserve Requirement") is $_____, which is the maximum annual debt service on the Series 2025C Bonds.

Moneys in the Series 2025C Reserve Account up to the amount of the Reserve Requirement are required under the Indenture to be held and applied solely to the payment of the interest on and principal of the Series 2025C Bonds as the same shall become due and payable. Such moneys may not be withdrawn from the Series 2025C Reserve Account if a withdrawal would reduce the amount in the Series 2025C Reserve Account to an amount less than the Reserve Requirement, except for payment of interest then due and payable on the Series 2025C Bonds and the payment

* Preliminary, subject to change

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of principal of Series 2025C Bonds then maturing and payable, whether by reason of maturity or mandatory redemption, for which other moneys held under the Indenture are not then available.

The Indenture permits the Bond Bank to satisfy all or a portion of the Reserve Requirement by depositing a Reserve Fund Credit Instrument in the Series 2025C Reserve Account.

Accordingly, simultaneous with the issuance of the Series 2025C Bonds, the Bond Bank will purchase a municipal bond debt service reserve insurance policy (the "Series 2025C Reserve Fund Credit Instrument"), from Build America Mutual Assurance Company (the "Series 2025C Reserve Fund Insurer") for the purpose of satisfying the Reserve Requirement with respect to the Series 2025C Reserve Account. See "RESERVE FUND CREDIT INSTRUMENT", "SERIES 2025C RESERVE FUND INSURER" and APPENDIX F herein.

ALTHOUGH THE SERIES 2025C RESERVE ACCOUNT WILL BE ESTABLISHED FOR THE BONDS, THE APPROVING RESOLUTION OF THE BOND BANK PROVIDES THAT SUCH RESERVE FUND WILL NOT CONSTITUTE A RESERVE FUND UNDER INDIANA CODE 5-1.4-5, AS AMENDED, PERTAINING TO A MORAL OBLIGATION OF THE CITY-COUNTY COUNCIL OF INDIANAPOLIS AND MARION COUNTY TO APPROPRIATE AND REPLENISH A DEBT SERVICE RESERVE FUND, DO NOT APPLY TO THE SERIES 2025C BONDS. CONSEQUENTLY, IN THE EVENT OF A DEFICIENCY IN THE SERIES 2025C RESERVE ACCOUNT, THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE BOND BANK WILL NOT SEEK AN APPROPRIATION FROM THE CITY-COUNTY COUNCIL (AS HEREINAFTER DEFINED) PURSUANT TO INDIANA CODE 5-1.4-5, AS AMENDED, TO RESTORE THE SERIES 2025C RESERVE ACCOUNT TO AN AMOUNT EQUAL TO THE RESERVE REQUIREMENT. NOR HAS THE CITY-COUNTY COUNCIL APPROVED ANY INTENT TO APPROPRIATE ANY MONEY TO RESTORE THE SERIES 2025C RESERVE ACCOUNT TO AN AMOUNT EQUAL TO THE RESERVE REQUIREMENT.

The Qualified Entity and the 2025C Qualified Obligations

The 2025C Qualified Obligations will secure and provide for the payment of the Series 2025C Bonds. The Qualified Obligation Payments from the 2025C Qualified Obligations have been structured to be sufficient to pay the principal of and interest on the Series 2025C Bonds when due. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" regarding the verification of such sufficiency. The Qualified Obligation Payments from the 2025C Qualified Obligations will be derived by the Qualified Entity from unlimited ad valorem property taxes, required by law to be levied by or on behalf of the Qualified Entity, to the extent other revenues of the Qualified Entity are not sufficient for such purpose, all as further described and conditioned below and under the caption "Security for the 2025C Qualified Obligations" herein. See also "PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION; AND CIRCUIT BREAKER TAX CREDITS." The Qualified Entity has indicated to the Bond Bank that it intends to continue to cause other legally available revenues to be used to make the Qualified Obligation Payments and may take the availability of such other revenues into account in determining the amount of ad valorem property tax, if any, required to be levied and collected for that purpose. The Qualified Entity has made all payments on its outstanding bonds securing the Refunded Bonds on a timely basis and has never had to levy a property tax to meet its payment obligations thereunder.

The Qualified Entity. The Health and Hospital Corporation of Marion County, Indiana, exists as a municipal corporation pursuant to the provisions of the HHC Statute. The boundaries of the Qualified Entity are coterminous with those of the County, including the City. For more detailed information regarding the Qualified Entity, see "QUALIFIED ENTITY" herein. See Appendix A "GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES AND HEALTHCARE RISKS" for additional information about the Qualified Entity and its facilities.

The 2025C Qualified Obligations. The proceeds of the Series 2025C Bonds will be used by the Bond Bank to purchase the 2025C Qualified Obligations from the Qualified Entity. The 2025C Qualified Obligations have been authorized and are designated the "General Obligation Refunding Bonds (Eskenazi Hospital Project), Series 2025C." The 2025C Qualified Obligations were authorized by the Qualified Entity by the Authorizing Instrument for the purpose of providing funds to (i) effect a current refunding of the Qualified Entity's General Obligation Bonds (Eskenazi Hospital Project), Series 2010A-2, thereby effecting a simultaneous current refunding of the Refunded Bonds, and (ii) pay costs of issuance of the 2025C Qualified Obligations. The 2025C Qualified Obligations are general

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obligations of the Qualified Entity, secured by the full faith and credit and taxing power of the Qualified Entity. See "Security for the 2025C Qualified Obligations" below.

The 2025C Qualified Obligations will be issued in a principal amount equal to the aggregate principal amount of the Series 2025C Bonds, and will be dated as of their date of delivery. The 2025C Qualified Obligations will mature in the same amount and on the same maturity dates as the Series 2025C Bonds, and will bear interest payable on each January 15 and July 15 beginning January 15, 2026, and at the same interest rates per annum as the Series 2025C Bonds. Interest on the 2025C Qualified Obligations will be paid to the Trustee under the Indenture. Principal of and premium, if any, on the 2025C Qualified Obligations will be paid directly to the Trustee (for the account of the Bond Bank). The 2025C Qualified Obligations are subject to redemption prior to maturity upon terms substantially identical to the terms of redemption of the Series 2025C Bonds. See "THE SERIES 2025C BONDS--Redemption Provisions of the Series 2025C Bonds" herein.

See also "PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION; AND CIRCUIT BREAKER TAX CREDITS" and the table entitled "ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY" under the caption "QUALIFIED ENTITY."

Security for the 2025C Qualified Obligations

The ability of the Bond Bank to pay principal of and interest on the Bonds depends upon the receipt by the Bond Bank of the Qualified Obligation Payments from the Qualified Entity. HHC has made all payments on a timely basis to date with respect to the Refunded Bonds and has never had to levy a property tax to meet its payment obligations thereunder. The 2025C Qualified Obligations have been authorized by the Qualified Entity by its Authorizing Instrument and the HHC Statute, and will be sold to the Bond Bank. The 2025C Qualified Obligations are general obligations of the Qualified Entity, payable from and secured by an unlimited ad valorem property tax to be levied and pledged therefor under the Authorizing Instrument. The full faith and credit of the Qualified Entity is irrevocably pledged to the payment of the principal of and interest on the 2025C Qualified Obligations. The Qualified Entity covenants that it will cause a property tax for the payment of the principal of and interest on the Qualified Obligations to be levied, collected, appropriated and applied for that purpose. See "PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION; AND CIRCUIT BREAKER TAX CREDITS" and "QUALIFIED ENTITY." The Qualified Entity may cause other legally available revenues to be used to pay the principal of and interest on the 2025C Qualified Obligations, and may take the availability of such other revenues into account in determining the amount of ad valorem property tax, if any, required to be levied and collected for the purpose of paying principal of and interest on the 2025C Qualified Obligations.

Contemporaneously with the issuance of the Series 2025C Bonds, the Bond Bank will issue its Series 2025D Bonds to acquire the 2025D Authority Bonds, which the Bond Bank will issue pursuant to Trust Indenture, dated as of March 1, 2010 (the "Original Indenture"), as previously supplemented and amended by the First Supplemental Trust Indenture, dated as of April 1, 2013 (the "2013 Supplemental"), and the Second Supplemental Trust Indenture, dated as of April 1, 2023 (the "2023 Supplemental"), as further supplemented and amended by a Third Supplemental Trust Indenture dated as of November 1, 2025 (the "2025D Supplemental" and, collectively, with the Original Indenture, the 2013 Supplemental and the 2023 Supplemental, the "Bond Bank Authority Indenture"), between the Bond Bank and The Bank of New York Mellon Trust Company, N.A., as trustee. The Bond Bank Authority Bond Indenture established a debt service reserve fund, with separate accounts therein (collectively, the "Bond Bank Authority Bond Reserve Fund") securing the Series 2023A Bonds and the Series 2025D Bonds. The balance to be maintained in the Bond Bank Authority Bond Reserve Fund (the "Bond Bank Authority Bond Reserve Requirement") is an amount equal to the maximum annual principal and interest requirements on all respective outstanding Bond Bank Authority Bonds for the then current or any future Bond Year; provided, however, that if upon the issuance of any series of such Bonds, such amount would require moneys credited to the Bond Bank Authority Bond Reserve Fund from the proceeds of such series of Bonds in an amount in excess of the maximum amount permitted under the Code, the Bond Bank Authority Bond Reserve Requirement will then be the Bond Bank Authority Bond Reserve Requirement immediately preceding the issuance of such series of Bonds, plus the maximum amount permitted under the Code to be deposited from the proceeds of such series of Bonds, as certified by an Authorized Officer.

If, on the first business day in June of each year, the amount on deposit in the Reserve Fund is less than the Debt Service Reserve Requirement or the amount on deposit in the Bond Bank Authority Bond Reserve Fund is less

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than the Bond Bank Authority Bond Reserve Requirement (the aggregate of any such shortfalls therein on such date is hereinafter referred to as a "Deficit"), then, on such first business day in June or when the Qualified Entity prepares its budget for the immediately following year, if later, but in no event later than 10 days prior to the last day provided by statute to publish such proposed budget, the Qualified Entity will estimate the amount of revenues expected to be collected during the remainder of that year and in the subsequent year and that would be available to pay the Lease Rental Payments under the Lease and the principal of and interest on the 2025D Authority Bonds and any additional bonds issued by the Authority on a parity with the 2025D Authority Bonds pursuant to a resolution of the Authority (collectively, the "Authority Bonds") when due during such period. To the extent that such revenues are not expected to be available on the dates on which Lease Rental Payments under the Lease and the principal of and interest on the Authority Bonds are due during such period in amounts sufficient to make such payments on the dates such payments are due, the Qualified Entity will levy ad valorem property taxes in an amount sufficient, together with the other revenues expected to be available on the dates on which such payments are due during such period, to produce the necessary funds with which to make such payments on their due dates. In addition, the Qualified Entity will levy ad valorem property taxes in an amount equal to the Deficit for collection in the immediately following year.

Notwithstanding the provisions described in the preceding paragraph, the Qualified Entity will not levy ad valorem property taxes in an amount in excess of the aggregate of the Lease Rental Payments under the Lease due in the immediately following year and the principal of and interest on the Authority Bonds due on July 15 in the immediately following year and on January 15 in the year thereafter. In the event the Qualified Entity is required to levy ad valorem property taxes pursuant to the provisions described in the preceding paragraph, the Qualified Entity will levy such ad valorem property taxes as debt service levies to be used to pay the Lease Rental Payments under the Lease and the principal of and interest on the Authority Bonds. To the extent that any such levy is allocable to the payment of debt service on the Authority Bonds in the manner to be determined necessary and appropriate by the Treasurer of the Qualified Entity, that portion of the ad valorem property taxes collected will be deposited in the Principal and Interest Account established pursuant to the Authority Bonds resolutions and the remainder will be used to pay the Lease Rental Payments under the Lease.

Additional Bonds and Additional Qualified Obligations

Additional Bonds may be issued on a parity with the Series 2025C Bonds pursuant to the Indenture only for the purpose of (a) refunding Bonds (in whole or in part) issued by the Bond Bank pursuant to the Indenture, (b) purchasing additional qualified obligations of the Qualified Entity ("Additional Qualified Obligations") to provide for the refunding (in whole or in part) of the 2025C Qualified Obligations or other Additional Qualified Obligations or (c) purchasing Additional Qualified Obligations, the proceeds of which will be used to fund capital expenditures of the Qualified Entity. Any Additional Qualified Obligations must be issued pursuant to the Authorizing Instrument. See "PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION; AND CIRCUIT BREAKER TAX CREDITS-Circuit Breaker Tax Credit."

Enforcement of the 2025C Qualified Obligations

As owner of the 2025C Qualified Obligations, the Bond Bank has available to it all remedies available to owners or holders of securities issued by the Qualified Entity. The Act provides that upon the sale and the delivery of any qualified obligation to the Bond Bank, a qualified entity will be deemed to have agreed that all statutory defenses to nonpayment are waived in the event that such qualified entity fails to pay principal of or interest on such qualified obligation when due.

The Bond Bank has covenanted under the Indenture to enforce or authorize the enforcement of all remedies available to owners of Qualified Obligations, unless (i) the Bond Bank provides the Trustee with a Cash Flow Certificate (as hereinafter defined) to the effect that if such remedies are not enforced, Revenues, including Qualified Obligation Payments, which are to be received, together with monies expected to be held in the Funds and Accounts, will at least equal the Adjusted Debt Service Requirements on all Outstanding Bonds, and (ii) the Trustee determines that failure to enforce such remedies will not adversely affect the interests of Bondholders in any material way. A "Cash Flow Certificate" is a certificate prepared by an accountant or firm of accountants in accordance with certain provisions of the Indenture concerning anticipated Revenues and payments. See APPENDIX C "SUMMARY OF PRINCIPAL FINANCING DOCUMENTS AND DEFINITIONS - Summary of Certain Provisions of the Indenture."

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Further, the Qualified Entity has agreed under its Series 2025C Qualified Entity Purchase Agreement for the 2025C Qualified Obligations to report to the Bond Bank on its compliance with certain covenants which the Qualified Entity has made regarding various actions and conditions necessary to preserve the tax-exempt status of interest paid on the 2025C Qualified Obligations. See "TAX MATTERS." The Bond Bank has also determined to consult with the Qualified Entity, as necessary from time to time, with regard to the action needed to be taken by the Qualified Entity to preserve the excludability of the interest on the Series 2025C Bonds from the gross income of the holders of the Series 2025C Bonds.

The Bond Bank will monitor the compliance and consult regularly with the Qualified Entity with respect to its requirements under the 2025C Qualified Obligations, including the making of Qualified Obligation Payments to the Bond Bank.

THE SERIES 2025C BONDS

General

The Series 2025C Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. When issued, all Series 2025C Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2025C Bonds will be made in book-entry-only form (without certificates) in the denomination of $5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Series 2025C Bonds, payments of the principal of and interest on the Series 2025C Bonds will be made directly by the Paying Agent by wire transfer of funds to Cede & Co., as nominee to DTC, and the ultimate disbursement of such payments to the Beneficial Owners (as hereinafter defined), of the Series 2025C Bonds will be the responsibility of the Direct Participants and the Indirect Participants (both as hereinafter defined). See "THE SERIES 2025C BONDS – Book-Entry-Only System."

The Series 2025C Bonds will be dated as of their date of delivery thereof. Interest on the Series 2025C Bonds will be payable on January 15 and July 15 of each year, commencing January 15, 2026 (each an "Interest Payment Date"). The Series 2025C Bonds will bear interest (calculated on the basis of twelve 30-day months and a 360-day year) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. The Series 2025C Bonds will bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless (a) it is authenticated after the first day of the calendar month of an Interest Payment Date (each a "Record Date"), and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (b) it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it will bear interest from _____, 2025 (the "Closing Date"); provided, however, that if, at the time of authentication of any Series 2025C Bonds, interest is in default, such Series 2025C Bonds will bear interest from the date to which interest has been paid.

If DTC or its nominee is not the registered owner of the Series 2025C Bonds, principal of and premium, if any, on all of the Series 2025C Bonds will be payable at maturity upon the surrender thereof at the designated corporate trust operations office of the Paying Agent. Interest on the Series 2025C Bonds, when due and payable, will be paid by check dated the due date mailed by the Paying Agent one business day before the due date (or, in the case of an owner of Series 2025C Bonds, in an aggregate principal amount of at least $1,000,000, by wire transfer on such due date, upon written direction of such registered owner to the Paying Agent not less than ten business days before the Record Date immediately prior to such Interest Payment Date, which direction shall remain in effect until revoked in writing by such owner) to the persons in whose names such Series 2025C Bonds are registered, at their addresses as they appear on the bond registration books maintained by the Registrar on the Record Date (the "Registration Books"), irrespective of any transfer or exchange of such Series 2025C Bonds subsequent to such Record Date and on or prior to such Interest Payment Date, unless the Bond Bank shall default in payment of interest due on such Interest Payment Date.

Except as provided in "Book-Entry-Only System" under this caption, in all cases in which the privilege of exchanging or transferring Series 2025C Bonds is exercised, the Bond Bank will execute and the Registrar will deliver Series 2025C Bonds in accordance with the provisions of the Indenture. The Series 2025C Bonds will be exchanged or transferred at the principal corporate trust office of the Registrar only for Series 2025C Bonds of the same tenor and maturity. In connection with any transfer or exchange of Series 2025C Bonds, the Bond Bank or the Trustee may

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impose a charge for any applicable tax, fee or other governmental charge incurred in connection with such transfer or exchange, which sums are payable by the person requesting such transfer or exchange.

The person in whose name a Series 2025C Bond is registered will be deemed and regarded as its absolute owner for all purposes, except as otherwise provided in the Disclosure Agreement (as hereinafter defined), and payment of principal and interest thereon will be made only to or upon the order of the registered owner or its legal representative, but such registration may be changed as provided above. All such payments shall be valid to satisfy and discharge the liability upon such Series 2025C Bonds to the extent of the sum or sums so paid.

Redemption Provisions of the Series 2025C Bonds

Optional Redemption of the Series 2025C Bonds

The Series 2025C Bonds maturing on and after January 15, 2036, are subject to redemption prior to maturity, at the option and the written direction of the Bond Bank, but only if directed in writing by the Qualified Entity, in whole or in part on any date commencing January 15, 2035, at the redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption of the Series 2025C Bonds

The Series 2025C Bonds maturing on January 15, 20__ and January 15, 20__ are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, in accordance with the following table:

Bonds due January 15, 20		Bonds due January 15, 20	
Date	Principal Amount	Date	Principal Amount

*Denotes Final Maturity

If more than one of the Series 2025C Bonds, which are Term Bonds (the "Series 2025C Term Bonds") with the same maturity, are outstanding, sinking fund redemption of such maturity shall be made by lot in the manner prescribed by the Indenture. The Trustee shall credit against the mandatory sinking fund requirement for any Series 2025C Term Bonds, in the order determined by the Bond Bank, any such Series 2025C Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory sinking fund redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each Series 2025C Term Bond so delivered or cancelled shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund redemption date. Any excess of such amount shall be credited on future mandatory sinking fund redemption obligations, and the principal amount of the Series 2025C Term Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Trustee shall only credit such Series 2025C Term Bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory sinking fund redemption date stated above.

Extraordinary Mandatory Redemption of the Series 2025C Bonds

The Series 2025C Bonds are not subject to extraordinary mandatory redemption prior to maturity from proceeds of casualty insurance or condemnation.

Selection of Series 2025C Bonds to be Redeemed

If fewer than all of the Series 2025C Bonds shall be called for redemption, the principal amount and maturity of the particular Series 2025C Bonds to be redeemed shall be selected by the Bond Bank, provided that the Series 2025C Bonds shall be redeemed only in an authorized denomination of $5,000 or any integral multiple thereof. If any

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of the Series 2025C Bonds are simultaneously subject to both optional and mandatory redemption, the Trustee shall first select by lot the Series 2025C Bonds to be redeemed under the mandatory redemption provisions.

In the event DTC is not the sole registered owner of the Series 2025C Bonds and fewer than all of the Series 2025C Bonds of a particular maturity shall be called for redemption, the portion of such maturity shall be selected by lot by the Trustee and, for this purpose, each $5,000 of principal amount represented by any Series 2025C Bond shall be considered a separate Series 2025C Bond for purposes of selecting the Series 2025C Bonds to be redeemed.

In the event DTC is the sole registered owner of the Series 2025C Bonds, partial redemptions of a particular maturity of such Series of Bonds will be done in accordance with the procedures of DTC.

Notice of Redemption

In the case of redemption of the Series 2025C Bonds, notice of the call for any such redemption identifying the Series 2025C Bonds, or portions of the Series 2025C Bonds to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least 30 days but not more than 45 days prior to the date fixed for redemption to the registered owner of each Series 2025C Bond to be redeemed at the address shown on the Registration Books. Failure to give such notice by mailing to any bondholder, or any defect in the notice, shall not affect the validity of any proceeding for the redemption of any other Series 2025C Bonds. On and after the redemption date specified in the aforementioned notices, such Series 2025C Bonds, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) shall not bear interest, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture, and the owners thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption from the funds deposited with the Trustee for the redemption of such Series 2025C Bonds.

For so long as the Series 2025C Bonds are held in book-entry-only form, the Trustee will send notices of redemption of the Series 2025C Bonds only to DTC or its nominee, as the registered owner of the Series 2025C Bonds, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for any Beneficial Owners' receipt from DTC or its nominee, or from any Direct Participant or Indirect Participant, of any notices of redemption. See "Book-Entry-Only System" under this caption of this Official Statement.

Book-Entry-Only System

The information provided in the following nine paragraphs of this caption has been provided by DTC. No representation is made by the Bond Bank, the Qualified Entity or the Underwriters as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2025C Bonds. The Series 2025C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025C Bond certificate will be issued for each maturity of the Series 2025C Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S.

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securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission ("SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2025C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025C Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025C Bonds, except in the event that use of the book-entry system for the Series 2025C Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025C Bonds, such as redemptions, defaults, and proposed amendments to the Series 2025C Bond documents. For example, Beneficial Owners of Series 2025C Bonds may wish to ascertain that the nominee holding the Series 2025C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025C Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025C Bonds are credited on the Record Date (identified in a listing attached to the "Omnibus Proxy").

Principal, premium and interest payments on the Series 2025C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Paying Agent, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, any other Fiduciary (as hereinafter defined) or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank, the Paying Agent or any other Fiduciary, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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DTC may discontinue providing its services as depository with respect to the Series 2025C Bonds at any time by giving reasonable notice to the Bond Bank or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Series 2025C Bond certificates are required to be printed and delivered.

THE INFORMATION PROVIDED ABOVE UNDER THIS CAPTION HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE BOND BANK, THE QUALIFIED ENTITY OR THE UNDERWRITERS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

The Bond Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Once the Bond Bank has requested that holders withdraw securities from DTC, DTC will notify its Participants of such request and such Participants may utilize DTC's withdrawal process to withdraw their Series 2025C Bonds from DTC. In the event a Participant utilizes DTC's withdrawal process, Series 2025C Bond certificates will be printed and delivered.

Neither the Bond Bank, the Underwriters, nor the Qualified Entity will have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any Direct Participant or Indirect Participant or any other person, other than an owner, as shown in the Registration Books, of any notice with respect to any Bond including, without limitation, any notice of redemption, with respect to any Bond, (iii) the payment of any DTC Participant or Indirect Participant or any other person, other than an owner, as shown in the Registration Books, of any amount with respect to the principal of, premium, if any, or interest on any Bond or (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2025C Bonds.

Prior to any discontinuation of the book-entry only system described above, the Bond Bank and the Paying Agent may, except as otherwise provided in the Disclosure Agreement, treat DTC as, and deem DTC to be, the absolute owner of the Series 2025C Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, premium, if any, and interest on the Series 2025C Bonds, (ii) giving notices of redemption and other matters with respect to the Series 2025C Bonds, (iii) registering transfers with respect to the Series 2025C Bonds and (iv) the selection of Series 2025C Bonds for redemption.

In the event that the book-entry system for the Series 2025C Bonds is discontinued, the Paying Agent will provide for the registration of the Series 2025C Bonds in the names of the Beneficial Owners thereof. The Bond Bank, the Trustee, the Paying Agent and any other Fiduciary would treat the person in whose name any Series 2025C Bond is registered as the absolute owner of such Series 2025C Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.

Revision of Book-Entry-Only System

In the event that the Bond Bank and the Trustee receive written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Series 2025C Bonds or the Bond Bank elects to discontinue its use of DTC as a clearing agency for the Series 2025C Bonds, then the Bond Bank and the Trustee, Paying Agent and Registrar will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Series 2025C Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Series 2025C Bonds and to transfer the ownership of each of the Series 2025C Bonds to such person or persons, including any other clearing agency, as the holder of such Series 2025C Bonds may direct in accordance with the Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Series 2025C Bonds will be paid by the Bond Bank.

PROCEDURES FOR PROPERTY TAX ASSESSMENT, TAX LEVY AND COLLECTION; AND CIRCUIT BREAKER TAX CREDITS

Payments on the 2025C Qualified Obligations are secured exclusively by, and payable solely from, an unlimited ad valorem property tax required by law to be levied by or on behalf of the Qualified Entity to the extent other revenues of the Qualified Entity are not sufficient for such purpose.

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General

Real and personal property in the State is assessed each year as of January 1. On or before August 1 each year, each county auditor must submit a statement of the assessed value for the ensuing year to the Department of Local Government Finance (the "DLGF") in the manner prescribed by the DLGF. This statement of assessed value must exclude the amount of assessed value for any properties whose assessed value is currently being appealed, unless, based upon an appeal by the county auditor to the DLGF, the DLGF specifically provides otherwise for a particular property. The DLGF shall make the certified statement available on the DLGF's computer gateway website located at https://gateway.ifionline.org/.

By statute, the budget, tax rate and levy of a local political subdivision (except for any school corporation which elects to have a budget year from July 1 of a year through June 30 of the following year) must be established no later than November 1 (unless, with respect to a second or third class city, the ordinance fixing a budget, tax rate and tax levy has been vetoed by the mayor and the veto is effective on a date later than October 1, in which case the common council has 30 days from the effective date of the veto to override the veto to fix the budget, tax rate and tax levy for the ensuing budget year). The budget, tax levy and tax rate are subject to review, revision, reduction or increase by the DLGF. The DLGF must complete its actions not later than December 31 of the year preceding that budget year (unless (1) a taxing unit in a county has indicated to the DLGF its intent to issue debt after December 1 in such year or its intent to file a shortfall appeal for the purpose of seeking a property tax levy in excess of the normally applicable statutory limits, or (2) with respect to a second or third class city in the county, the ordinance fixing a budget, tax rate and tax levy has been vetoed by the mayor and the veto is effective on a date later than October 1, in each of which cases, the deadline for the DLGF to complete its actions is January 15 of the budget year).

On or before March 15, each county auditor prepares and delivers to the DLGF and the county treasurer the final abstract of property taxes within that county. The county treasurer mails tax statements on or before the following April 15. Property taxes are due and payable to the county treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; provided, that: (1) with respect to real property taxes, so long as the installment is completely paid within 30 days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous tax payment for the same parcel or a penalty that is owed from a previous tax payment for the same parcel, the amount of the penalty is five percent of the amount of the delinquent taxes; and (2) with respect to personal property taxes, so long as the installment is completely paid within 30 days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous tax payment for a personal property tax return for property in the same taxing district or a penalty that is owed from a previous tax payment, the amount of the penalty is five percent of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Real property becomes subject to tax sale procedures on June 30 if a delinquency of more than $25 then exists with respect to an installment due on or before May 10 of the prior year. With respect to delinquent personal property taxes, each county treasurer shall serve a demand upon each county resident who is delinquent in the payment of personal property taxes after November 10, but before August 1 of the succeeding year. Each county auditor distributes property taxes collected to the various political subdivisions on or before the June 30 or December 31 after the due date of the tax payment.

Under State law, personal property is assessed at its actual historical cost less depreciation, whereas real property assessed on or after January 1, 2021, must be assessed in accordance with the 2021 Real Property Assessment Manual (the "Manual") and the Real Property Assessment Guidelines for 2021 (the "Guidelines"), both published by the DLGF, pursuant to 50 Indiana Administrative Code 2.4 (the "Rule"). The purpose of the Rule is to accurately determine "true tax value" as defined in the Manual and the Guidelines, not to mandate that any specific assessment method be followed. The Manual defines "true tax value" for all real property, other than agricultural land, as "the market value in use of a property for its current use, as reflected by the utility received by the owner or a similar user from that property." In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and certain provisions of the Indiana Code. The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease in administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing

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accurate and uniform values throughout the jurisdiction and across all classes of real property. The Manual specifies the standards for accuracy and validation that the DLGF will use to determine the acceptability of any alternate appraisal method.

The intent of the DLGF is that an assessment determined by an assessing official in accordance with the Rule and the Manual and Guidelines shall be presumed to be correct. Any evidence relevant to the true tax value of the real property as of the assessment date may be presented to rebut the presumption of correctness of the assessment. Such evidence may include an appraisal prepared in accordance with generally recognized appraisal standards; however, there is no requirement that an appraisal be presented either to support or to rebut an assessment. Instead, the validity of the assessment shall be evaluated on the basis of all relevant evidence presented. Whether an assessment is correct shall be determined on the basis of whether, in light of the relevant evidence, it reflects the real property's true tax value.

There are certain credits, deductions and exemptions available for various classes of property. For instance, real property may be eligible for certain deductions for solar energy heating or cooling systems, wind power devices, hydroelectric power devices and geothermal energy heating or cooling devices and if such property is owned by the aged. Residential real property may be eligible for certain deductions for rehabilitation. Real property, which is the principal residence of the owner thereof (limited to a single house and a single garage), is entitled to certain deductions and may be eligible for additional deductions, and if such owner is blind or disabled, such property may also be eligible for additional deductions. Tangible property consisting of resource recovery systems may be eligible for certain deductions. Tangible property or real property owned by disabled veterans and their surviving spouses may be eligible for certain deductions. Commercial and industrial real property, new manufacturing equipment, research and development equipment and new farm equipment and agricultural improvements may be entitled to economic revitalization area deductions. A taxpayer's business personal property in a county, the acquisition cost of which is less than a certain threshold, is exempt from taxation. Effective January 1, 2025, pursuant to IC 6-1.1-3-7.2, State law automatically exempts from property taxation the acquisition cost of a taxpayer's total business personal property in a county if the total business personal property for the 2025 assessment date is less than eighty thousand ($80,000) and for the 2026 assessment and thereafter two million dollars ($2,000,000). Government owned properties and properties owned, used and occupied for charitable, educational or religious purposes may be entitled to exemptions from tax. "Assessed value" or "assessed valuation" means an amount equal to the true tax value of property, which represents the gross assessed value of such property, less any deductions, credits and exemptions applicable to such property, and is the value used for taxing purposes in the determination of tax rates.

Over the past few years of the Indiana General Assembly sessions, including the 2025 session, proposed legislation has been introduced and/or passed out of committee and at least one chamber that has contained numerous provisions related to property taxation and local income taxation, which if enacted into law, could adversely affect political subdivisions in the State in a variety of ways, including, but not limited to, impacting the amount of ad valorem property taxes to be collected, and the amount of local income taxes to be received, by local governmental entities in future years. In addition to the foregoing, Senate Enrolled Act No. 1 (2025) ("SEA 1") was recently adopted during this session of the General Assembly and signed into law and includes provisions that increase the homestead deduction for real property owners and provide a new deduction for real property owners of non-homestead residential property, agricultural property, and long-term care facilities, all of which are phased in over the next five years, commencing in 2026. While it is currently anticipated that some of the changes in SEA 1 will result in a decrease in assessed valuation, which may require an increase in property tax rates, it is uncertain at this time what impact, if any, SEA 1 or any legislation enacted in any future session may have on the property assessment process or the amount of ad valorem property taxes to be collected, or local income taxes to be received, by local governmental entities in future years, including the Qualified Entity. The Bond Bank, the Qualified Entity and their advisors do not assume any responsibility for assessing the potential risk of any such legislation that may impact the 2025C Qualified Obligations, which secure the repayment of the Series 2025C Bonds, or the operations of the Qualified Entity. The purchasers of the Series 2025C Bonds should consult their own advisors regarding risks associated with such proposed current or future legislation.

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State General Assembly, as well as when changes occur in the property due to new construction or demolition of improvements. Before July 1, 2013, and before May 1 of every fourth year thereafter, each county assessor was and is required to prepare and submit to the DLGF a reassessment plan for its county. The DLGF must complete its

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review and approval of the reassessment plan before March 1, 2015, and January 1 of each subsequent year that follows a year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four different groups of parcels. Each group of parcels must contain approximately 25% of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four-year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than 25% of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one year. However, a plan must cover a four-year period. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle.

In addition, the assessed value of real property will be annually adjusted to reflect changes in market value, based, in part, on comparable sales data, in order to account for changes in value that occur between reassessments. This process is generally known as "Trending."

If a taxpayer wishes to appeal an assessment of a taxpayer's tangible property, the taxpayer must file a notice in writing with the township assessor or the county assessor, if the township is not served by a township assessor. That request must be filed with such official: (1) for assessments of real property by the earlier of: (a) June 15 of the assessment year, if the notice of assessment is mailed by the county before May 1 of the assessment year; or (b) June 15 of the year in which the tax statement is mailed by the county treasurer, if the notice of assessment is mailed by the county on or after May 1 of the assessment year; and (2) for assessments of personal property, 45 days after the date on which the county mails a notice to the person that the assessing official has changed a valuation made by the person on the person's personal property return or has added personal property and its value to a return. The filing of such notice constitutes a request by the taxpayer for a preliminary informal meeting with the township assessor, or the county assessor if the township is not served by a township assessor. While the appeal is pending: (1) any taxes on real property which become due on the property in question must be paid in an amount based on the immediately preceding year's assessment, or it may be paid based on the amount that is billed; and (2) any taxes on personal property which become due on the property in question must be paid in an amount based on the assessed value reported by the taxpayer on the taxpayer's personal property tax return, or it may be paid based on the amount billed.

Not later than December 31 of the year preceding a budget year (unless (1) a taxing unit in a county has indicated to the DLGF its intent to issue debt after December 1 in such year or its intent to file a shortfall appeal for the purpose of seeking a property tax levy in excess of the normally applicable statutory limits, or (2) with respect to a second or third class city in the county, the ordinance fixing a budget, tax rate and tax levy has been vetoed by the mayor and the veto is effective on a date later than October 1, in each of which cases, the deadline for the DLGF to complete its actions is January 15 of the budget year), the DLGF is required to review the proposed budgets, tax rates and tax levies of each political subdivision, including the Qualified Entity, and the proposed appropriations from those levies to pay principal of and interest on each political subdivision's funding, refunding, judgment funding or other outstanding obligations, to pay judgments rendered against the political subdivision and to pay the political subdivision's outstanding lease rental obligations (collectively "bond and lease obligations") to be due and payable in the next calendar year. If it determines that the proposed levies and appropriations are insufficient to pay the bond and lease obligations, the DLGF may at any time increase the tax rate and tax levy of a political subdivision to pay such bond and lease obligations.

Circuit Breaker Tax Credit

Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds certain percentages of the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). **The projects for which the 2025C Qualified Obligations are being issued to refinance were approved by voters in a referendum pursuant to Indiana Code 6-1.1-20-3.6. Therefore, the ad valorem property tax levied to pay the debt service payments on the 2025C Qualified Obligations is not subject to the Circuit Breaker Tax Credit and is unlimited as to rate and amount.** Such limits are applicable to other ad valorem property taxes levied by the Qualified Entity. See the caption "Circuit Breaker Tax Credit" in Appendix A "GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES AND HEALTHCARE RISKS" for additional information.

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RESERVE FUND CREDIT INSTRUMENT

The Indenture establishes the Series 2025C Reserve Account within the Reserve Fund. Under the Indenture, the Series 2025C Reserve Account is required to contain an amount equal to the Reserve Requirement, which at the time of issuance of the Series 2025C Bonds means an amount equal to $_____. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025C BONDS –Reserve Fund" herein. The Indenture authorizes the Bond Bank to obtain a Reserve Fund Credit Instrument with a policy limit equal to the Reserve Requirement, in lieu of depositing funds into the Series 2025C Reserve Account. A "Reserve Fund Credit Instrument" is defined under the Indenture to mean a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a credit provider with respect to all or a specific portion of the Qualified Obligations or the Bonds to satisfy in whole or in part the Qualified Entity's or the Bond Bank's obligation to maintain a reserve requirement with respect thereto, but only if the debt obligations of such Credit Provider are rated, at the time of initial issuance of the Reserve Fund Credit Instrument, in one of the two highest Rating Categories (without regard to any refinements or gradation of such generic Rating Category by numerical or other modifier) by at least one of Fitch, Moody's or S&P. Accordingly, simultaneous with the issuance of the Series 2025C Bonds, the Bond Bank will purchase a municipal bond debt service reserve insurance policy (the "Series 2025C Reserve Fund Credit Instrument"), from Build America Mutual Assurance Company (the "Series 2025C Reserve Fund Insurer") for the purpose of satisfying the Reserve Requirement with respect to the Series 2025C Reserve Account. AT THE TIME OF THE SALE OF THE SERIES 2025C BONDS, IT IS EXPECTED THAT THE SERIES 2025C RESERVE FUND INSURER WILL BE RATED IN ONE OF THE TWO HIGHEST RATING CATEGORIES BY AT LEAST ONE OF THE RATING AGENCIES RATING THE SERIES 2025C BONDS. See "SERIES 2025C RESERVE FUND INSURER" and APPENDIX F herein.

The Series 2025C Reserve Fund Credit Instrument provides that upon the later of (i) one day after receipt by the Series 2025C Reserve Fund Insurer of a demand for payment executed by the Trustee certifying that provision for the payment of principal of or interest on the Series 2025C Bonds when due has not been made or (ii) the principal or interest payment date specified in the notice of nonpayment submitted to the Series 2025C Reserve Fund Insurer, the Series 2025C Reserve Fund Insurer will promptly deposit funds with the Trustee sufficient to enable the Trustee to make such payments due on the Series 2025C Bonds, but in no event exceeding the policy limit under the Series 2025C Reserve Fund Credit Instrument, as defined in the Series 2025C Reserve Fund Credit Instrument.

Pursuant to the terms of the Series 2025C Reserve Fund Credit Instrument, the available coverage under the Series 2025C Reserve Fund Credit Instrument is automatically reduced to the extent of each payment made by the Series 2025C Reserve Fund Insurer under the terms of the Series 2025C Reserve Fund Credit Instrument and the Bond Bank is required to reimburse the Series 2025C Reserve Fund Insurer for any draws under the Series 2025C Reserve Fund Credit Instrument with interest at the rate set forth in the Indenture. Upon such reimbursement, the available coverage under the Series 2025C Reserve Fund Credit Instrument is reinstated to the extent of each principal reimbursement up to but not exceeding the policy limit under the Series 2025C Reserve Fund Credit Instrument. The reimbursement obligation for the Bond Bank, with respect to any draws upon the Series 2025C Reserve Fund Credit Instrument, is subordinate to the Bond Bank's obligations with respect to the Series 2025C Bonds.

In the event the amount on deposit, or credited to the Series 2025C Reserve Account, exceeds the amount of the Series 2025C Reserve Fund Credit Instrument for the Series 2025C Reserve Account, any draw on the Series 2025C Reserve Fund Credit Instrument will be made only after all the funds, if any, in the Series 2025C Reserve Account have been expended. In the event that the amount on deposit in or credited to a Series 2025C Reserve Account, in addition to the amount available under the Series 2025C Reserve Fund Credit Instrument for the Series 2025C Reserve Account, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Series 2025C Reserve Fund Credit Instrument and the Additional Funding Instrument will be made on a pro rata basis to fund the insufficiency.

SERIES 2025C RESERVE FUND CREDIT INSURER

The information provided in this caption has been provided by the Series 2025C Reserve Fund Insurer. No representation is made by the Bond Bank, the Qualified Entity or the Underwriters as to the accuracy or adequacy of such information provided by Series 2025C Reserve Fund Insurer or as to the absence of material adverse changes in such information subsequent to the date hereof.

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Concurrently with the issuance of the Series 2025C Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Debt Service Reserve Insurance Policy relating to the Series 2025C Bonds (the "Reserve Policy") in the form attached hereto as Appendix F.

The Reserve Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2025C Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2025C Bonds. BAM does not guarantee the market price or liquidity of bonds (including the Series 2025C Bonds), nor does it guarantee that the rating on bonds (including the Series 2025C Bonds) will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $503.3 million, $258.1 million and $245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2025C Bonds or the advisability of investing in the Series 2025C Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY".

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QUALIFIED ENTITY

General

The Qualified Entity is a distinct municipal corporation of the State established and existing pursuant to the HHC Statute. The boundaries of the Qualified Entity include all property and territory in the County, including the City.

The Qualified Entity is under the control of its Board of Trustees, which exercises executive and legislative powers of the Qualified Entity. The Board of Trustees has the power to do, among other things, the following: sue and be sued in any court having competent jurisdiction, contract and be contracted with, and acquire real, personal, and mixed property by deed, purchase, gift, grant, devise, lease, condemnation, or otherwise, and dispose of same, and make and adopt appropriate ordinances, regulations, orders, rules, and resolutions and do all things reasonable or necessary to carry out the work and to perform the duties of the Qualified Entity under the HHC Statute.

The Board of Trustees consists of seven members, three of whom are appointed by the Mayor of the City, two by the Board of Commissioners of the County, and two by the City-County Council, to serve staggered terms of four years each (with the exception of one of the members appointed by the City-County Council who is appointed for a two year term). The Board of Trustees is bipartisan pursuant to the HHC Statute. The Board levies its own taxes, adopts its own ordinances having the effect of local law governing health matters, and issues its own general obligation bonds. The Qualified Entity's budget and tax levy are subject to review by the City-County Council. Further, the approval of the City-County Council is required for the issuance of bonds by the Qualified Entity. The present members of the Board of Trustees are as follows:

Name	Position	Term Expires	Occupation
Robert Lazard	Chairperson	12/31/2028	Retired CPA
Carl Drummer	Vice Chairperson	12/31/2028	Taft Public Affairs Strategies
Kelly Doucet	Trustee	02/03/2029	INHP Director
Gary Fisch, M.D.	Trustee	12/31/2028	Retired Doctor
Thomas Hanify	Trustee	12/31/2025	Retired Firefighter
Brenda Horn	Trustee	06/30/2027	Retired Legal Partner
Michael O'Brien	Trustee	02/03/2029	KWK Partner

See Appendix A "GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES AND HEALTHCARE RISKS" for additional information about the Qualified Entity and its facilities

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Powers and Purposes

The Bond Bank is a body corporate and politic separate from the City. The address of the Bond Bank is Suite 2260, City-County Building, 200 East Washington Street, Indianapolis, Indiana 46204. The Bond Bank was created by the Act for the purpose of buying and selling securities of certain qualified entities, including the Qualified Entity, the County, any special taxing district located wholly within the County, any entity whose tax levies are subject to review and modification by the City-County Council under Indiana Code 36-3-6-9, certain political subdivisions located wholly within the County, any charter school established under Indiana Code 20-24 that is sponsored by the Mayor of the City, and any authority created under Indiana Code Title 36 that leases land or facilities to any of the foregoing. The Bond Bank was created pursuant to the Act to help the qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. To accomplish its purpose, the Bond Bank may issue bonds or notes. The Bond Bank also has general powers which include the power to enter into, make and perform contracts of every lawful kind to accomplish its purpose. The Bond Bank has no taxing power.

Board of Directors of Bond Bank

The Bond Bank is governed by a five-member board of directors appointed by the Mayor of the City. The directors appoint an executive director who serves as secretary-treasurer of the board. The directors each serve for

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terms of three years and may be reappointed. No director may be an officer of the City, the County or any other qualified entity. The current members of the board of directors, their positions and their principal occupations are as follows:

Name	Position	Term Expires	Occupation
Norman Gurwitz	Chairman	April 30, 2027	Business Consultant, Self-Employed
Michael Carter	Vice Chairperson	April 30, 2027	Attorney, Cummins, Inc.
Melody Park	Member	April 30, 2027	Pacers Sports & Entertainment
Frank Short	Member	April 30, 2027	Washington Township Trustee

Bond Bank Management

Joseph Glass, Executive Director & General Counsel, joined the Bond Bank in May 2023. Prior to his appointment as Executive Director and General Counsel, he led the City's Office of Audit and Performance for 2 years. He previously served as deputy general counsel for the Bond Bank from 2018 to 2021.

Karen Strunk, Deputy Director, joined the Bond Bank in August 2017 after serving as a summer intern. A native of Indianapolis, Karen graduated from Indiana University – Bloomington with a Bachelor's degree in Public Affairs from the School of Public and Environmental Affairs (SPEA) in 2016, majoring in Public Financial Management and Policy Analysis. Her previous work experiences include working on Congressional and State House Campaigns. She currently serves as Treasurer of the Board of Directors for the Indiana Youth Rugby Foundation.

David Lichtenberger serves as the Deputy General Counsel for the Bond Bank. He graduated from Hope College in 2002 with a Bachelor of Arts in History and Political Science. Immediately after graduation, he attended Indiana University Robert H. McKinney School of Law and graduated in December 2004. After law school, Mr. Lichtenberger worked in private law firms before he joined the Office of Corporation Counsel for the City of Indianapolis in 2011. While at the Office of Corporation Counsel, he represented various city and county entities in the counseling section.

Laurie Canatsey, Chief Financial Officer/Chief Operating Officer, has been employed with the Bond Bank since October 2000. She served as the Finance Assistant from October 2000 to June 2005 before being promoted to Finance Manager. Since February 2020, Laurie has served as the Chief Financial Officer for the Bond Bank. Her previous professional experience includes administrative positions with the Indiana Health Professions Bureau and the Indiana Family & Social Services Administration. She proudly served in the United States Marine Corps from 1993-1995. She holds a Bachelor's Degree and a Graduate Certificate in Public Management from Indiana University (IUPUI campus). Ms. Canatsey currently serves on the board of the Warren Arts and Education Foundation.

Isaiah Kuch, Senior Project Manager, joined the Bond Bank in 2010. He received his Bachelor's degree in Economics from La Salle University in Philadelphia, Pennsylvania, in 2007, shortly after he entered the United States through The Lost Boys of Sudan Program. While at La Salle, he also minored in Business Administration. After his undergraduate studies, Mr. Kuch attended Indiana University, School of Public and Environmental Affairs (SPEA), where he received his Master's degree in Public Financial Administration, Economic Development, and Policy Analysis. During his tenure at SPEA, as the Eads Fellow and the City of Indianapolis Urban Fellow, he worked at the Mayor's Office of Enterprise Development.

Alicia Cardoza-Regalado, joined the Bond Bank in 2022 and currently serves as a Project Manager. She received her Bachelor's degree in Mathematics from Marian University in 2021. Her previous work experiences include working for the Indianapolis Mayor's office as a Mayor's Neighborhood Advocate and as a Financial Analyst at the Diversity & Innovation Institute working on financial analysis, budgeting, forecasting, and sustainability. She currently serves on the Mayor's Latino Advisory Council, where she serves on the Leadership Committee.

Other Programs; Outstanding Indebtedness

Under the Act, the Bond Bank is authorized to issue other series of notes or bonds to finance different programs to accomplish its purposes. Under separate trust indentures and other instruments authorized under the Act, the Bond Bank has previously issued and had outstanding as of December 31, 2024, an aggregate long-term principal amount of approximately $4,481,808,393 in separate program obligations. All such obligations are and will be secured

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separately and independently and do not and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

Further, as of the date of this Official Statement, the Bond Bank is considering undertaking other types of financings for qualified entities for purposes authorized by and in accordance with the procedures set forth in the Act. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the Series 2025C Bonds and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

RISK FACTORS

Purchasers of the Series 2025C Bonds are advised of certain risk factors with respect to the payment of the 2025C Qualified Obligations by the Qualified Entity and the payment of the Series 2025C Bonds by the Bond Bank. This discussion is not intended to be all-inclusive, and other risks may also be present.

Limited Obligations

The Series 2025C Bonds are limited obligations of the Bond Bank, payable solely from and secured exclusively by the Trust Estate, including: (1) all cash and securities held in the Funds and Accounts, and the investment earnings thereon and all proceeds thereof (except to the extent transferred from the Funds and Accounts from time to time in accordance with the Indenture); (2) all Qualified Obligations, including the 2025C Qualified Obligations, acquired and held by the Trustee pursuant to the Indenture and the earnings thereon and all proceeds thereof, including all Qualified Obligation Payments; and (3) all Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR SERIES 2025C BONDS."

The Series 2025C Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including the Qualified Entity, under the constitution and the laws of the State or a pledge of the faith, credit or taxing power of the State or any political subdivision thereof, including the Qualified Entity. The Bond Bank has no taxing power.

Furthermore, the Series 2025C Bonds do <u>not</u> constitute a general or moral obligation of the Bond Bank or the Qualified Entity. Although the Bond Bank will maintain the Series 2025C Reserve Account for the Series 2025C Bonds, the provisions of Indiana Code 5-1.4-5-4, pertaining to a moral obligation of the City-County Council to appropriate and replenish a debt service reserve fund, will <u>not</u> apply to the Series 2025C Reserve Account or the Series 2025C Bonds.

Sources of Payment for Series 2025C Bonds

The ability of the Bond Bank to pay the principal of and interest on the Series 2025C Bonds depends upon the receipt by the Bond Bank of payments pursuant to the 2025C Qualified Obligations, including interest at the rates provided therein, from the Qualified Entity. Except for the Series 2025C Reserve Account, there is no source of funds which is required to make up for any deficiencies in the event of one or more defaults by the Qualified Entity in payments on the 2025C Qualified Obligations.

While the sole source of security of the 2025C Qualified Obligations by the Qualified Entity is an unlimited ad valorem property tax required by law to be levied by or on behalf of the Qualified Entity, to the extent other revenues of the Qualified Entity are not sufficient for such purpose, the Qualified Entity reasonably expects and intends to pay the debt service on the 2025C Qualified Obligations from other revenues of the Qualified Entity. However, such other revenues are **<u>not</u>** pledged to the payment of debt service on the 2025C Qualified Obligations, and there can be no assurance that in the future that such revenues will not be pledged to another obligation or that such revenues will be available to pay debt service on the 2025C Qualified Obligations when due. There can be no representation or assurance that the Qualified Entity will realize other revenues sufficient to make its required Qualified Obligation Payments. The realization of such other revenues by the Qualified Entity is subject to, among other things, future economic and demographic conditions and other conditions which are variable and not certain of prediction and the effects thereof upon particular taxpayers and patients located in the County. For a description of the Qualified Entity, see APPENDIX A hereto. For a description of procedures for providing for the Qualified

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Obligation Payments, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025C BONDS—Security for the 2025C Qualified Obligations" herein.

Specific Risks Associated with the Obligations Payable from Property Taxes

There are risk factors associated with the revenues derived from property taxes which secures the repayment of the 2025C Qualified Obligations.

Tax Collection. In the event of delayed billing, collection or distribution by the County Auditor of ad valorem property taxes, including the property taxed levied by the Qualified Entity, sufficient funds may not be available to the Qualified Entity in time to pay debt service on 2025C Qualified Obligations when due. This risk is inherent in all property tax-supported obligations. The establishment of the Series 2025C Reserve Account will help to mitigate this timing risk, but does not eliminate it.

Reassessment and Trending. The County is required to reassess 25% of all parcels of real property annually or in accordance with its reassessment plan. All real property must be reassessed under the plan once every four years. Trending is scheduled to occur on an annual basis. Delays in the reassessment and trending process or appeals of reassessments could adversely affect the collection of property taxes.

Current and Future Government Uncertainties

The current and future uncertainty regarding (i) the passage of a federal budget, including without limitation, the inaction of the United States Congress from enacting continuing resolutions to fund governmental operations of the United States of America and (ii) the issuance of executive orders by the Executive Branch of the Federal Government to pause or limit the implementation of Federal agencies' programs, grants and operations, may adversely affect the operations of the Qualified Entity.

Tax Status

The Bond Bank has covenanted under the Indenture to take all qualifying actions and not to fail to take any qualifying actions that would result in the loss of the exclusion from gross income for federal tax purposes of interest on any of the Series 2025C Bonds pursuant to Section 103 of the Code, as in effect on the date of issuance of the Series 2025C Bonds, nor will the Bond Bank act in any other manner which would adversely affect such exclusion; and it will not make any investment or do any other act or thing during the period that the Series 2025C Bonds are outstanding which would cause any of the Series 2025C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, as in effect on the date of issuance of the Series 2025C Bonds. Failure by the Bond Bank to comply with such covenants could cause the interest on the Series 2025C Bonds to be taxable retroactive to the date of issuance. Also, in connection with the purchase of the 2025C Qualified Obligations, the Bond Bank will receive opinions of Bond Counsel to the effect that, conditioned upon continuing compliance by the Qualified Entity with certain covenants made in connection with the issuance of the 2025C Qualified Obligations, the interest on the 2025C Qualified Obligations is excludable from the gross income of the holder thereof for federal income tax purposes under existing statutes, decisions, regulations and rulings. However, the interest on the 2025C Qualified Obligations could become taxable if the Qualified Entity fails to comply with certain of such covenants, including, without limitation, the covenant to rebate or cause to be rebated, if necessary, to the United States government all arbitrage earnings with respect to the 2025C Qualified Obligations under certain circumstances and the covenant to take all actions and to refrain from such actions as may be necessary to prevent the 2025C Qualified Obligations from being deemed to be "private activity bonds" under the Code. Such an event could in turn adversely affect the exempt status of the interest on all of the Series 2025C Bonds retroactive to the date of issuance. See "TAX MATTERS."

Limited Remedies

The remedies available to the Trustee, the Bond Bank or the owners of the Series 2025C Bonds upon the occurrence of an event of default under the Indenture, the Authorizing Instrument, the Series 2025C Bonds, the 2025C Qualified Obligations or the Purchase Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the

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Indenture, the Authorizing Instrument, the Series 2025C Bonds, the 2025C Qualified Obligations or the Purchase Agreement may not be readily available or may be limited.

Specific Risks Related to the Reserve Fund Credit Instrument

The Indenture does not require the Reserve Fund Credit Instrument to be replaced in the event of a downgrade of the Series 2025C Reserve Fund Insurer by a rating agency or in the event that the Series 2025C Reserve Fund Insurer becomes insolvent.

Forward-Looking Statements

This Official Statement and its appendices contain statements relating to future results that are "forward-looking statements." When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and those differences could adversely affect the availability of revenues to pay the principal of and interest on the 2025C Qualified Obligations and thereby adversely affect the ability of the Bond Bank to pay the principal of and interest on the Series 2025C Bonds.

Specific Risks Associated with Healthcare

While the sole source of security of the Qualified Entity's 2025C Qualified Obligations is an unlimited ad valorem property tax required by law to be levied by or on behalf of the Qualified Entity, to the extent other revenues of the Qualified Entity are not sufficient for such purpose, the Qualified Entity reasonably expects and intends to pay the debt service on the 2025C Qualified Obligations from other revenues of the Qualified Entity. For a description of certain specific risks associated with healthcare, see APPENDIX A, "GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES AND HEALTHCARE RISKS" herein.

CONTINUING DISCLOSURE

Disclosure Contract

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in its Rule 15c2-12, as amended (the "SEC Rule"), the Bond Bank will deliver a Continuing Disclosure Undertaking Agreement executed by the Qualified Entity, to be dated the date of the issuance of the Series 2025C Bonds (the "Disclosure Contract"). The Qualified Entity is the only obligated person with respect to the Series 2025C Bonds under the SEC Rule. The Disclosure Contract provides that so long as the Series 2025C Bonds remain outstanding, the Bond Bank will annually provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB"), in a format prescribed by the MSRB, in compliance with the Disclosure Contract. In addition, in accordance with the SEC Rule, the Bond Bank has committed in the Disclosure Contract to provide notice of certain events to the MSRB. Submissions to the MSRB will be made through its Electronic Municipal Market Access system ("EMMA"). For a form of the Disclosure Contract, see APPENDIX E hereto.

The purpose of the Disclosure Contract is to enable the Underwriters to purchase the Series 2025C Bonds by providing for an undertaking by each "obligated person" (within the meaning of the SEC Rule) for whom financial or operating data is presented in this Official Statement in satisfaction of the SEC Rule. Such undertaking is solely for the benefit of the holders and beneficial owners of the Series 2025C Bonds and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole and exclusive remedy against the Bond Bank for any failure to carry out any provision of the Disclosure Contract will be for specific performance of the Bond Bank's disclosure obligations under the Disclosure Contract and not for money damages of any kind or in any amount or any other remedy. The Bond Bank's failure to honor its covenants under the Disclosure Contract will not constitute a breach or default of the Series 2025C Bonds, the Indenture, the Bond Bank Resolution, or any other agreement to which the Bond Bank is a party.

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Limited Role of Bond Bank

While the Bond Bank will execute the Disclosure Contract, the Bond Bank will serve a limited role in ensuring compliance with the terms of the Disclosure Contract. The annual financial information required to be filed each year under the Disclosure Contract is information about the Qualified Entity and not the Bond Bank. In addition, many of the events which require a notice under the Disclosure Contract pertain to the Qualified Entity and not the Bond Bank. The Bond Bank will serve the role of reminding the Qualified Entity of its filing requirements under the Disclosure Contract and will assist the Qualified Entity through the administrative role of filing what the Qualified Entity sends to the Bond Bank for filing under the Disclosure Contract. Importantly, however, the Bond Bank does not have direct access to the Qualified Entity's information, and, therefore, cannot provide such information without the cooperation of the Qualified Entity. The Qualified Entity is an obligated party under the Disclosure Contract and as such is obligated to provide certain information to the Bond Bank in accordance with its terms. For a form of the Disclosure Contract, see APPENDIX E, "FORM OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT" herein.

Compliance by Bond Bank and Qualified Entity with Previous Undertakings

Bond Bank. In the previous five years, the Bond Bank and various qualified entities have failed to comply with the terms of certain previous undertakings made in a written contract or agreement specified in subsection (b)(5)(i) of the SEC Rule. For the years 2020, 2021, 2022, 2023, and 2024, the Bond Bank and various qualified entities failed to file certain operating data, comprehensive annual financial reports, ratings notices, notices of incurrence of financial obligations, and redemption notices on various series of bonds by their applicable deadlines. Additionally, three of these late filings did not contain all of the information required to be filed (the "non-conforming filings"). All non-conforming filings were corrected by subsequent filings of the missing information.

The Bond Bank previously engaged a nationally recognized disclosure counsel to (1) conduct a compliance audit; (2) review the Bond Bank's continuing disclosure policies and procedures and advise on necessary changes; and (3) work with the Bond Bank to implement new procedures to ensure that the most current operating and financial data for each outstanding bond issue of the Bond Bank is filed on EMMA on a timely basis. When this review occurred, a compliance audit and review of the Bond Bank's Continuing Disclosure Policy and procedures was performed. No deficiencies were found in the compliance audit for the Bond Bank. The Bond Bank was advised by counsel to add an additional step in its disclosure filing process as it relates to the financial stability of any of its qualified entities by getting confirmation that their financial position has not been significantly impacted since the end of last fiscal year.

Nixon Peabody conducts periodic compliance training for the Bond Bank's staff and various qualified entities, the most recent of which occurred on October 31, 2024. The Bond Bank continues to engage Nixon Peabody for disclosure assistance and the Bond Bank seeks their counsel on a regular basis.

Qualified Entity. In the previous five years, the Qualified Entity has complied, in all material respects, with any previous undertakings in a written contract or agreement that it has entered into pursuant to subsection (b)(5)(i) of the SEC Rule.

RATINGS

Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services ("S&P"), have assigned long-term ratings of "Aa2," and "AA+", respectively, to the Series 2025C Bonds. An explanation of the significance of the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. An explanation of the significance of the ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041.

Such ratings reflect only the views of such rating agencies, and there is no assurance that any rating will continue for any given period of time or that any rating will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2025C Bonds. Other than the reporting obligation of the Bond Bank pursuant to the Disclosure Agreement, the Bond Bank and the Qualified Entity have not undertaken

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any responsibility to bring to the attention of the owners of the Series 2025C Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision.

UNDERWRITING

The Series 2025C Bonds are being sold to Stifel, Nicolaus & Company, Incorporated, on behalf of itself and as representative of the Underwriters (the "Underwriters") pursuant to a Bond Purchase Agreement with the Bond Bank (the "Bond Purchase Agreement"). Pursuant to the Bond Purchase Agreement, the Underwriters have agreed to purchase: (1) the Series 2025C Bonds at an aggregate purchase price of $_____ which represents the par amounts thereof set forth on the inside cover hereof, plus [net] original issue premium of $_____, and less an underwriting fee of $_____. The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2025C Bonds if any are purchased.

The Underwriters have agreed to make a bona fide public offering of all of the Series 2025C Bonds at prices not in excess of the initial public offering prices set forth or reflected on the inside cover page of this Official Statement. The Underwriters may sell the Series 2025C Bonds to certain dealers (including dealers depositing Series 2025C Bonds into investments trusts) and others at prices lower than the offering prices set forth or reflected on the inside cover hereof. The initial offering price may be changed from time to time by the Underwriters (but in all cases subject to the requirements of the Bond Purchase Agreement) in connection with the marketing of the Series 2025C Bonds.

The Underwriters and their affiliates comprise full service financial institutions engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their affiliates may have provided, and may in the future provide, a variety of these services to the Bond Bank and the Qualified Entity and to persons and entities with relationships with the Bond Bank and the Qualified Entity, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriters and their affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Bond Bank and the Qualified Entity (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Bond Bank and the Qualified Entity.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Bond Bank and the Qualified Entity.

MUNICIPAL ADVISOR

Crowe LLP ("Crowe") has served as municipal advisor to the Bond Bank with respect to the issuance of the Series 2025C Bonds. As municipal advisor to the Bond Bank, Crowe has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Series 2025C Bonds. In its role of municipal advisor to the Bond Bank, Crowe has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement.

Crowe is a Municipal Advisor registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Crowe is providing certain specific municipal advisory services to the Bond Bank, but is neither a placement agent nor a broker/dealer. Crowe's duties, responsibilities and fees arise solely as municipal advisor to the Bond Bank for the issuance of the Series 2025C Bonds and they have no secondary obligations or other responsibility other than those disclosed herein.

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Other

Crowe is engaged by the Bond Bank to prepare the Cash Flow Sufficiency Report for the Series 2025C Bonds. The Cash Flow Sufficiency Report is prepared under a separate engagement by Crowe. See "VERIFICATION OF MATHEMATICAL CALCULATIONS" herein.

Crowe's fees for serving as Municipal Advisor to the Bond Bank and for preparing the Cash Flow Sufficiency Report are expected to be paid from proceeds of the Series 2025C Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of certain mathematical computations showing that the Qualified Obligation Payments of the 2025C Qualified Obligations have been structured to be sufficient to pay principal of and interest on the Series 2025C Bonds when due (the "Cash Flow Sufficiency Report") will be verified under a separate engagement by Crowe. Such verification shall be based upon certain information supplied by the Bond Bank and the Underwriters.

INDEPENDENT ACCOUNTANTS

The basic financial statements of the Qualified Entity for the year ended December 31, 2024, included in Appendix B to this Official Statement, have been audited by Forvis Mazars, LLP, independent accountants, as stated in their report appearing therein. Such financial statements are the latest available audited financial statements of The Health and Hospital Corporation of Marion County, Indiana.

CALCULATION AGENT

Concurrently with the issuance of the 2025C Bonds, Causey Public Finance, LLC, Denver, Colorado, certified public accountants, will deliver to the Bond Bank a verification report as to the mathematical accuracy of the mathematical computations of the Extraordinary Redemption Price for the Refunded Bonds on the Redemption Date and the adequacy of the deposit in the Series 2025C Refunding Account to pay the Extraordinary Redemption Price of the Refunded Bonds due on the Redemption Date.

TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, ("Bond Counsel"), under existing laws, interest on the Series 2025C Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Bond Bank and the Qualified Entity and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing law, interest on the Series 2025C Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix D for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2025C Bonds as a condition to the excludability of the interest on the Series 2025C Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the Series 2025C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the Series 2025C Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2025C Bonds would be materially and adversely affected. It is not an event of default if interest on the Series 2025C Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2025C Bonds.

The interest on the Series 2025C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax.

The Series 2025C Bonds are **not** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

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Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the Series 2025C Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the Series 2025C Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner's particular tax status and the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2025C Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2025C Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Series 2025C Bonds. Prospective purchasers of the Series 2025C Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Series 2025C Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Series 2025C Bonds maturing on _____ (collectively, the "Discount Bonds"), are less than the principal amounts thereof payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of each maturity of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at its maturity, will be treated as "original issue discount." The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial public offering should consult their tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

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AMORTIZABLE BOND PREMIUM

The initial public offering prices of the Series 2025C Bonds maturing on _____ (collectively, the "Premium Bonds") are greater than the principal amounts thereof payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

LITIGATION

Bond Bank

Upon delivery of the Series 2025C Bonds, an authorized officer of the Bond Bank will certify that no litigation or proceeding is pending or, to the best of the Bond Bank's knowledge, threatened in any court, agency or other administrative body against the Bond Bank seeking to restrain or contest the issuance, sale, execution or delivery of the Series 2025C Bonds, affecting the security pledged under the Indenture or in any way affecting the validity of any provision of the Series 2025C Bonds, the resolution authorizing the Series 2025C Bonds, the Indenture, the Bond Purchase Agreement, or the pledges or applications of any money or securities provided for the payment of the Series 2025C Bonds or contesting the creation, organization or existence of the Bond Bank, or the title of any of the members or other officers of the Bond Bank to their respective offices.

Qualified Entity

Upon the issuance of the 2025C Qualified Obligations, an authorized officer of the Qualified Entity will certify with respect to the Qualified Entity that no litigation or proceeding is pending or, to the best of the Qualified Entity's knowledge, threatened, in any court, agency or other administrative body against the Qualified Entity seeking to restrain or contest the issuance, sale, execution or delivery of the 2025C Qualified Obligations, affecting the security pledged under the Authorizing Instrument, or any proceedings of the Qualified Entity taken with respect to its 2025C Qualified Obligations or the pledge or application of any moneys or security provided for the payment of the 2025C Qualified Obligations, or in any way contesting or affecting the validity of the 2025C Qualified Obligations, the Authorizing Instrument or the Series 2025C Qualified Entity Purchase Agreement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Series 2025C Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available (i) to the Trustee or the holders of the Series 2025C Bonds upon a default under the Indenture, (ii) to the Trustee or the Bond Bank under the 2025C Qualified Obligations, the Series 2025C Qualified Entity Purchase Agreement and the Authorizing Instrument, or (iii) to any party seeking to enforce the pledges

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securing the Series 2025C Bonds or the 2025C Qualified Obligations described herein (collectively, the "Pledges"), are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided (or which may be provided) in the Indenture, the Series 2025C Qualified Entity Purchase Agreement, the 2025C Qualified Obligations and the Authorizing Instrument, or to any party seeking to enforce the Pledges may not be readily available or may be limited. Under federal and State environmental laws, certain liens may be imposed on property of the Bond Bank or the Qualified Entity from time to time, but the Bond Bank has no reason to believe, under existing law, that any such lien would have priority over the lien on the Qualified Obligation Payments pledged to owners of the Series 2025C Bonds under the Indenture or over the liens pledged to the owner of the 2025C Qualified Obligations under the Authorizing Instrument.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025C Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and by public policy. These exceptions would encompass any exercise of the federal, State or local police powers (including the police powers of the City and the County) in a manner consistent with the public health and welfare. Enforceability of the Indenture, the Series 2025C Qualified Entity Purchase Agreement, the Authorizing Instrument, and the Pledges in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2025C Bonds are subject to the approval of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, whose approving legal opinion will be delivered with the Series 2025C Bonds, substantially in the form annexed hereto as APPENDIX D "Form of Opinion of Bond Counsel." Barnes & Thornburg LLP, has also served as Bond Counsel to the Qualified Entity. Certain legal matters will be passed on for the Bond Bank by its general counsel, Joseph Glass, Esquire, Indianapolis, Indiana, for the Qualified Entity by its counsel, Kroger Gardis & Regas, LLP, Indianapolis, Indiana, and for the Underwriters by their counsel, Ice Miller LLP, Indianapolis, Indiana.

The engagement of Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings and the law incident to rendering the approving legal opinion referred to above and the rendering of such approving legal opinion. In its capacity as Bond Counsel, it has reviewed those portions of this Official Statement under the captions "The Series 2025C Bonds," "Sources of Payment of and Security for the Series 2025C Bonds," "Legal Matters," "Tax Matters," "Original Issue Discount" and "Amortizable Bond Premium" and Appendix D herein. Bond Counsel has not examined or attempted to examine and verify any of the financial or statistical statements or data contained in this Official Statement.

THE SERIES 2025C BONDS AS LEGAL INVESTMENTS

Pursuant to the Act, all Indiana financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued by the Bond Bank, including the Series 2025C Bonds.

AGREEMENT WITH STATE

The Act provides that the State will not limit or restrict the rights vested in the Bond Bank to fulfill the terms of any agreement made with the owners of the Series 2025C Bonds or in any way impair the rights or remedies of the owners of the Series 2025C Bonds for so long as the Series 2025C Bonds are outstanding.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Series 2025C Bonds, the security for the payment of the Series 2025C

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Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriters. Following delivery of the Series 2025C Bonds, upon request, documents and payments therefor should be directed to Mr. Joseph Glass, Executive Director, The Indianapolis Local Public Improvement Bond Bank, Suite 2260, 200 East Washington Street, Indianapolis, Indiana 46204, (317) 327-4220.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinions or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is submitted in connection with the issuance and sale of the Series 2025C Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the Bond Bank, the Qualified Entity, the Trustee or the Underwriters and the purchasers or owners of any Series 2025C Bonds. The preparation, distribution and delivery of this Official Statement has been duly authorized by the Board of Directors of the Bond Bank.

THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK

By: _____
Norman Gurwitz, Chairperson

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APPENDIX A

GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES AND HEALTHCARE RISKS[1]

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[1] Risks discussed herein should be considered when making an investment decision regarding the Series 2025C Bonds are discussed below, however, ultimately the Series 2025C Bonds are payable by HHC from an unlimited ad valorem property tax required by law to be levied by or on behalf of HHC.

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GENERAL INFORMATION REGARDING HHC AND PROPERTY TAXES

The Health & Hospital Corporation of Marion County, Indiana ("HHC") is a separate municipal corporation operating under Indiana Code 16-22-8 (the "HHC Statute"). HHC provides a full range of preventive and curative health services for all residents of Marion County, Indiana (the "County"), including those who are uninsured. The statutory duties of HHC include the administration of the Division of Public Health and the Division of Public Hospitals.

HHC administers two statutory divisions: (i) 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 (ii) the Division of Public Hospitals, doing business as Eskenazi Health, which operates HHC's hospitals, medical facilities, and mental health facilities. Additionally, HHC 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 the County, and the Long-Term Care Service Division, providing State-wide 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 the County. 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 740 people. The health and environmental services of this division have an impact on all County residents.

Eskenazi Health Services is comprised of the Sidney and Lois Eskenazi Hospital ("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 Hospital is the only public hospital in the County. Eskenazi Hospital is fully accredited by the Joint Commission for Accreditation of Hospitals of the American Hospital Association.

HHC operates a third non-statutory service division, the Long-Term Care Division. HHC currently owns and operates 72 skilled long-term care 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. The Long-Term Care Division supports HHC's mission and goal to promote and protect the health of everyone in its community by providing quality care and services to the elderly, disabled, and underserved across its communities. The Long-Term Care Service Division workforce is approximately 8,000 contractual workers throughout Indiana. The senior care services of this service division provided care to approximately 6,400 residents in 2024.

HHC 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 HHC after approval by HHC's Board of Trustees. Since the governing body is appointed and not elected, under Governmental Accounting Standards Board (GASB) Statement No. 14, HHC is considered a component unit of the Consolidated City of Indianapolis - Marion County (UniGov).

Management of HHC

HHC is under the control of its Board of Trustees, which exercises executive and legislative powers of HHC. The Board of Trustees has the power to do, among other things, the following: sue and be sued in any court having competent jurisdiction, contract and be contracted with, and acquire real, personal, and mixed property by deed, purchase, gift, grant, devise, lease, condemnation, or otherwise, and dispose of same, and make and adopt appropriate ordinances, regulations, orders, rules, and resolutions and do all things reasonable or necessary to carry out the work and to perform the duties of HHC under the HHC Statute.

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The Board of Trustees consists of seven members, three of whom are appointed by the Mayor of the City, two by the Board of Commissioners of the County, and two by the City-County Council, to serve staggered terms of four years each (with the exception of one of the members appointed by the City-County Council who is appointed for a two year term). The Board of Trustees is bipartisan pursuant to the HHC Statute. The Board levies its own taxes, adopts its own ordinances having the effect of local law governing health matters, and issues its own general obligation bonds. HHC's budget and tax levy are subject to review by the City-County Council. Further, the approval of the City-County Council is required for the issuance of bonds by HHC. The present members of the Board of Trustees are as follows:

Name	Position	Term Expires	Occupation
Robert Lazard	Chairperson	12/31/2028	Retired CPA
Carl Drummer	Vice Chairperson	12/31/2028	Taft Public Affairs Strategies
Kelly Doucet	Trustee	02/03/2029	INHP Director
Gary Fisch, M.D.	Trustee	12/31/2028	Retired Doctor
Thomas Hanify	Trustee	12/31/2025	Retired Firefighter
Brenda Horn	Trustee	06/30/2027	Retired Legal Partner
Michael O'Brien	Trustee	02/03/2029	KWK Partner

Under the HHC Statute, the Board of Trustees of HHC appoints the executive leadership of HHC described below.

Paul T. Babcock, President and Chief Executive Officer of Health and Hospital Corporation. Mr. Babcock has served in this capacity since January 2021. Mr. Babcock has earned degrees from Butler University (BS), Indiana University-Purdue University Indianapolis (MPA), and Indiana University's McKinney School of Law (JD). He has spent his entire professional career in public service, beginning work with the Marion County Public Health Department in 2007 as a health educator before rising to a role as project director for public health policy, emergency preparedness, and innovation. Babcock later served under Indianapolis Mayor Joe Hogsett as the director of the Office of Public Health & Safety and at the onset of the COVID-19 pandemic, Babcock served as the point person for the city's public health response, collaborating with service providers and state officials to implement policy and deploy resources for testing, contract tracing, and treatment.

James W. Simpson, Assistant Treasurer and Interim Chief Financial Officer of Health and Hospital Corporation. Mr. Simpson has served in this capacity since August 2023. Mr. Simpson has earned degrees from Indiana University-Purdue University Indianapolis (BS) and Indiana Wesleyan University (MBA). He has spent his entire professional career in finance and accounting. Mr. Simpson began work with Health and Hospital Corporation in 2008. Prior to Health and Hospital Corporation, Mr. Simpson worked in the banking sector.

Lisa E. Harris, M.D., Chief Executive Officer and Medical Director of Eskenazi Health Services. Dr. Harris has served in this capacity since January 2004. Dr. Harris is a graduate of the Indiana University School of Medicine where she also completed residency training in Internal Medicine, an appointment as Chief Medicine Resident at Eskenazi Health, and fellowship training in Nephrology and Health Services Research. She joined the faculty of Indiana University School of Medicine as Director of Medicare in 1991; serving as a clinician, teacher and investigator in the Regenstrief Institute for Health Care Research. In 1999, Dr. Harris assumed joint appointments as Chief of Medicine for Wishard Health Services and Chief Medical Officer for IUMG-PC. Throughout her career, Dr. Harris has received additional training in physician leadership through the National Association of Public Hospitals (NAPH), the Harvard School of Public Health, and the American College of Physician Executives. She serves on the Executive Committee of NAPH and was also recently appointed Medical Director of the American Red Cross of Greater Indianapolis.

Virginia A. Caine, M.D., Director of Public Health. Dr. Caine has served in this capacity since January 1994. Dr. Caine is a graduate of the State University of New York Upstate Medical University and completed her residency training at the University of Cincinnati. Dr. Caine joined the faculty at The Johns Hopkins University School of Medicine in 1981. She joined the faculty of Indiana University School of Medicine in 1984 where she is currently an Adjunct Associate Professor of Public Health. She joined the Marion County Health Department in 1984 serving first as the Medical Director of The Bell Flower Clinic, then as the Director of Communicable Diseases, until she assumed her current position in 1994. Dr. Caine's numerous board activities include, but are not limited to, the National

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Medical Association, Internal Medicine AIDS Session, the National Advisory Committee, Robert Wood Johnson Medicaid Leadership Foundation and The Damien Aids Center.

Medical Staff and Key Utilization Statistics

Current staffing as of December 31, 2024 and key utilization statistics from December 31, 2015 through December 31, 2024 are included in the following tables.

Full-Time Equivalent by Function/Program
December 31, 2024

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary Government Employees:										
Administration	160	160	147	144	157	149	149	143	135	128
Health improvement	380	380	365	365	391	392	376	373	366	354
Communicable disease prevention	142	142	154	190	138	132	130	129	127	125
Water quality and hazardous materials	28	28	26	26	28	29	28	27	27	28
Housing and neighborhood health	63	63	61	63	71	72	72	71	71	72
Consumer and employee risk reduction	29	29	29	28	26	27	27	27	27	27
Vector disease control	42	42	42	41	44	46	48	49	52	50
Business Type Employees:										
Eskenazi Health	4,584	4,436	4,210	4,130	4,073	4,047	4,284	4,310	4,177	3,853
Long-Term Care[(1)]	--	--	--	--	--	--	--	--	--	--
Total Employees	5,428	5,280	5,034	4,987	4,928	4,894	5,114	5,129	4,982	4,637

[(1)] The Long-Term Care personnel are not employees of HHC.
Source: SAP Payroll System and ADP Payroll System used by Health and Hospital Corporation.
Source: Health and Hospital Corporation of Marion County, Indiana Annual Comprehensive Financial Report for the Year Ended December 31, 2024.

Utilization Statistics (Fiscal Year Ended December 31)

	2024	2023	2022	2021	2020
Admissions	17,169	16,132	16,232	16,224	15,959
Patient Days	84,689	83,272	84,122	87,855	85,854
Outpatient Encounters (not including Emergency)	1,037,187	1,007,816	1,005,803	1,004,828	956,057
Emergency Department Visits	105,076	101,984	96,204	92,038	86,679
Advantage Members	42,752	41,607	33,239	10,221	11,621
Uncompensated Care (In Thousands)	453,768	411,398	329,370	321,351	284,294
Surgeries	10,200	10,043	9,539	9,101	8,131
Births	3,324	3,246	2,938	2,481	2,471

Source: HHC

Local Economy

HHC operates within Marion County and the City of Indianapolis. 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.

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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.

Property Tax Information

As mentioned in the forepart of the Preliminary Official Statement, the payment of principal of and interest on The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2025C (Unlimited Ad Valorem Property Tax Supported Project) (the "Series 2025C Bonds") is ultimately payable by HHC from an unlimited ad valorem property tax required by law to be levied by or on behalf of HHC; however, HHC has indicated that it intends to cause other legally available revenues to be used to pay debt service on HHC's General Obligation Refunding Bonds (Eskenazi Hospital Project), Series 2025C (the "2025C Qualified Obligations") securing the Series 2025C Bonds. The Series 2025C Bonds, in conjunction with the simultaneous issuance of The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2025D (Unlimited Ad Valorem Property Tax Supported Project) (the "Series 2025D Bonds"), will collectively refinance The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010A-2 (Build America Bonds – Direct Payment – Federally Taxable) (the "2010A-2 Bonds") and The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010B-2 (Build America Bonds – Direct Payment – Federally Taxable) (the "2010B-2 Bonds"). The projects that were financed by the 2010A-2 Bonds and the 2010B-2 Bonds, and are being refinanced by the Series 2025C Bonds and 2025D Bonds, were approved by a public referendum on November 3, 2009. Therefore, the ad valorem property tax levied to pay the debt service payments on the Series 2025C Bonds and the Series 2025D Bonds is not subject to the Circuit Breaker Tax Credit and is unlimited as to rate and amount. The maximum amount of bonds for the original projects have been issued and any new borrowings, other than refunding bonds, would require new approvals. The boundaries of HHC are coterminous with those of Marion County, including the City of Indianapolis. The following information details key data pertaining to the unlimited ad valorem property tax pledge.

The source of the following tables, unless otherwise noted, is the Annual Comprehensive Financial Report of HHC (the "ACFR") for the year ended December 31, 2024, included herein as *Appendix B.* The headers and/or notes may vary slightly from the ACFR for purposes of presentation only.

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Table I sets forth the assessed value and actual value of the taxable real and personal property for the County, which is coterminous with HHC, for each of the years from 2015 to 2024.

TABLE I

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(Dollars in thousands)

	Real Property		Personal Property		Total		
Year	Assessed Value[1]	True Tax Value	Assessed Value[1]	True Tax Value	Assessed Value[1]	True Tax Value	Total Direct Tax Rate
2024	$58,115,082	$58,115,082	$7,760,278	$7,760,278	$65,875,360	$65,875,360	0.1887
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

[1] Represents the assessment (Marion County Auditor's "certified abstract") on March 1 (in a year ending before January 1, 2016) or January 1 (in a year beginning after December 31, 2015) of the prior Year for taxes due and payable in the year indicated.
Source: Marion County Auditor's Office

Table II sets forth the direct property tax rates for HHC and the overlapping units of government for each of the years from 2015 to 2024. The Table uses the Center Township rate which is the only rate that includes all major services.

TABLE II

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS[1][2]

	HHC Direct Rates				County Direct Rates			Other Direct Rates			
Year	Operations	Debt	Cumulative Building	Total	City	County	Municipal Corporations	School	State	Other	Total Direct and Overlapping Rates[1]
2024	0.1863	0.0019	0.0005	0.1887	0.6103	0.3631	0.2051	1.3587	--	0.0479	2.7738
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

[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

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Table III sets forth the property tax levied and collected for HHC in each of the years from 2015 to 2024.

TABLE III

PROPERTY TAX LEVIES AND COLLECTIONS
(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
2024	$98,211	$94,675	96.40%	$ --	$94,675	96.40%
2023	91,876	88,568	96.40%	2,757	91,325	99.40%
2022	83,500	80,661	96.60%	2,589	83,250	99.70%
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	61,375	96.00%	2,173	63,545	99.40%
2015	62,083	60,158	96.90%	1,553	61,711	99.40%

Source: Marion County Auditor's Office

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Table IV sets forth the principal property taxpayers for the County in 2024 and 2015, based on the assessed valuation of the property of such taxpayers.

TABLE IV

PRINCIPAL PROPERTY TAXPAYERS

Current Fiscal Year and Nine Years Ago
(In thousands)

	2024				2015		
Taxpayers	**Net Taxable Assessed Valuation[(1)(2)] (in thousands)**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**	**Taxpayers**	**Net Taxable Assessed Valuation[(2)(3)] (in thousands)**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**
1 Eli Lilly and Company	$1,485,042	1	2.254%	Eli Lilly and Company	$1,207,560	1	2.810%
2 Citizens Energy Group	579,388	2	0.880%	Citizens Energy Group	437,456	2	1.018
3 Federal Express Corporation	335,732	3	0.510%	Indianapolis Power and Light Company	311,180	3	0.724
4 Indianapolis Power and Light Company	233,158	4	0.354%	Federal Express Corporation	199,419	4	0.464
5 White Legacy Properties, LLC	227,143	5	0.345%	Convention Headquarters Hotels, LLC	174,342	5	0.406
6 Allison Transmission Inc.	206,559	6	0.314%	CW Monument Circle Inc.	161,328	6	0.375
7 SFT Property LLC	168,350	7	0.256%	Allison Transmission Inc.	109,196	7	0.254
8 Rolls-Royce Corporation	144,059	8	0.219%	Castleton Square, LLC	82,090	8	0.191
9 Cellco Partnership	118,464	9	0.180%	American United Life Insurance Company	80,007	9	0.186
10 MSA North Developer LLC	116,142	10	0.176%	SVC Manufacturing Inc.	76,608	10	0.178
11 G&I IX MJW Keystone Crossing, LLC	110,110	11	0.167%	Verizon Wireless	70,559	11	0.164
12 Corteva Agriscience LLC	97,132	12	0.147%	Ingredion Inc.	70,351	12	0.164
13 SVC Manufacturing Inc.	96,401	13	0.146%	Indiana Bell Telephone Company, Inc.	69,524	13	0.162
14 American United Life Insurance Company	94,157	14	0.143%	DOW Agrosciences, LLC	63,683	14	0.148
15 Axis FC LLC	89,239	15	0.135%	HUB Properties GA, LLC	60,996	15	0.142
16 Castleton Square, LLC	89,128	16	0.135%	Circle Centre Development Co.	60,013	16	0.140
17 Heritage Crystal Clean LLC	87,965	17	0.134%	Rolls-Royce Corporation	58,897	17	0.137
18 MS Operations Center Partners LLC	80,007	18	0.121%	Indianapolis Multifamily Dist	53,734	18	0.125
19 IUPUI Holdings LLC	79,947	19	0.121%	Summit Hospitality 22, LLC	52,767	19	0.123
20 Whit Lake Marina LLC	78,299	20	0.119%	NG 211 N Pennsylvania St, LLC	51,022	20	0.119
	$4,516,422		6.856%		$3,450,732		8.030%

(1) Represents the January 1, 2023 valuations for taxes due and payable in 2024 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 2015 Health and Hospital Corporation's Annual Comprehensive Financial Report.

Economic and Demographic Information

Indianapolis is Indiana's capital and largest city and accounts for nearly 13% of the State's population. The table below illustrates the City's steady population growth since 2015, along with strong per capita personal income levels and an unemployment rate below that of the State and U.S.

Table V sets forth the total population and average unemployment rate in the City each year from 2015 to 2024, and the unemployment rate for each period for the State.

TABLE V

CITY OF INDIANAPOLIS DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population (a)	Personal Income (thousands of dollars) (b)	Per capita personal income (b)	Public School enrollment (c)	Unemployment rate (d)
2024	891,484 (f)	$ 68,759,982	$ 70,999 (e)	125,432	3.70 %
2023	891,484 (g)	68,759,982	70,999	126,398	2.90
2022	879,293	64,469,236	66,500	127,458	2.50
2021	880,621	63,729,003	65,625	127,552	1.90
2020	887,642	57,259,810	59,264	131,830	5.70
2019	876,384	52,478,123	54,405	131,292	2.90
2018	870,960	50,634.219	52,815	132,838	3.40
2017	863,478	47,727,002	50,211	132,596	3.10
2016	859,049	46,676,017	49,357	131,754	3.90
2015	853,714	45,335,677	48,238	130,371	4.60

(a) U.S. Census Bureau
(b) Bureau of Economic Analysis
(c) Indiana Department of Education
(d) Bureau of Labor Statistics, December rate (not seasonally adjusted)
(e) This information was not made available by the Bureau of Economic Analysis as of the ACFR issuance date; therefore, prior year numbers were utilized
(f) This information will be released by the U.S. Census Bureau at a future date; therefore, prior year numbers were utilized
(g) This information is as of 7/1/2024

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Table VI sets forth the principal employers for the Indianapolis Metropolitan Statistical Area as of December 31, 2015 and December 31, 2024.

TABLE VI

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago[2]
December 31, 2024

	2024			2015		
Taxpayer	[1] Employees	[1] Rank	[1] Percentage of Total Metropolitan Statistical Area Employment	[2] Employees	[2] Rank	[2] Percentage of Total Metropolitan Statistical Area Employment
Indiana University Health	26,177	1	2.94%	11,810	2	1.26%
Ascension St. Vincent	17,398	2	1.95%	17,398	1	1.86%
Community Health Network	16,280	3	1.83%	10,402	4	1.11%
Indiana University-Indianapolis	14,000	4	1.57%	7,365	7	0.79%
Eli Lilly and Company	12,518	5	1.40%	10,565	3	1.13%
Walmart	10,193	6	1.14%	8,830	5	0.95%
Kroger Co	8,014	7	0.90%	6,700	8	0.72%
Federal Express	5,800	8	0.65%	6,000	9	0.64%
Elevance Health	4,978	9	0.56%	--	--	--
Roche Diagnostics	4,815	10	0.54%	4,600	10	0.49%
Marsh Supermarkets	--	--	--	8,000	6	0.86%

[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 2015 Annual Comprehensive Financial Report.

Financial Information

HHC'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. The government-wide financial statements are designed to provide readers with a broad overview of HHC's finances, in a manner similar to a private-sector business. The ACFR for year ended December 31, 2024 is included as *Appendix B.* Presented in the tables below is summarized government-wide financial information for the fiscal years ended December 31, 2024, and 2023, which has been derived by management of HHC from its 2024 ACFR. Such information should be read in conjunction with the financial statements, related notes, and other financial information included in *Appendix B*.

The statement of net position presents information on all of HHC'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 HHC is improving or deteriorating.

The statement of activities presents information showing how HHC'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).

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Both of the government-wide financial statements distinguish functions of HHC 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 HHC include those focused on public health, including, 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 HHC'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 HHC's Board is appointed, not elected, HHC 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.

STATEMENT OF NET ASSETS

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Assets						
Current and other assets	$1,289,546	$1,156,207	$668,290	$668,001	$1,957,836	$1,824,208
Capital assets, net of accumulated depreciation and amortization	157,667	208,169	961,266	898,992	1,118,933	1,107,161
Total assets	1,447,213	1,364,376	1,629,556	1,566,993	3,076,769	2,931,369
Deferred Outflows of Resources	15,863	16,497	23,842	27,709	39,705	44,206
Liabilities						
Other liabilities	39,455	25,133	136,460	114,339	175,915	139,472
Long-term liabilities	674,303	685,417	488,282	479,350	1,162,585	1,164,767
Total liabilities	713,758	710,550	624,742	593,689	1,338,500	1,304,239
Deferred Inflows of Resources	110,453	100,940	7,147	4,181	117,600	105,121
Net Position						
Net investment in capital assets	36,670	80,732	625,082	570,184	661,752	650,916
Restricted	12,775	12,683	--	--	12,775	12,683
Unrestricted	589,420	475,968	396,427	426,648	985,847	902,616
Total net position	$638,865	$569,383	$1,021,509	$996,832	$1,660,374	$1,566,215

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STATEMENT OF ACTIVITIES

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$11,263	$12,002	$1,800,191	$1,707,979	$1,811,454	$1,719,981
Operating grants and contributions	52,230	33,878	9,897	9,957	62,127	43,835
Capital grants and contributions	721	1,052	1,135	--	1,856	1,052
General revenues:						
Property, HCI and local option income taxes	150,621	143,122	--	--	150,621	143,122
Other taxes	8,104	9,153	--	--	8,104	9,153
Medicaid special revenue	64,488	81,380	--	--	64,488	81,380
Build America Bonds interest subsidies	9,838	10,147	--	--	9,838	10,147
Unrestricted investment earnings	50,288	40,268	23,449	24,703	73,737	64,971
Other – insurance recovery	--	--	--	--	--	--
Total revenues	347,553	331,002	1,834,672	1,742,639	2,182,225	2,073,641
Expenses						
Administration and finance	59,029	51,753	--	--	59,029	51,753
Healthcare delivery	60,675	44,148	--	--	60,675	44,148
Health improvement	55,324	43,766	--	--	55,234	43,766
Communicable disease prevention	32,410	26,423	--	--	32,410	26,423
Water quality and hazardous material management	3,354	2,558	--	--	3,354	2,558
Vector disease control	4,547	3,645	--	--	4,547	3,645
Housing and neighborhood health	7,458	5,691	--	--	7,458	5,691
Consumer and employee risk reduction	3,247	2,576	--	--	3,247	2,576
Interest on long-term debt	35,120	36,501	--	--	35,120	36,501
Eskenazi Health	--	--	1,051,445	971,984	1,051,445	971,984
Long-term care	--	--	770,665	757,735	770,665	757,735
Total expenses	261,164	217,061	1,822,110	1,729,719	2,083,274	1,946,780
Increase (Decrease) in Net Position Before Transfers and Special Items	86,389	113,941	12,562	12,920	98,951	126,861
Special Items	--	--	--	--	--	--
Transfers	(12,115)	53,855	12,115	(53,855)	--	--
Increase (Decrease) in Net Position	74,274	167,796	24,677	(40,935)	98,951	126,861
Net Position, Beginning of Year, as previously reported	569,383	401,587	996,832	1,037,767	1,566,215	1,439,354
Change in accounting principal	(4,792)	--	--	--	(4,792)	--
Net Position, Beginning of Year, as restated	564,591	401,587	996,832	1,037,767	1,561,423	1,439,354
Net Position, End of Year	$638,865	$569,383	$1,021,509	$996,832	$1,660,374	$1,566,215

Sources of Revenue and Governmental Funds Balance

HHC's total revenue was $2.18 billion during the fiscal year ending December 31, 2024. Taxes represent 7.3% of the HHC's revenue. Medicaid special revenue represented 3.0% of revenue, while 83.0% of revenue came from fees charged for services. The remaining 6.7% came from grants and contributions, investment earnings and Build America Bond subsidies. Also, HHC's governmental funds balance increased by $63.7 million in 2024 to $1.05 billion (see Page 38 of the ACFR included in Appendix B).

Property taxes levied for all governmental entities located within Marion County are collected by the Treasurer of Marion County, Indiana ("Marion County Treasurer"). These taxes are then distributed by the Auditor of Marion County, Indiana ("Marion County Auditor") to HHC and the other governmental entities by June 30 and December 31 of each year. HHC and the other governmental entities can request advances of their portion of the collected taxes from the Marion County Treasurer once the levy and tax rates are certified by the Department of Local Government Finance ("DLGF"). The DLGF typically certifies the levy on or before February 15 of the year following the property tax assessment.

Circuit Breaker Tax Credit

The electors of the State, at the general election held on November 2, 2010, approved an amendment to the State Constitution (the "Amendment"), which provides taxpayers with a tax credit for all property taxes in an amount that exceeds a percentage of the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). As a result of such approval, the Amendment has become a part of the State Constitution.

In particular, under the Amendment, with respect to property taxes first due and payable in 2012 and thereafter, the State General Assembly is required to limit a taxpayer's property tax liability as follows:

(1) A taxpayer's property tax liability on tangible property, including curtilage, used as a principal place of residence by an:

(a) owner of property;

(b) individual who is buying the tangible property under a contract; or

(c) individual who has a beneficial interest in the owner of the tangible property (collectively, "Tangible Property");

may not exceed 1% of the gross assessed value of the property that is the basis for the determination of property taxes.

(2) A taxpayer's property tax liability on other residential property may not exceed 2% of the gross assessed value of the property that is the basis for the determination of property taxes.

(3) A taxpayer's property tax liability on agricultural property may not exceed 2% of the gross assessed value of the property that is the basis for the determination of property taxes.

(4) A taxpayer's property tax liability on other real property may not exceed 3% of the gross assessed value of the property that is the basis for the determination of property taxes.

(5) A taxpayer's property tax liability on personal property (other than personal property that is Tangible Property or personal property that is other residential property) within a particular taxing district may not exceed 3% of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within the taxing district.

The Amendment provides that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Amendment described in the preceding paragraphs.

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As required by the Amendment, the State General Assembly enacted amendments to Indiana Code 6-1.1-20.6 (the "Statute") for the purposes of limiting a taxpayer's property tax liability and excluding property taxes imposed after being approved by the voters in a referendum from the calculation of such limits to property tax liability.

In addition, the Statute and other Indiana laws provide additional property tax limits for property taxes paid by certain real property owners based on certain demographic categories, including, but not limited to, certain senior citizens with annual income below specified levels or their surviving spouses.

The application of the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. Except for operating and school safety referendum tax levies approved by voters for the benefit of school corporations, a political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

Political subdivisions are required by law to fully fund the payments of their debt obligations in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. Upon the failure of a political subdivision to pay any of the political subdivision's Debt Service Obligations (as hereinafter defined) during a calendar year when due, the Treasurer of State, upon being notified of the failure by a claimant, shall pay the unpaid Debt Service Obligations that are due from money in possession of the State that would otherwise be available for distribution to the political subdivision under any other law, deducting such payment from the amount distributed. A deduction must be made: (1) first, from local income tax distributions; and (2) second, from any other undistributed funds of the political subdivision in possession of the State.

"Debt Service Obligations" of a political subdivision means (1) the principal and interest payable during a calendar year on bonds and (2) lease rental payments payable during a calendar year on leases of such political subdivision, which are payable from ad valorem property taxes.

The Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." For property taxes due and payable in 2014 and thereafter, the total amount of revenue to be distributed to a fund for which protected taxes were imposed shall be determined as if no Circuit Breaker Tax Credit was applied. The total amount of the loss in revenue due to the application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund using the following criteria: (1) the reduction may be allocated in the amounts determined by the political subdivision using a combination of unprotected taxes of the political subdivision in those taxing districts in which the credit caused a reduction in protected taxes; and (2) the tax revenue and each fund of any other political subdivisions must not be affected by the reduction. If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit or there is not a fund receiving only unprotected taxes from which to distribute revenue, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The projects for which the 2025C Qualified Obligations are being issued to refinance were approved by voters in a referendum pursuant to Indiana Code 6-1.1-20-3.6. Therefore, the ad valorem property tax levied to pay the debt service payments on the 2025C Qualified Obligations is not subject to the Circuit Breaker Tax Credit and is unlimited as to rate and amount. Such limits are, however, applicable to other ad valorem property taxes levied by HHC.

This application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments.

HHC cannot predict the timing, likelihood or impact on property tax collections of any future judicial actions, amendments to the State Constitution, including legislation, regulations or rulings taken, enacted, promulgated or issued to implement the regulations, the statutes or the Amendment described above or of future property tax reform

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in general. In addition, there can be no assurance as to future events or legislation that may impact such regulations or statutes or the Amendment or the collection of property taxes by HHC.

Estimated Circuit Breaker Tax Credits

According to the Marion County Circuit Breaker Reports prepared by the DLGF, the Circuit Breaker Tax Credits allocable to HHC for Tax Pay Years 2023, 2024 and 2025 were $13,208,990.62, $11,452,035.18 and $15,134,357.37, respectively. **Because the 2025C Qualified Obligations are being issued to refund bonds issued to finance a project that was approved by voters in a referendum, property taxes levied to pay the 2025C Qualified Obligations are not subject to the Circuit Breaker Tax Credit calculation to which other property tax levies are generally subject.**

The Circuit Breaker Tax Credit amounts above do not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly in the future. The effects of these changes could affect the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value, increases in property tax rates of overlapping taxing units or the reduction in local option income taxes applied to property tax relief could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

Long-Term Care Facilities

HHC is the licensed operator of seventy-two (72) long-term care facilities located in the State (each, a "Long-Term Care Facility" and, collectively, the "Long-Term Care Facilities"). HHC leases the Long-Term Care Facilities from various lessors and engages various third-party companies to manage the Long-Term Care Facilities (each, a "Manager" and, collectively, the "Managers"). The lease, operation and management of the Long-Term Care Facilities is accomplished through a number of contractual and other arrangements among the respective lessor, the respective Manager and HHC (each arrangement, a "Long-Term Care Facility Agreement" and, collectively, the "Long-Term Care Facility Agreements"). Pursuant to each Long-Term Care Facility Agreement, the net patient revenues of each Long-Term Care Facility are deposited into a segregated account of HHC and utilized to pay management, quality incentive and other costs and expenses associated with the respective Long-Term Care Facility.

HHC is the operating licensee for each Long-Term Care Facility and is the party to its Medicaid provider agreement. By virtue of its lease agreement with HHC (and HHC's status as a county-owned facility), each Long-Term Care Facility qualifies as a "non-state government operated Long-Term Care Facility" and is eligible to receive higher reimbursement payments based on the difference between (a) the rate Medicare would have paid if residents were covered and (b) the Medicaid rate (the "Upper Payment Limit" or "UPL"). The non-federal share of the UPL payments is paid with funds that HHC transfers to the State Medicaid Agency (the "intergovernmental transfer" or "IGT"). The State Medicaid Agency requires HHC to deposit the UPL funds in each Long-Term Care Facility's operating account until the close of the Long-Term Care Facility's fiscal year for working capital purposes. At the close of each fiscal year, HHC transfers a portion of the UPL funds in each Long-Term Care Facility's working capital reserve account to HHC's accounts (the "UPL Proceeds"), at which point the funds may be used for general Borrower purposes.

While the Long-Term Care Facility Agreements are in effect, the Long-Term Care Facility Providers have been contracted to manage the Long-Term Care Facilities on behalf of HHC, and HHC retains the authority and legal responsibility for the operation of the Long-Term Care Facilities. As part of each management agreement, HHC pays the Long-Term Care Facility Provider of each Long-Term Care Facility a management fee to continue managing such Long-Term Care Facility on behalf of HHC in accordance with the terms of the management agreement. The lease and management agreements expire at various times and either party to each agreement may terminate the agreement without cause, generally with 90 days' written notice. Net revenues from the operation of the Long-Term Care Facilities (the "Long-Term Care Facility Revenues") are the property of the Long-Term Care Facilities and the Long-Term Care Facilities are responsible for the associated operating expenses and working capital requirements. No real or personal property of the Long-Term Care Facilities is mortgaged or pledged as security for Series 2025C Bonds. HHC has approximately $292,580,000.00 in aggregate principal amount of capital lease obligations relating to the Long-Term Care Facilities as of December 31, 2024.

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ACCORDINGLY, PURCHASERS OF THE SERIES 2025C BONDS SHOULD NOT RELY ON LONG-TERM CARE FACILITY REVENUES OR UPL PROCEEDS (UNLESS AND UNTIL DISTRIBUTED TO HHC'S GENERAL ACCOUNTS) TO BE AVAILABLE TO MAKE PAYMENT ON THE SERIES 2025C BONDS AND SHOULD NOT TAKE INTO ACCOUNT SUCH LONG-TERM CARE FACILITY REVENUES OR UPL PROCEEDS WHEN MAKING AN INVESTMENT DECISION TO PURCHASE THE SERIES 2025C BONDS.

Indebtedness

The following table provides a schedule of the direct debt and lease obligations of HHC and the debt for the overlapping units of government as of December 31, 2024.

SCHEDULE OF DIRECT AND OVERLAPPING DEBT AND BONDED DEBT LIMIT [(1)]

December 31, 2024
(Dollars in thousands)

	Assessed Value[(5)]	Bonding Limit %	Bonding Limit Dollar Amount	Debt Outstanding
Direct Debt:				
Health and Hospital Corporation of Marion County	$58,115,082	0.67%	$389,371	$147,300[(7)]
Other Direct Debt:				
Direct financing agreements				352,320[(8)]
Lease and subscription liabilities				122,287
Total Health and Hospital Corporation debt				$621,907
Overlapping:				
Marion County	$59,603,155	0.67%	$399,341	$ --
City of Indianapolis				
Civil City	$55,702,516	0.67%	$373,207	$60,440
Park District	59,603,155	0.67%	399,341	21,930
Redevelopment District	55,702,516	[(3)]	--	--
Flood Control District	59,603,155	0.67%	399,341	--
Metropolitan Thoroughfare District	59,603,155	1.33%	792,722	247,120
Solid Waste Disposal District	55,787,329	2.00%	1,115,747	--
Public Safety Communication and Computer Facilities District	59,603,155	0.67%	399,341	23,600
Premiums on general obligation debt			--	21,776
Total city general obligation debt			$3,479,699	$374,866
City of Indianapolis Other Direct Debt[(6)]:				
Tax increment bonds				$785,486
Revenue bonds				776,609
Note payable				71,759
Lease liabilities				34,154
Subscription based information technology arrangements				17,615
Finance purchase obligations				81,675
Total city general obligation debt and Other Direct Debt[(7)]				$2,142,164
Other Municipal Corporations				
Indianapolis Airport Authority	$59,603,155	0.67%	$399,341	$ --
Capital Improvement Board	59,603,155	0.67%	399,341	--
Indianapolis-Marion County Building Authority	59,603,155	[(1)]	--	--
Indianapolis-Marion County Library	58,746,063	0.67%	393,599	54,660
Indianapolis Public Transportation Corp.	56,393,076	0.67%	377,834	--

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	Assessed Value[5]	Bonding Limit %	Bonding Limit Dollar Amount	Debt Outstanding
Total municipal corporations			$1,570,115	$54,660
School Districts				
Beech Grove	$654,373	[4]	$4,384	$3,178
Decatur	2,476,856	[4]	16,595	5,725
Franklin	4,134,868	[4]	27,704	--
Indianapolis Public Schools	16,730,317	[4]	112,093	52,410
Lawrence	7,004,216	[4]	46,928	30,035
Perry	5,422,348	[4]	36,330	24,625
Pike	6,455,403	[4]	43,251	30,625
Speedway	857,092	[4]	5,743	205
Warren	3,871,748	[4]	25,941	6,975
Washington	7,739,198	[4]	51,853	11,410
Wayne	4,256,735	[4]	28,520	4,250
Total school districts	$59,603,154		$399,342	$169,438
Other Cities and Towns				
Beech Grove	$690,560	0.67%	$4,627	$ --
Lawrence	2,268,174	0.67%	15,197	385
Southport	84,813	0.67%	568	--
Speedway	857,092	0.67%	5,743	6,159
Total Other Cities and Towns	$3,900,639		$26,134	$6,544
Townships				
Center	$9,735,122	0.67%	$65,225	$ --
Decatur	2,479,890	0.67%	16,615	--
Franklin	4,300,141	0.67%	28,811	--
Lawrence	7,618,514	0.67%	51,044	2,190
Perry	5,932,669	0.67%	39,749	--
Pike	6,264,412	0.67%	41,972	--
Warren	5,274,458	0.67%	35,339	--
Washington	11,143,582	0.67%	74,662	--
Wayne	6,521,210	0.67%	43,692	--
Total Townships	$59,269,998		$397,109	$2,190
Excluded Library Districts				
Speedway	$829,060	0.67%	$5,555	$ --
Total Excluded Library Districts	$829,060		$5,555	$ --
Ben Davis Conservancy District	$579,235	[2]	$ --	$ --
Total Overlapping Debt				$2,374,996
Total Direct and Overlapping Debt				$2,996,903

Source: City of Indianapolis, Office of Finance and Management

[1] There is no debt limit for the Building Authority. Its debt service requirement are funded by rentals paid from separate lessee entities including the City of Indianapolis, HHC and Marion County from ad valorem property 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 District.

[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 school corporation's annual debt services requirements. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.

[5] Represents the January 1, 2023 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2024.

[6] Other direct debt outstanding includes deferred premiums.

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(7) Includes the Series 2010A-2 Bonds to be refinanced by the Series 2025C Bonds.
(8) Includes the Series 2010B-2 Bonds to refinanced simultaneously with the Series 2025D Bonds.
Note: Information regarding the percentage of overlap between HHC 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 HHC. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of HHC. This process recognizes that, when considering HHC'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 debt, of each overlapping government.

The following table sets forth the legal debt margin calculation for HHC, and the legal debt margin.

LEGAL DEBT MARGIN CALCULATION

(As of the date of the Preliminary Official Statement)

Net Assessed Value – 2025	$60,673,983
Debt Limit (.67% of assessed values)	406,516
Debt Applicable to Debt Limit:	
Bonded Debt(1)	130,805*
Notes payable from tax levy	--
Total net debt applicable to limit	130,805*
Legal Debt Margin	$275,711*

(1) Includes the General Obligation Bonds, Series 2024G and the proposed 2025C Qualified Obligations being issued simultaneously with the Series 2025C Bonds.
Note: Amounts are in thousands ($000).
*Preliminary, subject to change.

Management Discussion

The following includes recent information and discussion from the HHC management team.

Long-Term Financial Planning

HHC remains a partner with the consolidated City of Indianapolis - Marion County. As a result of the COVID-19 pandemic, HHC along with the city remain prepared for potential public health outbreaks throughout the city. The health and public wellness issues continue to be HHC'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 HHC 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 HHC.

HHC receives county and state tax revenues that account for approximately 7% of HHC'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 HHC's divisions. The largest proportion of funding for HHC'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. HHC engaged a consulting firm to collaborate with all divisions and complete a five-year strategic plan focusing on preserving HHC'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 began late 2024 and continues in 2025.

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

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County. Regardless, MCPHD continues to work to identify sources of revenue to funds its operations through grants and operational revenues, with the remainder of funding from support through HHC'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.

MCPHD received approximately $11.8 million in Health First Indiana (HFI) funding, the state's investment in local public health departments in 2024. In 2025, MCPHD received approximately $22.8 million in HFI funding. During the 2025 state legislative session, the statewide allocation was reduced from the $150.0 million for state fiscal year 2025 to $40.0 million for each of the two state fiscal years 2026 and 2027. HHC expects the MCPHD HFI funding level to decrease in 2026 to approximately $6.1 million due to the state's budget reduction during the 2025 legislative session.

HHC is in the construction phase of an approximately $80.0 million 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 (Bell Flower), 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.

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 completed a $75.0 million multi-year capital improvement project in early 2024, 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. This comprehensive 95,000-square foot health and community center has expanded services to the east side 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.

HHC has received funds in the state budget since 2009 of $38.0 million per state fiscal year for Health Care for the Indigent (HCI) funding to support Eskenazi Health. During the 2025 state legislative session, HHC's $38.0 million annual budget allocation for HCI funding was removed for state fiscal years 2026 and 2027.

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 HHC, 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.

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HHC is in the pre-construction phase of an approximately $60.0 million new IEMS headquarters facility. This project is expected to be fully funded by the Capital Projects Fund. The project will provide a modern space that meets the demands of the IEMS group in the future. The IEMS headquarters facility is being proposed at 65,000 gross square feet to meet the requested space needs of the key stakeholders.

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 HHC's success over the past two decades. HHC partners with American Senior Communities (ASC) as the manager for HHC's facilities. Jointly, HHC and ASC strive to improve care to their residents. The operational quality for the Long-Term Care Service Division continues to be strong. In July of 2024, Indiana PathWays for Aging coverage began.

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.

HHC will continue to focus on providing high-quality care in all of its divisions. HHC 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 HHC. HHC 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 HHC'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 HHC relies on Supplemental Medicaid programs to backstop the losses it would otherwise incur. Supplemental Medicaid programs help increase HHC'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.

Marion County Public Health Department

MCPHD's efforts to achieve the vision of healthy people in healthy communities. Our efforts align with the ten essential public health services, echoing federal and state priorities, and embody our goal of achieving a safe, healthy, and thriving community. In Marion County, we continue to face complex, multidimensional challenges within an evolving healthcare system landscape that serves diverse populations. For example, during the recent COVID-19 pandemic, a significant gap in public health infrastructure was identified, primarily focused on social determinants of health, including stable housing, food insecurity, utility support, a lack of a robust and diverse workforce, and inadequate health literacy. As a result, the Indiana Governor's Commission was established to evaluate the Public Health Infrastructure in Indiana, which led state policymakers to provide an investment in prevention with significant public health funding under the Indiana Department of Health's Health First Indiana's initiative to help support core public health services such as maternal and child care, trauma and injury, and lead exposure.

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 respiratory viral illnesses.
- 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.

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- 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, including syphilis.
- Environmental health with restaurant and food vendor inspections, water quality, lead screening, and removing environmental hazards.
- Educate on the impact of climate change and the importance of 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 equity, social, and environmental justice in all planning processes.
- Focus on public health aspects in urban planning.
- Enhancing health literacy among diverse populations served.
- Addressing the social determinants of health and poverty, including living and thriving wages, unstable housing, and food insecurity.

Eskenazi Health

As the public hospital division of 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 2024, Eskenazi Health treated and cared for over 1.2 million outpatient visits. For over 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 IEMS.

Long-Term Care

During 2024, HHC transitioned from operating 73 to 72 skilled nursing facilities (SNFs). Fairway Village transitioned to a new operator on August 1, 2024. HHC also operates two independently licensed assisted living facilities and four skilled nursing facilities are dually certified for assisted living. Seven locations provide independent garden homes/apartments. Throughout the year, HHC facilities served on average more than 5,900 skilled nursing residents and close to 500 assisted living and independent living residents. HHC contracts with American Senior Communities (ASC) to manage its long-term care, assisted living, and independent living facilities. The daily census for 2024 remained fairly stable with the loss of one facility to a new operator.

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. HHC's internal LTC Quality Review Team (QRT) consists of highly qualified long-term care experienced Registered Nurses, Health Facility Administrators, Physical Therapist and a Social Worker. The QRT professionals routinely visit all of HHC'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 105 onsite quality review audits and 74 onsite capital improvement, environmental, and life safety audits.

Regulatory compliance is an on-going objective for HHC'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,

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HHC's facilities have continued to maintain a lower average number of deficiencies cited per annual survey than both state and national averages.

HEALTHCARE RISKS

While certain obligations of HHC, including the 2025C Qualified Obligations, are secured by property taxes, the following general healthcare risks are nevertheless included herein for consideration. Some of the investment considerations set forth herein should be considered when making an investment decision regarding the Series 2025C Bonds, however, ultimately the Series 2025C Bonds are payable by HHC from an unlimited ad valorem property tax required by law to be levied by or on behalf of HHC. The discussion herein of risks to the owners (including the Beneficial Owners) of the Series 2025C Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters which could affect HHC's ability to pay debt service on the qualified obligations securing the Series 2025C Bonds when due from other sources of funds; provided, that ultimately the Series 2025C Bonds are payable by HHC from an unlimited ad valorem property tax required by law to be levied by or on behalf of HHC. The risks discussed below should be read in conjunction with the other information set forth in this *Appendix A* and the discussion set forth under the caption "Regulation of the Health Care Industry" below. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the designated corporate trust office of the Trustee.

General

The revenues and expenses of HHC are subject to, among other things, the capabilities of the management of HHC, the confidence of physicians in management, the availability of physicians and trained support staff, changes in the population or the economic condition of HHC's service area, the level of and restrictions on federal funding of Medicare and federal and state funding of Medicaid, imposition of government wage and price controls, the demand for HHC's services, increased competition, decreases or delays in third-party reimbursement rates, changes in applicable laws, government regulations and licensing requirements, future economic conditions (including the effects of inflation, tariffs, or a recession), a future pandemic or other public health emergency, and other conditions which are unpredictable and may not be quantifiable or determinable at this time. No representation or assurance is given or can be made that revenues will be realized by HHC in amounts sufficient to pay debt service on the qualified obligations securing the Series 2025C Bonds when due; provided, that ultimately the Series 2025C Bonds are payable by HHC from an unlimited ad valorem property tax required by law to be levied by or on behalf of HHC.

The discussion herein describes risks related to certain existing federal and state laws, regulations, rules and governmental administrative policies and determinations to which HHC and the health care industry are subject. Several of the federal statutes and regulations described herein may be substantially modified or repealed in whole or in part. The scope and effect of future legislation or judicial action cannot be predicted and there are no assurances that any such future legislation or judicial action will not have a material adverse impact on HHC's business or financial condition. In addition to statutory changes or judicial action, regulatory changes and executive actions could have a material adverse impact on HHC's business or financial condition.

Pandemic or Other Public Health Emergency

The occurrence of a health emergency or crisis, including a global pandemic or national or localized outbreak of an infectious disease such as measles, COVID-19, Ebola, Zika, or influenza, may put stress on the capacity of part or all of the facilities of HHC, could require resources be diverted from one facility to another, could disrupt the supply chain for equipment and supplies necessary for facility operations, or could otherwise impair the operations of part or all of the facilities of HHC.

In the future, treatment of COVID-19 or another highly contagious disease may adversely affect operations and financial performance in various ways, including but not limited to (1) an overburdening of facilities, (2) a quarantine, temporary shutdown or diversion of patients, (3) a disruption in the production or supply of pharmaceuticals, medical supplies and protective equipment and increases in the costs of such products, (4) professional or non-professional staff shortages or illnesses, (5) an increase in overhead costs due to additional costs incurred related to adjustments to the use of various facilities and to staffing during the outbreak, including overtime wages, mandated sick pay, and the use of more expensive contract staff to provide care, (6) significantly delayed

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payments from third-party payors, (7) increased numbers of professional liability lawsuits, (8) a larger number of uninsured patients due to increased unemployment rates, and (9) reduced patient volumes and operating revenues due to unaffected individuals deferring elective procedures or otherwise avoiding medical treatment. The federal Provider Relief Fund ("*Provider Relief Fund*") made payments to eligible providers who diagnosed, tested, or cared for individuals with possible or actual cases of COVID-19 and had health care-related expenses and lost revenues attributable to COVID-19. Providers received automatic payments and/or applied for payments. Payments in excess of health care-related expenses or lost revenue attributable to COVID-19 were required to be repaid. DHHS is actively auditing recipients of Provider Relief Fund funds to ensure compliance with the terms and conditions thereof. Failure to comply with such terms and conditions could result in recoupment, False Claims Act liability, or other penalty.

General Economic Factors and Credit Market Disruptions

The U.S. economy is unpredictable. Economic downturns and other unfavorable economic conditions have previously impacted the health care industry and health care providers' business and financial condition. If general economic conditions worsen, HHC may not be able to sustain future profitability, and its liquidity and ability to repay outstanding debt, including the payment of debt service on the qualified obligations securing the Series 2025C Bonds when due; provided, however, that ultimately the Series 2025C Bonds are payable by HHC from an unlimited ad valorem property tax required by law to be levied by or on behalf of HHC. Broad economic factors such as inflation, unemployment rates, tariffs on imported goods or instabilities in consumer demand and consumer spending, or other factors, could affect HHC's volumes and its ability to collect outstanding receivables. Other economic conditions that from time to time may adversely affect HHC revenues and expenses, and consequently, its ability to make payments on the Series 2025C Qualified Obligations, include but are not limited to: (1) an inability to access financial markets on acceptable terms at a desired time, (2) significant investment portfolio losses, (3) increased business failures and consumer and business bankruptcies, (4) federal and state budget challenges resulting in reduced or delayed Medicare and Medicaid reimbursement or other health care program cuts, (5) a reduction in the demand for health care services or patient decisions to postpone or cancel elective and non-emergency health care procedures, (6) increased malpractice, casualty, and other insurance expenses, (7) reduced availability or affordability of health insurance, (8) a shortage of physician, nursing, or other professional personnel, (9) a shortage of medical equipment or supplies due to a public health emergency, tariffs, or other factors, (10) increased operating costs due to tariffs, inflation, or other factors, (11) a reduction in the receipt of grants and charitable contributions, (12) unfavorable demographic developments in HHC's service areas, (13) unavailability of liquidity during periods of economic stress caused by delayed reimbursement or payment, or increased costs of liquidity facilities, or (14) increased competition from other health care institutions.

The United States has experienced recent high levels of inflation and supply chain issues which has had an impact on the cost of goods and services needed by HHC to operate their facilities. Such issues may increase costs and otherwise adversely impact operations. Recently increased tariffs and new trade policies may increase operating expenses, particularly the costs of supplies and equipment, and could disrupt the supply chain necessary for facility operations and adequate inventories. The long-term impact of such polices cannot be predicted; however, they may adversely affect HHC's operations and financial performance in various ways, including but not limited to a disruption in the production or supply of pharmaceuticals, medical supplies and equipment or significant increases in the costs of such products.

Shifting Political Landscape

The evolving priorities and policies of the new Trump administration may have a significant effect on the health care industry. For example, shifts in leadership at executive agencies such as the U.S. Department of Health and Human Services ("*DHHS*"), the Centers for Medicare & Medicaid Services ("*CMS*"), and the Food and Drug Administration ("*FDA*"), and the creation of temporary executive commissions such as the Department of Government Efficiency, may create uncertainty for health care providers around regulatory priorities, Medicare and Medicaid reimbursement, and other funding upon which providers may rely. The imposition of tariffs on pharmaceutical products and other medical products and equipment may create supply chain issues which could materially increase operating costs and adversely affect operations of HHC. Any renewed efforts to weaken or repeal the ACA (discussed below) or to reduce federal expenditures to offset proposed tax cuts as discussed under "Tax Reform" below could lead to reduced reimbursement or federal funds otherwise available to health care providers, a rise in uninsured patients, and a corresponding financial strain on hospitals, particularly those serving low-income populations. For example, the 2025 budget reconciliation package passed by Congress included tightened Medicaid eligibility

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requirements, including conditioning eligibility for some populations on meeting a work requirement. Any policies or legislation aimed at revising or eliminating the tax-exempt status of municipal or private activity, passed as part of any 2025 budget reconciliation package or otherwise, may materially affect HHC's operations, financial condition, or the tax-exempt status of HHC.

Patient Service Revenues

General. Net patient service revenues realized by HHC are derived from a variety of sources and will vary among the individual facilities owned and operated by HHC and also among the various market areas and regions in which such facilities are located. A substantial portion of the net patient service revenues of HHC is derived from third-party payors. These third-party payors include the federal Medicare program, the Indiana Medicaid program and commercial health plans and insurers, including managed care organizations such as health maintenance organizations ("*HMOs*") and preferred provider organizations ("*PPOs*"). Many third-party payor programs make payments to HHC in amounts that may not reflect the direct and indirect costs of HHC in providing services to the insured patients. Federal deficit reduction efforts have slowed the growth of federal Medicare and Medicaid spending, as discussed below. Additionally, the financial performance of HHC has been, and in the future could be, adversely affected by the financial position or the insolvency or bankruptcy of or other delay in receipt of payments from third-party payors.

Governmental Payor Programs. Health care providers have been and continue to be affected significantly by changes made in the last several years to federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. The purpose of much of this statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs. In addition to ongoing and future payment reform measures resulting from the Affordable Care Act and other health care reform efforts, the Medicare and Medicaid programs are subject to: (1) other statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels, and the method of calculating payments or reimbursement rates, (2) requirements for utilization review, and (3) federal and state funding restrictions and challenges. Any of these factors could materially decrease payments from these government programs in the future, as well as affect the cost of providing services to patients and the timing of reimbursement. See "Regulation of the Health Care Industry — Federal and State Legislation; National Health Care Reform" below for additional discussion of risks related to Medicare and Medicaid reimbursement.

Commercial Third-Party Payors. HHC's ability to develop and expand its services and, therefore, its operating margins are dependent upon its ability to enter into contracts with commercial third-party payors at competitive rates. There can be no assurance that it will be able to attract commercial third-party payors, and where it does, no assurance that it will be able to contract with such payors on advantageous terms. The inability of HHC to contract with a sufficient number of such payors on advantageous terms would have a material adverse impact on HHC's business and financial condition. Additionally, commercial third-party payors are increasingly attempting to control health care costs through increased utilization reviews, greater enrollment in managed care programs, such as HMOs and PPOs, and directly contracting with hospitals to provide services on a discounted basis. The trend toward consolidation among private managed care payers tends to increase their bargaining power over prices and fee structures. Other health care providers, including some with greater financial resources, greater geographic coverage or a wider range of services, may compete with HHC for opportunities with commercial insurers. For example, competitors may negotiate exclusivity provisions with certain managed care plans or otherwise restrict the ability of managed care companies to contract with HHC providers. There can be no assurance that HHC will be able to continue to attract commercial third-party payors, or that it will be able to contract with such payors on advantageous terms.

Managed Care Organizations. Health maintenance organizations, preferred provider organizations and other managed health care systems (collectively, *"Managed Care Organizations"*) are providers of health care coverage significantly different from traditional commercial insurers. Managed Care Organizations represent a broad continuum of systems generally designed to favorably affect the cost, the site and/or the utilization of health care services from a patient standpoint. As such, they include health maintenance organizations, which generally accept uniform per-employee payments from employers and/or employees with fees based on the number of enrollees and in return agree to provide all, or substantially all, of an enrollee's health care needs, and preferred provider organizations, which generally negotiate favorable prices with providers and thus create preferred provider arrangements. Managed Care Organizations often rely upon case management analysis to reduce utilization of health care services, including discouraging an enrollee's admission to a hospital unless determined to be absolutely necessary. As Managed Care

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Organizations' enrollment increases, such entities also become significant purchasers of health care services from hospitals and other providers enabling negotiation of separate pricing terms and selection of health providers offering the most cost-effective services. Such case and cost management efforts on behalf of Managed Care Organizations may adversely affect utilization or have a material adverse impact on HHC's business and financial condition.

Most Managed Care Organizations pay health care facilities on a negotiated fee-for-service basis or on a discounted fixed rate per day of inpatient care. The discounts offered to Managed Care Organizations may result in payment at less than actual cost and the volume of patients directed to a health care facility under a Managed Care Organization's contract may vary significantly from projections. In cases where a Managed Care Organization is a major purchaser of services from a particular health care facility operated by a hospital, a contract rate reduction, contract cancellations, inability to pay, failure to make prompt payment, difficulty in meeting solvency thresholds, business failure or bankruptcy of the Managed Care Organization may have a material adverse impact on HHC's business and financial condition.

Some Managed Care Organizations employ a "capitation" payment method under which health care providers are paid a predetermined periodic rate for each enrollee in the Managed Care Organization who is "assigned" or otherwise directed to receive care from a particular health care provider. The health care provider may assume financial risk for the cost and scope of institutional care provided. If payment is insufficient to meet the health care provider's actual cost of care, or if utilization by such enrollees materially exceeds projections, the financial condition of the health care provider could erode rapidly and significantly. In addition to the standard Managed Care Organization risk sharing approach, private health insurance companies are increasingly adopting various additional risk sharing/cost containing measures, sometimes similar to those introduced by government payors. Health care providers may expect health care cost containment and its associated risk sharing to continue to increase in the coming years among all payors.

Managed Care Organizations that experience financial pressure may slow payment to providers, withhold pay entirely, or utilize claims payment methodology that systematically reduces compensation on a per claim basis. Managed Care Organizations that become insolvent may seek either federal bankruptcy or state insurance insolvency protection. Such bankruptcy or insurance insolvency protection may require that providers repay certain claims to the Managed Care Organization, or result in certain claims becoming uncollectible. It is not possible at this time to predict the future of the managed care industry in general or of specific Managed Care Organizations, or to predict what impact the state of the financial health of such organizations might have on HHC.

Often, managed care contracts are enforceable for a stated term, regardless of health care organizations losses and may require health care organizations to care for enrollees for a certain time period, regardless of whether the payer is able to pay the health care organization. Health care organizations from time to time have disputes with Managed Care Organizations concerning payment and contract interpretation issues. Such disputes may result in mediation, arbitration, litigation or contract termination.

Failure to maintain contracts could have the effect of reducing a health care organization's market share and net patient services revenues. Conversely, participation may result in lower net income if participating health care organizations are unable to adequately contain their costs. In part to reduce costs, health plans are increasingly implementing, and offering to purchasing employers, tiered provider networks, which involve classification of a plan's network providers into different tiers based on care quality and cost. With tiered benefit designs, plan enrollees are generally encouraged, through incentives or reductions in copayments or deductibles, to seek care from providers in the top tier. Classification of a health care provider in a non-preferred or lower tier by a significant payer may result in a material loss of volume.

Many private health plans and Managed Care Organizations are mirroring federal initiatives to encourage providers to be more accountable for patient care by tying reimbursement to the quality and value provided to beneficiaries. Managed Care Organizations are increasingly implementing "narrow networks" which limit the in-network providers available to enrollees in an effort to contain costs. Managed Care Organizations often look at quality performance and cost in selecting providers to participate in their narrow networks. A provider's exclusion from a narrow network may result in a material loss of volume. Managed Care Organizations may offer lower reimbursement for providers in their narrow network(s) in exchange for additional volume expected from being one of a select group of network providers. This reimbursement may be insufficient to cover a network provider's cost in

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providing the services. The new demands of dominant health plans and other shifts in the managed care industry may also reduce patient volume and revenue.

In addition, the current trend of consolidation in the health insurance industry is likely to increase the leverage of commercial insurers when negotiating rates with health care providers. Large health insurers that assume dominant positions in local markets threaten to increase health insurer concentration, reduce competition and decrease choice. If a Member of HHC were to terminate its agreement with any of the major managed care payers or not agree to terms proposed by such payers, or if the payers were to exit the regional marketplace in some or all of their product lines, it could have a significant material adverse impact on the financial condition of HHC.

State legislatures, including Indiana, have increased the regulation of provider-payor contracting in recent years. Newly enacted legislation restricts all-or-nothing contracting, a provision requiring a health plan to contract with all hospitals in a system in order to contract with one of the system's hospitals, and anti-steering clauses, which limit a payor's ability to "steer" to lower cost or higher quality providers. Additionally, provisions in health provider contracts with third-party payors linking reimbursement or terms under separate lines of insurance business or under separate hospital contracts are prohibited. A shift in market dynamics caused by the increased regulation of payor-provider contracting may negatively impact the financial condition of HHC.

Alternative Payment Models. It is generally expected that alternative payment models such as value-based purchasing programs that condition reimbursement on patient outcome measures, will become more common and involve a higher percentage of reimbursement amounts. As discussed below in "Regulation of the Health Care Industry", the Affordable Care Act contains a number of health care delivery reform measures intended to promote value-based purchasing in the federal health care programs and commercial third-party payors are increasingly implementing value-based purchasing and other alternative payment models. This rapid volume-to-value reimbursement shift could present financial challenges for HHC and the employed or contracted clinicians with whom HHC partners to deliver care, particularly to the extent they are unable to meet targeted measures.

To keep pace with industry trends, many hospitals and health systems are pursuing clinical integration strategies or other joint ventures with physician groups in order to offer an integrated package of health care services to patients and health care insurers. These integration strategies may take many forms, including (1) accountable care organizations – organizations typically composed of a hospital and certain other health care providers that coordinate patient care and tie payment for that care to the achievement of quality metrics, (2) management service organizations – organizations that provide physicians or physician groups with a combination of financial and managed care contracting services, office and equipment, office personnel and management information systems, (3) physician-hospital organizations - organizations which are typically jointly owned or controlled by a hospital and physician group for the purpose of managed care contracting, implementation and monitoring, and (4) hospital-based clinics or medical practice foundations, which may purchase and operate physician practices as well as provide all administrative services to physicians. Often the start-up capitalization for such structures, as well as operational deficits, is funded by the sponsoring hospital or health system. Depending on the size and organizational characteristics of a particular strategy, these capital requirements may be substantial. In some cases, the sponsoring hospital or health system may be asked to provide a financial guarantee for the debt of a related entity that is carrying out an integrated delivery strategy. In certain of these structures, the sponsoring hospital or health system may have an ongoing financial commitment to support operating deficits, which may be substantial on an annual or aggregate basis. In addition, participating physicians may seek their independence for a variety of reasons, thus putting the hospital or health system's investment at risk and potentially reducing its managed care leverage and/or overall utilization. If an integrated delivery system structure is not functionally successful, it may produce materially adverse results that are counterproductive to some or all of its goals.

Joint venture and integrated delivery strategies carry with them the potential for legal or regulatory risks in varying degrees. Such ventures or strategies may call into question compliance with the federal fraud and abuse laws, relevant antitrust laws and federal or state tax-exemption. Such risks will depend on the facts specific to the implementation, operation or future modification of any integrated delivery system. In addition, depending on the type of structure, a wide range of governmental billing and other issues may arise, including questions of the authorization of the entity to bill for or on behalf of the physicians involved. Other related legal and regulatory risks may arise, including employment, pension and benefits, requirements for risk-bearing organizations and corporate practice of medicine, particularly in the current atmosphere of frequent and often unpredictable changes in federal and state legal requirements regarding health care and medical practice. The ability of hospitals or health systems to

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conduct integrated physician operations may also be altered or eliminated in the future by legal or regulatory interpretation or changes or by health care fraud enforcement.

Government Regulation of the Health Care Industry

A significant portion of the revenues of HHC is derived from government reimbursement programs including, in particular, the Medicare and Medicaid programs. As a result, HHC are subject to all of the federal, state and local laws and regulations related to the Medicare and Medicaid programs. In addition to the Medicare and Medicaid programs, HHC and the health care industry in general are subject to regulation by a number of governmental agencies which affect the provision, administration and payment of health care services on both a national and local basis. Health care providers, including HHC, have been and will be affected significantly by changes that have occurred in the last several years in federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. See "Regulation of the Health Care Industry" below for more information regarding federal and state health care regulations.

Federal and State Budgets

The effect of future government health care funding, spending reductions, or federal or state deficit policy changes on HHC's business or financial condition is unpredictable. The Trump Administration and 119th Congress are focused on federal cost-reduction efforts, including in connection with the 2025 budget reconciliation process described herein. Health care spending is expected to be a large part of any cost-reduction efforts as health care comprises a significant portion of federal spending. If reimbursement rates paid by governmental payors are reduced, if the scope of services covered by governmental payors is limited, or if other health care program spending is eliminated or reduced, there could be a material adverse effect on HHC's business or financial condition.

Medicare Sequestration. Past federal legislation and policies aimed at federal deficit reduction have resulted in across the board federal program spending reductions, including a yearly 2% reduction in Medicare reimbursement rates (known as "*Medicare sequestration*") required by the Budget Control Act of 2011. Another federal statutory sequester, the "Pay-As-You-Go" or "PAYGO" sequester, may be triggered in future years. Further, with no long-term resolution in place for federal deficit reduction, Medicare and Medicaid reimbursement may continue to be targets for interim and long-term federal spending reduction efforts. It is possible that Congress could act to extend or increase Medicare and Medicaid spending reductions in the future and such actions could have a material adverse effect on HHC's business or financial condition.

Federal Debt Limit. The federal government is subject to a debt "ceiling" established by Congress. In the past several years political disputes concerning authorization of a federal debt ceiling increase have led to shutdowns of substantial portions of the federal government and other federal budget authorization delays have occurred. Federal budget delays and federal government shutdowns are unpredictable and may occur in the future. Any failure by Congress to increase the federal debt ceiling may impact the federal government's ability to incur additional debt, pay its existing debt instruments and to satisfy its obligations relating to the Medicare and Medicaid programs.

In June 2023, the debt ceiling was suspended until January 1, 2025. On January 2, 2025, the federal debt limit was reinstated at $36.1 trillion, which was the amount of debt outstanding on the previous day. In January 2025, the U.S. Treasury implemented a "debt issuance suspension period" where, under the law as it currently stands, the U.S. Treasury can only take well established and extraordinary measures to borrow additional funds. The U.S. Treasury estimates that if the debt ceiling is not raised, then the U.S. government's ability to borrow while relying on extraordinary measures will be exhausted in August 2025. Management of HHC is unable to predict what impact any future failure to increase or suspend the debt limit may have on the operations and financial condition of HHC, but such impact may be material. Additionally, the market price and marketability of HHC's outstanding bonds in the secondary market may be materially adversely impacted by any failure to increase the federal debt limit.

State Budget Challenges. Many states face budgetary challenges that have resulted, and likely will continue to result, in reduced Medicaid funding levels to hospitals and other health care providers. The most recent Indiana revenue forecast in April 2025 forecasted a $2.4 billion decrease in general fund revenues from the prior forecast. Because most states, including Indiana, are required to operate with balanced budgets, and the Medicaid program is generally a significant portion of a state's budget, states can be expected to adopt or consider adopting future legislation designed to reduce or freeze Medicaid expenditures. In addition, some states delay issuing Medicaid

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payments to providers to manage state expenditures. Continuing pressure on state budgets, state budget authorization delays, and other factors could result in future reductions to Medicaid payments, payment delays or additional taxes on hospitals. In addition, executive or legislative proposals to cap the federal share of Medicaid expenditures, otherwise reduce Medicaid expenditures, or "block grant" the Medicaid program would further shift rising cost risk to the states, exacerbating state budget challenges, and potentially resulting in decreased payments to providers or a reduction in the services covered by Medicaid. Each of these situations may have a material adverse effect on a provider's business or financial condition.

Licensure, Certification and Accreditation Requirements

The health care facilities of HHC are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These may be affected by regulatory action and policy changes by governmental and private agencies that administer Medicare, Medicaid and third-party payment programs, as well as action by, among others, accrediting bodies such as The Joint Commission (*"TJC"*), and federal, state and local government agencies. Renewal and continuation of certain of these licenses, certifications and accreditations are based on inspections or other reviews generally conducted in the normal course of business of health facilities. Actions in any of these areas could result in a reduction in utilization, revenues or both, or the inability of HHC to operate all or a portion of such facilities, and, consequently, could result in a material adverse effect on HHC's business or financial condition. Management of HHC currently anticipates HHC will be successful in renewing or maintaining currently held licenses, certifications or accreditations.

Malpractice and General Liability Insurance

In recent years, the number of malpractice and general liability suits and the dollar amount of damage recoveries have increased nationwide, resulting in substantial increases in insurance premiums. Actions alleging wrongful conduct and seeking punitive damages are often filed against hospitals. Litigation may also arise from the corporate and business activities of HHC, including employee-related matters, medical staff and provider network matters and denials of medical staff and provider network membership and privileges. As with professional liability, many of these risks are covered by insurance, but some are not. For example, some antitrust claims, business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of HHC if determined or settled adversely. Claims for punitive damages may not be covered by insurance under certain state laws. Although HHC, either directly or through affiliated entities, currently maintains actuarially determined self-insurance reserves and carries excess malpractice and general liability insurance which management of HHC considers adequate, management is unable to predict the availability, cost or adequacy of such insurance in the future. Any judgments or settlements that exceed insurance coverages or self-insurance reserves could have a material adverse impact on HHC's business or financial condition. Moreover, HHC is not able to predict the cost or availability of any such insurance in the future.

Facility Damage

Health care providers are highly dependent on the condition and functionality of their physical facilities. Damage from natural or manmade disasters (e.g. earthquakes, wildfires, landslides, floods, tornados, hurricanes, etc.), severe weather, deliberate acts of destruction, terrorism, or various facility system failures may have a material adverse impact on HHC's business or financial condition, especially if insurance is inadequate to cover resulting property and business losses. No assurance is given as to the continuation of existing insurance coverage, which, among other things, may not be available at a reasonable cost in the future. Climate change may increase the frequency or severity of extreme weather events and other natural disasters. During the term of the Lease, HHC is required under the Lease to maintain rent or rental value insurance in an amount equal to the full rental value of the premises for period of the ensuing two and one-half 1/2 years against physical loss or damage.

Increased Competition and Consumer Transparency

The health care business is highly competitive. Competition for patients among hospitals and other health care providers has intensified in recent years. Increased competition from this wide variety of sources, including specialty hospitals, other hospitals and health care systems, outpatient facilities, long term care and skilled nursing services facilities, physician groups, urgent care clinics, telehealth providers, and home health providers, may adversely affect the utilization and revenues of hospitals and health care systems. If HHC's competitors are better

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able to attract patients, deliver services, recruit physicians, expand or integrate services, or obtain favorable managed care contracts at their facilities, HHC may experience an overall decline in patient volumes and revenues.

Quality measures and future trends toward clinical transparency may have an unanticipated impact on HHC's competitive position and patient volumes. Health care consumers are now able to access hospital performance data on quality measures and patient satisfaction, as well as standard charges for services, to compare competing providers. If any of HHC's health care facilities achieve poor results (or results that are lower than their competitors') on quality measures or patient satisfaction surveys, or if its standard charges are higher than its competitors', HHC may attract fewer patients. The CMS Price Transparency Rule, which requires the publication of hospital standard charges (including negotiated charges and out-of-pocket patient estimates), could also result in market distortion or changes to patient choice that may negatively impact HHC.

Future competition may arise from new sources not currently anticipated or prevalent. Additionally, scientific and technological advances, new procedures, drugs and devices, preventive medicine, and a trend towards outpatient or home health care delivery may reduce utilization and revenues of hospitals in the future or otherwise lead the way to new avenues of competition. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies.

Uncompensated Care

Hospital providers across the country continue to see a rise in uncompensated care as a result of Tax Cuts and Jobs Act's effective repeal of the Individual Mandate Tax Penalty, increased unemployment or other adverse economic conditions that further increase the proportion of patients who are unable to pay fully for their cost of care. Increases in contracted reimbursement rates may not be sufficient to fully offset the increased cost of uncompensated care.

Employer-Related Risks

Employee Relationships/Retention. Health care systems are major employers, combining a complex mix of professional, quasi-professional, technical, clerical, housekeeping, maintenance, dietary and other types of workers in a single operation. Accordingly, HHC employs a large number and wide diversity of employees. As with all large employers, HHC bears a wide variety of risks in connection with these employees. These risks include strikes and other related work actions, contract disputes, discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees, between physicians or management and employees, or between employees and patients), significant pension and benefit plan liabilities, and other risks that may flow from the relationships between employer and employee or between physicians, patients and employees. Many of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance. HHC are subject to all of the risks listed above, and such risks, alone or in combination, could have a material adverse impact on HHC's business or financial condition.

The ability of HHC to employ and retain qualified employees, including any senior management, and their ability to maintain good relations with such employees and employee unions (if any) affect the quality of services to patients and the financial condition of HHC.

Employees subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance and other trade personnel. Renegotiation of collective bargaining agreements upon expiration may result in significant cost increases. Employee strikes or other adverse labor actions may have an adverse impact on operations, revenue, and facility reputation. Presently, no employees of HHC are represented by labor unions and management of HHC is not aware of any efforts to organize employees into any collective bargaining groups.

On April 23, 2024, the U.S. Federal Trade Commission ("*FTC*") issued a Final Rule (the "*Non-Compete Rule*") banning employment agreement non-competes nationwide and across all industries with a stated effective date of September 4, 2024. Under the Non-Compete Rule, existing non-competes also would no longer be enforceable after the Non-Compete Rule's effective date, except for high-earning senior executives in policy making roles. On August 20, 2024, the U.S. District Court for the Northern District of Texas held that the Non-Compete Rule is unlawful and ordered that the Non-Compete Rule not take effect on September 4, 2024 or thereafter, which prevents the FTC

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from enforcing the Non-Compete Rule. The FTC filed a notice of appeal on October 19, 2024. Absent a court order to the contrary, the lower court order setting aside the Non-Compete Rule will remain in effect nationwide, meaning the non-compete ban continues to remain unenforceable. The timing and outcome of the FTC's appeal cannot be predicted. Non-competes are commonly used in the health care sector and their elimination could exacerbate already existing workforce challenges for hospitals. While the Non-Compete Rule generally will not apply to non-profit organizations, the FTC has stated an intention to consider both the source and the destination of an entity's income when deciding if an entity is within the FTC's jurisdiction, and thus subject to the Non-Compete Rule. The applicability of the Non-Compete Rule to the operations of HHC and the consequence thereof cannot be determined at this time.

Staffing Shortage. The health care industry occasionally experiences a scarcity of clinical and non-clinical personnel, including primary care physicians, nurses, respiratory therapists, radiation technicians, pharmacists, and other trained health care technicians. A current and significant nationwide nursing shortage is particularly affecting the health care sector and various studies have predicted that physician and nurse shortages will become more acute over time as practitioners retire and patient volume exceeds the growth in new practitioners. Additionally, the COVID-19 pandemic exacerbated staffing shortages, with practitioners and other personnel deciding to leave the health care sector or retire early. In addition, several COVID-19 related factors, such as fear of workplace exposure, vaccination mandates, and difficulties in finding child and elder care, has caused a tight job market, generally. Many employers in a variety of sectors continue to struggle to fill available positions. Personnel shortages may result in increased costs and lost revenues due to the need to hire agency staffing personnel at higher rates, increased compensation levels to retain and recruit personnel, and the inability to operate at capacity due to the staff shortage, any of which could materially adversely impact HHC's business or financial condition.

Physician Relationships and Supply. The success of HHC's business depends in significant part on the number, quality, specialties, and admitting and scheduling practices of admitting physicians. Accordingly, it is essential to HHC's ongoing business that it attract an appropriate number of quality physicians in the specialties required to support its services and that it maintains good relationships with those physicians. A shortage of physicians, especially in primary care, could become a significant issue for health providers in the coming years. In addition, reductions in Medicare or Medicaid reimbursement could lead to physicians relocating their practices in communities with lower Medicare and Medicaid populations. HHC may be required to invest additional resources for recruiting and retaining physicians or may be required to increase the percentage of employed physicians in order to continue serving the growing population base and maintain market share.

In recruiting, retaining and otherwise contracting with physicians, HHC will be limited by (and HHC's capacity to attract physicians in all desired specialties at various sites of service may be impacted by) rules promulgated by federal or state regulation. Failure to comply with such rules could result in substantial fines, penalties, or exclusion from the federal health care programs. Management of HHC believes that HHC's physician arrangements are in material compliance with applicable laws and regulations, but no assurance can be given that regulatory authorities will not take a contrary position or that HHC will not be found to have violated applicable law. Additionally, future laws, regulations or policies may have a material adverse impact on the ability of HHC to recruit and retain physicians.

Medical Staff Disputes. The primary relationship between a hospital and physicians who practice in it is through the hospital's organized medical staff. Medical staff bylaws, rules and policies establish the criteria and procedures by which a physician may have his or her privileges or membership curtailed, denied or revoked. Physicians who are denied medical staff membership or certain clinical privileges, or who have membership or privileges curtailed, denied or revoked, often file legal actions against hospitals. Such actions may include a wide variety of claims, including antitrust claims, some of which could result in substantial uninsured damages to a hospital. Furthermore, from time to time, actions or decisions of hospital management may cause unrest among certain physician groups or members of the medical staff, which could result in legal or other actions, such as resignation from the medical staff. In addition, failure of the hospital governing body to adequately oversee the conduct of its medical staff may result in hospital liability to third parties.

Wage and Hour Class Actions and Litigation. Federal law and many states impose standards related to worker classification, eligibility and payment for overtime, liability for providing rest periods and similar requirements. Large employers with complex workforces are susceptible to actual and alleged violations of these standards. In recent years, there has been a proliferation of "wage and hour" lawsuits, often in the form of large,

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sometimes multistate, class actions. For large employers such as hospitals and health systems, such class actions can involve multimillion dollar claims, judgments and/or settlements. A major class action decided or settled adversely to HHC could have a material adverse impact on HHC's business or financial condition.

Audits, Exclusions, Fines, Withholds and Enforcement Actions

Health care providers participating in Medicare and Medicaid are subject to audits and retroactive audit adjustments by fiscal intermediaries under the Medicare and Medicaid programs. From an audit, a fiscal intermediary may conclude that services may not have been provided under the direct supervision of a physician (to the extent so required), that a patient should not have been characterized as an inpatient, that certain services provided prior to admission as an inpatient should not have been billed as outpatient services, or that certain required procedures or processes were not satisfied, or that certain costs were unreasonable, not allowable, not incurred or incorrectly classified. As a consequence, payments may be retroactively disallowed or recouped. Regulations also provide for withholding of payments in certain circumstances, and such withholdings could have a substantial adverse effect on the financial condition of the health care provider, including, HHC. Under certain circumstances, payments made may be determined to have been made as a consequence of improper claims subject to the federal and state statutes, subjecting the health care provider to civil or criminal sanctions.

Information Systems

The ability to adequately price and bill health care services and to accurately report financial results depends on the operability of a health care provider's electronic medical record (*"EMR"*) and other information technology ("*IT*") systems and the integrity of the data stored within such systems. EMR and IT systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards. There can be no assurance that efforts to upgrade and expand information systems capabilities, protect and enhance these systems, and develop new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future. From time to time, providers may need or choose to change or upgrade EMR systems. Such transfer can be costly and have the potential to disrupt operational issues and create regulatory issues such as data privacy issues, which in turn may have a material adverse effect on HHC's business or financial condition.

The reliance on EMR and IT systems imposes expectations on physicians and other workforce members to be adept in using and managing such systems. It also introduces risks related to patient safety, and to the privacy, accessibility and preservation of health information. Technology malfunctions or failure to understand and use information systems properly could result in the dissemination of or reliance on inaccurate information, as well as in disputes with patients, physicians and other health care professionals. Health information systems may also be subject to different or higher standards or greater regulation than other information technology or the paper-based systems previously used by health care providers, which may increase the cost, complexity and risks of operations. All of these risks may have adverse consequences on hospitals and health care providers.

Increasing Cost of Modern Technology

Technological advances in recent years have forced hospitals to acquire sophisticated and costly equipment to remain technologically current. Moreover, the growth of e-commerce may also result in a shift in the way that health care is delivered (i.e., from remote locations). For example, physicians are able to provide certain services over the internet and pharmaceuticals and other health services may be purchased online. If, due to financial constraints, HHC were less able to acquire new equipment required to remain technologically current, the operations and financial condition of HHC could be materially adversely affected.

Medical discoveries and advancements, including the development of new drugs, devices or procedures, may add significantly to HHC's cost of providing services, requiring costly new medical technology with no or little offsetting increase in federal reimbursement. Moreover, medical advancements also may render obsolete certain health care services, thereby either increasing expense or reducing revenues. The ability of HHC to purchase and offer new medical technology and equipment may be subject to the availability of such equipment, specialists trained in such equipment or technology, governmental approval, or the ability to finance such acquisitions or operations.

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The implementation of new medical technology cannot be predicted but may have a material adverse effect on HHC's business or financial condition.

Cyber-Attacks

HHC relies on IT systems, including EMRs, to operate its facilities and process, transmit and store sensitive and confidential data, including the protected health information and personally identifiable information of its patients and employees, and proprietary and confidential business performance data. In the past several years, a number of entities have sought to gain unauthorized access to IT systems of large organizations to misappropriate assets or information or to cause operational disruptions. These attempts may be highly sophisticated. Although HHC has implemented network security measures, HHC's IT systems may still be vulnerable to computer viruses, cyber-attacks by hackers (such as malware or ransomware attacks), or breaches due to internal or external malfeasance or employee error or negligence. Any cybersecurity event that limits a health facility's ability to access its IT systems or otherwise compromises patient data could result in the disruption or cessation of facility operations, patient safety issues, the loss of patient records, an inability to submit claims for reimbursement, the payment of significant ransoms, negative press, and/or the imposition of substantial fines or penalties for violation of federal or state privacy laws, any of which may adversely affect a health facility's business or financial condition. At the present time, management of HHC is not aware of any cybersecurity attack or breach which is expected to have a material adverse effect on HHC's business or financial condition.

Cyber-attacks specifically targeted at health systems have been occurring more frequently, and in some recent cases, have resulted in the disruption or temporary cessation of facility operations. DHHS, the Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Agency ("*CISA*") have expressed concern that U.S. hospitals and health care providers are a prime target for cyber-attacks and that such cyber-attacks could result in data theft and disruption of health care services. The Cyber Incident Reporting for Critical Infrastructure Act ("*CIRCIA*"), signed into law in March 2022, requires hospitals and health systems to report cyber breaches within 72 hours and any ransomware payments made within 24 hours to CISA at the United States Department of Homeland Security. CIRCIA requires CISA to promulgate corresponding implementing regulations. The potential impact of any final implementing regulations relating to CIRCIA is unknown at this time.

Cybersecurity threats will continue to evolve, and HHC may not be able to anticipate certain attack methods in order to implement effective protective measures. As a result, HHC may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. Additionally, HHC's IT systems routinely interface with and rely on third party systems that are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider could harm HHC's business or financial condition. Although HHC has insurance against some cyber risks and attacks, it may not be sufficient to offset the impact of a material loss event.

Antitrust

Antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, contracting with commercial insurers, Managed Care Organizations and other third-party payors, physician relations, joint ventures, merger, affiliation and acquisition activities and certain pricing or salary setting activities, as well as other areas of activity. Enforcement of the antitrust laws against health care providers is becoming more common and antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, third party contracting, physician relations and joint venture, merger, affiliation, and acquisition activities. The FTC has publicly acknowledged increasing enforcement action in the areas of hospital and physician combinations, and enforcement in the health care sector continues to be active. The most common areas for potential liability are joint activities among providers with respect to payor contracting, medical staff credentialing, hospital and physician mergers and acquisitions, and allegations of exclusion of competitors from market opportunities. From time to time, HHC may be involved in joint contracting activity or affiliation discussions with other hospitals or providers. Violators of the antitrust laws may be subject to criminal and/or civil enforcement (and large financial damages) by federal and state agencies, as well as by private litigants in certain instances. At various times, HHC may be subject to an investigation or inquiry by a governmental agency charged with the enforcement of the antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Common areas of potential liability are joint action among providers with respect to third-party payor contracting and medical staff credentialing. With

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respect to third-party payor contracting, HHC may, from time to time, be involved in joint contracting activity with hospitals, physicians or other providers. The precise degree, if any, to which this or similar joint contracting activities may expose the participants to antitrust risk is dependent on a myriad of factual matters. Physicians who are subject to adverse peer review proceedings may file federal antitrust actions against hospitals and seek treble damages. Health care providers, including HHC, regularly have disputes regarding credentialing and peer review, and therefore may be subject to liability in this area. In addition, health care providers occasionally indemnify medical staff members who are involved in such credentialing or peer review activities, and may, therefore, also be liable with respect to such indemnity.

Environmental Laws and Regulations

Typical health care facility operations include the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants and contaminants. As such, health care facility operations are particularly susceptible to the practical, financial and legal risks associated with compliance with environmental and occupational health and safety laws and regulations. These risks may result in (1) damage to individuals, property or the environment, (2) the interruption of operations and/or increased operating costs, (3) legal liability, damages, injunctions, citations, or fines, and (4) investigations, administrative proceedings, civil litigation, criminal prosecution, penalties or other governmental agency actions. Such actions may not be covered by insurance. There is no assurance that HHC will not encounter such problems in the future and such problems may result in material adverse consequences to HHC's business or financial condition. In addition to the environmental and occupational health and safety laws and regulations that typically apply to HHC, compliance with pandemic-related occupational health and safety laws may increase operating costs or affect HHC's ability to recruit and retain employees.

Management of HHC is not aware of any currently pending or threatened claim, investigation or enforcement action regarding environmental or occupational health and safety issues that, if determined adversely to HCC, would have a material adverse impact on HHC's business or financial condition.

Other General Bondholders' Risks

In the future, the following factors, among others, may adversely affect the operations of health care providers, including HHC, or the market value of the Series 2025C Bonds, to an extent that cannot be determined at this time:

1. Reduced demand for the services of HHC that might result from decreases in population in their respective service areas.

2. Increased unemployment or other adverse economic conditions in the respective service areas of HHC which would increase the proportion of patients who are unable to pay fully for the cost of their care.

3. Any increase in the quantity of indigent care provided which is mandated by law or required due to increased needs of the community in order to maintain the charitable status of HHC.

4. Regulatory actions which might limit the ability of HHC to undertake capital improvements to their respective facilities or to develop new institutional health services.

5. The occurrence of a large-scale terrorist attack that increases the proportion of patients who are unable to pay fully for the cost of their care and that disrupts the operation of certain health care facilities by resulting in an abnormally high demand for health care services.

6. Instability in the stock market which may adversely affect both the principal value of, and income from, HHC's investment portfolio.

7. The adoption of legislation or implementation of regulations establishing a national or statewide single payor health program or that would establish national, statewide or otherwise regulated rates applicable to health care providers. The Indiana legislature recently established a "Health Care Cost

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Oversight Task Force", which among other things, is charged with studying and making recommendations regarding the costs of health care in the state and nonprofit hospital pricing as compared to Medicare pricing. Management cannot predict whether Indiana will cap or otherwise regulate nonprofit health care providers' reimbursement rates.

8. State or federal imposition of higher minimum or living wages.

9. The outcome of political elections or political or civil unrest.

10. Climate change.

11. An inflationary economy or recession.

12. Increased threats of violence that target healthcare facilities and medical workers.

13. There can be no assurance that the ratings assigned to the Series 2025C Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2025C Bonds

14. There is presently no secondary market for the Series 2025C Bonds and no assurance can be given that a secondary market will develop. Consequently, investors may not be able to resell the Series 2025C Bonds purchased should they need or wish to do so.

15. Any business disruptions at third-party vendors on which HHC relies for services, such as health care payment and revenue cycle management companies.

Regulation of the Health Care Industry

General Health Care Industry Factors

HHC, and the health care industry in general, are subject to regulation by a number of governmental agencies, including those which administer the Medicare and Medicaid programs, federal, state and local agencies responsible for administration of health planning programs and other federal, state and local governmental agencies. The health care industry is also affected by federal, state and local policies developed to regulate the manner in which health care is provided, administered and paid for nationally and locally. As a result, the health care industry is sensitive to legislative and regulatory changes in such programs and is affected by reductions and limitations in government spending for such programs as well as changing health care policies. The pressure to curb the rate of increase in federal spending in health care programs overall and on a per beneficiary basis is expected to increase as the U.S. population ages. Among other effects, this pressure may result in further reductions in payment rates for hospital services and increased utilization of managed care in the Medicare and Medicaid programs. In addition, Congress and other governmental agencies have focused on the provision of care to indigent and uninsured or underinsured patients, the prevention of "dumping" such patients on other hospitals in order to avoid provision of unreimbursed care and other issues. Adoption of additional regulations in these areas could have an adverse effect on the results of operations of HHC. Furthermore, laws promulgated by Congress and state legislatures, which regulate the manner in which health care services are provided and billed for, are increasing. As a result, the costs of complying with these laws and regulations are increasing. Some of the legislation and regulations affecting the health care industry are discussed in this section.

Federal and State Legislation; National Health Care Reform

General. A significant portion of the revenues of HHC is derived from Medicare, Medicaid and other third-party payors.. Medicare is the federally-funded government health insurance program for individuals over 65 regardless of income and individuals with permanent disabilities or with end-stage renal disease. Medicare is administered by CMS, through "Medicare Administrative Contractors." Medicaid is the joint federal and state health insurance program that, together with the Children's Health Insurance Program, provides health coverage to certain low-income individuals and children and individuals with disabilities. Medicaid benefits are available through a state's Medicaid program, within prescribed limits, to persons meeting certain minimum income or other need requirements.

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Significant changes have been and will likely continue to be made in these programs, which changes could have an adverse impact on the financial condition of HHC. In addition, legislation has in the past and may in the future be introduced in Congress which, if enacted, could adversely affect the operations of HHC by, for example, decreasing payment by Medicare and Medicaid and other third-party payors or limiting the ability of the physicians on the medical staff of HHC to provide services or increase services provided to patients.

The discussion herein describes risks associated with certain existing federal and state laws, regulations, rules, and governmental administrative policies and determinations to which HHC and the health care industry are subject. These are regularly subject to change. Additionally, because health care regulations are particularly complex, such regulations may be interpreted and enforced in a manner that is inconsistent with management of HHC's interpretation. HHC's business or financial condition could be harmed if it is alleged to have violated existing health care regulations or if it fails to comply with new or changed health care regulations. Furthermore, health care, as one of the largest industries in the United States, continues to attract much legislative interest and public attention. Further changes in the health care regulatory framework which increase the burdens on health care providers could have a material adverse impact on HHC's business or financial condition.

Many of the health care laws and regulations discussed below were amended by, enacted by, or promulgated pursuant to the Affordable Care Act (discussed below). There can be no assurances that any current health care laws and regulations, in addition to the Affordable Care Act, will remain in their current form. Additionally, there can be no assurances that any potential changes to the laws and regulations governing health care would not have a material adverse financial or operational impact on HHC. Therefore, the following discussion should be read with the understanding that significant changes could occur in the foreseeable future in many of the statutory and regulatory matters discussed.

Affordable Care Act. The Affordable Care Act ("*ACA*") significantly changed, and continues to change, how health care services are covered, delivered, and financed in the United States. The primary goal of the ACA—extending health coverage to millions of uninsured legal U.S. residents—has taken place through a combination of private sector health insurance reforms and Medicaid program expansion (discussed below). To fund Medicaid expansion, the ACA includes a broad array of quality improvement programs, cost-efficiency incentives, and enhanced fraud and abuse enforcement measures, each designed to generate savings within the Medicare and Medicaid programs. Additionally, the ACA created health insurance exchanges—competitive markets for individuals and small employers to purchase health insurance—and financial programs designed to encourage insurance companies to offer plans on the health insurance exchanges.

In addition to actual and possible legislative changes or legal challenges, executive branch actions and policies could impact the viability of the ACA. For example, executive branch action has the potential to significantly impact the ACA insurance exchange market by causing a reduction in the number of healthy individuals in the ACA health insurance exchanges, a reduction in the number of plans available on the health insurance exchanges, and/or an increase in insurance premiums. President Trump has and may continue to reverse certain executive orders or policies of the prior administration which could have the effect of undermining the ACA.

The Inflation Reduction Act of 2022 ("*IRA*") was passed on August 16, 2022, which among other things, allows for CMS to negotiate prices for certain single-source drugs and biologics reimbursed under Medicare Part B and Part D, beginning with 10 high-cost drugs paid for by Medicare Part D starting in 2026, followed by 15 Part D drugs in 2027, 15 Part B or Part D drugs in 2028, and 20 Part B or Part D drugs in 2029 and beyond. The IRA also continued the expanded subsidies for individuals to obtain private health insurance under the ACA through 2025. The full effect of the IRA on hospitals and the healthcare industry in general is not yet known.

Management cannot predict the full effect of the elimination of the Individual Mandate Tax Penalty, the likelihood of any future ACA repeal bills or other health care reform bills becoming law, or the subsequent effects of any such legislative actions, legal decisions, or current or future executive actions, though such effects could materially impact HHC's business or financial condition. In particular, any legal, legislative or executive action that (1) reduces federal health care program spending, (2) increases the number of individuals without health insurance, (3) reduces the number of people seeking health care, or (4) otherwise significantly alters the health care delivery system or insurance markets could have a material adverse effect on HHC's business or financial condition.

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The majority of the ACA remains law. The ACA affects some health care organizations differently from others, depending, in part, on how each organization adapts to the ACA's emphasis on directing more federal health care dollars to integrated provider organizations and providers with demonstrable achievements in quality care. Certain key provisions of the law are briefly described below:

Private Health Insurance Coverage Expansion/Insurance Market Reforms. As originally drafted, the ACA's Individual Mandate Tax Penalty (discussed above) required most Americans to maintain "minimum essential" health insurance coverage or pay a yearly tax penalty to the federal government. Non-exempt uninsured individuals were expected to satisfy the mandate by purchasing insurance from a private company or through a "health insurance exchange." ACA health insurance exchanges are government established organizations that provide competitive markets for buying health insurance by offering individuals and small employers a choice of different health plans, certifying plans that participate, and providing information to help consumers better understand their options. Although the Tax Cuts and Jobs Act of 2017 effectively eliminated the Individual Mandate Tax Penalty by reducing the penalty to zero dollars effective 2019, individuals may still purchase insurance on the exchanges. Health insurance exchanges may have a negative financial impact on health care providers to the extent (1) insurance plans purchased on the exchanges reimburse providers at lower rates or (2) high deductible plans offered on the exchanges become more prevalent and lead to lower patient volumes as patients choose to forgo medical treatment.

The ACA also includes an "employer mandate" which imposes penalties on employers having 50 or more employees that do not offer qualifying health insurance coverage to those working 30 or more hours per week. The ACA also established a number of other health insurance market reforms, including bans on lifetime limits and pre existing condition exclusions, new benefit mandates, and increased dependent coverage (until the age of 26). Management cannot predict the future of the health insurance markets or the effects of current and future health reform efforts on such markets, though such effects may materially affect HHC's business or financial condition.

Medicaid Expansion. Prior to the passage of the ACA, the Medicaid program offered federal funding to states to assist limited categories of low income individuals (including children, pregnant women, the blind and the disabled) in obtaining medical care. The ACA permits states to expand Medicaid program eligibility to virtually all individuals under 65 years old with incomes up to 138% of the federal poverty level, and provides enhanced federal funding to states that opt to expand. There is no deadline for a state to undertake expansion and qualify for the enhanced federal funding available under the ACA, however congressional proposals have considered reducing the enhanced federal funding provided to states as a method of curbing federal Medicaid expenditures. The net positive effect of ACA reforms has been significantly reduced for states that choose not to participate in the federally funded Medicaid expansion. See "Medicaid Reimbursement – *Indiana Medicaid Waivers; Work Requirements; Supplemental and Directed Payments*" below for information regarding Indiana's expanded Medicaid program. Legislative proposals to reduce or eliminate the ACA's enhanced federal Medicaid funding have been made in the past and may otherwise be proposed in the future. If adopted, any such proposal could result in a rise in uninsured patients and a corresponding financial strain on hospitals, particularly those serving low-income populations.

Spending Reductions. The ACA contains a number of provisions designed to significantly reduce Medicare and Medicaid program spending, including: (1) negative adjustments to the "market basket" updates for Medicare's inpatient, outpatient, long-term acute and inpatient rehabilitation prospective payment systems, and (2) reductions to Medicare and Medicaid disproportionate share hospital (*"DSH"*) payments. Any reductions to reimbursement under the Medicare and Medicaid programs could have a material adverse impact on HHC's business or financial condition to the extent such reductions are not offset by increased revenues from providing care to previously uninsured individuals.

Quality Improvement and Clinical Integration Initiatives. The ACA mandated the creation of a number of payment reform measures designed to incentivize or penalize hospitals based on quality, efficiency and clinical integration measures and authorizes the Center for Medicare & Medicaid Innovation within CMS to develop and test new payment methodologies designed to improve quality of care and lower costs. Other ACA provisions encourage the creation of new health care delivery programs, such as the Medicare Shared Savings Program—a program offering providers the opportunity to create ACOs that can share in the cost savings they achieve for the Medicare program if certain quality metrics are met. The outcomes of these projects and programs, including their effect on payments to providers and financial performance, cannot be predicted. Management of HHC is not currently aware of any situation in which an ACA quality, efficiency, or clinical integration program is materially adversely affecting the business or

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financial condition of HHC. However, HHC's business or financial condition may be adversely affected by such programs in the future.

Fraud and Abuse Enforcement Enhancements. In an attempt to reduce unnecessary health care spending, the ACA includes a number of provisions aimed at combating fraud and abuse within the Medicare and Medicaid programs. Such provisions provide increased federal funding to fight health care fraud and abuse, provide government agencies with additional enforcement tools and investigation flexibility, facilitate cooperation between agencies by establishing mechanisms for information sharing, and enhance criminal and administrative penalties for non-compliance with the federal fraud and abuse laws (e.g., the Anti-Kickback Statute, the Stark Law and False Claims Act, each as defined and discussed below). Management of HHC is not currently aware of any pending recovery audit which, if determined adversely to HHC, would materially adversely affect the business or financial condition of HHC.

Full Impact of ACA Difficult to Predict. It is difficult to predict the full impact of the ACA on HHC's future revenues and operations at this time due to uncertainty regarding a number of material factors, including: (1) the number of uninsured individuals to ultimately obtain and retain insurance coverage as a result of the ACA, (2) the percentage of any newly insured patients covered by Medicaid versus a commercial plan, (3) the pace at which insurance coverage expands, (4) changes in delivery system models and the corresponding changes in reimbursement rates and methods, (5) the percentage of individuals in the exchanges who select the high deductible plans, (6) the extent to which the enhanced program integrity and fraud and abuse provisions lead to a greater number of civil or criminal actions, (7) the extent to which the ACA tightens health insurers' profits, causing the plans to reduce reimbursement rates, (8) the extent of lost revenues, if any, resulting from ACA quality initiatives, (9) the success of any clinical integration efforts or programs in which HHC participates, and (10) changes in executive branch policy relating to the ACA.

U.S. Supreme Court Ruling on the Chevron Doctrine. In June 2024, the U.S. Supreme Court issued its decision in *Loper Bright Enters. v. Raimondo* (the "*Loper Bright Decision*"), which modified the regulatory interpretation standard established 40 years ago by *Chevron v. National Resources Defense Council* (the "*Chevron Doctrine*"). The Chevron Doctrine permitted federal agencies to interpret federal statutes when a statute was silent or ambiguous with respect to a specific issue and further provided that courts should defer to the agency's interpretation so long as the interpretation was a permissible construction of the statute, even if the court would have reached a different conclusion. In the Loper Bright Decision, the Supreme Court held that a court is not required to automatically defer to an agency's reasonable interpretation of an ambiguous statute, though it may take the agency's interpretation of a statute into consideration in its ruling.

Management cannot predict the impact of the Loper Bright Decision on the business or financial condition of HHC, or on the health care industry generally. However, the ruling is generally expected to result in a reduction in future federal rulemaking and a significant increase in litigation challenging existing and future federal rules and regulations, including those promulgated by health care regulatory agencies such as DHHS and CMS. While some health care stakeholders may welcome less deference to administrative agencies, the Loper Bright Decision may introduce uncertainty in the federal regulatory framework governing health care and result in a disparate body of case law across jurisdictions that could make it more difficult for health care providers, including HHC, to fully comply with federal laws.

Medicare Reimbursement

General. HHC are highly dependent on Medicare reimbursement. Approximately _____% of the gross patient service revenues of Eskenazi for the fiscal year ended December 31, 2024 were derived from Medicare and other governmental programs (other than Medicaid). See *Appendix A* — "Financial Information — Sources of Revenue and Governmental Funds Balance" hereto. Because of this dependence, additional Medicare payment reductions affecting the Medicare program may have a material adverse impact on HHC's business or financial condition. A substantial portion of the Medicare revenues of HHC is derived from payments made for services rendered to Medicare beneficiaries under a prospective payment system (*"PPS"*). Under a prospective payment system, the amount paid to the provider for an episode of care is established by federal regulation and is not related to the provider's charges or costs of providing that care. Presently, inpatient and outpatient services, skilled nursing care, and home health care are paid on the basis of a prospective payment system. Under inpatient PPS, fixed payment amounts per inpatient discharge are established based on the patient's assigned diagnosis related group, or DRG. The capital component of care is paid on a fully prospective basis. PPS-exempt hospitals and units are currently reimbursed

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for their reasonable costs, subject to a cost per discharge target. These limits are updated annually by an index generally based upon inflationary increases in costs of providing health care services.

From time to time, the factors used in calculating the prospective payments for units of service are modified by CMS, which may reduce revenues for particular services. In addition, as part of the federal budgetary process, Congress has regularly amended the Medicare law to reduce increases in payments that are otherwise scheduled to occur, or to provide for reductions in payments for particular services. These actions could adversely affect the revenues of HHC.

Under the Affordable Care Act, additional payments may be made to individual providers. Hospitals that treat a disproportionately large number of low-income patients (Medicaid and Medicare patients eligible to receive supplemental Social Security income) currently receive additional payments in the form of DSH payments. Additional payments are made to hospitals that treat patients who are costlier to treat than the average patient; these additional payments are referred to as "outlier payments." Also, hospitals are paid for a portion of their direct and indirect medical education costs. These additional payments are also subject to reductions and modifications in otherwise scheduled increases as a result of amendments to relevant statutory provisions. HHC has qualified for DSH payments in the past, but there can be no assurance that it will qualify for DSH status in the future.

Current or new legislation that reduces Medicare payments could adversely affect HHC. There is no assurance that HHC will be paid amounts that will reflect adequately its costs incurred in providing inpatient hospital services to Medicare beneficiaries, as well as any changes in the cost of providing health care or in the cost of health care technology being made available to Medicare beneficiaries. The ultimate effect on HHC will depend on its ability to control costs involved in providing inpatient hospital services.

Site-Neutral Reimbursement. Medicare services performed at off-campus hospital outpatient departments ("*HOPDs*") have traditionally been reimbursed under the Medicare Hospital Outpatient Prospective Payment System ("*OPPS*"), while services performed in freestanding clinics (e.g. free-standing ambulatory surgery centers or physician offices) have been reimbursed at the lower Medicare Physician Fee Schedule rate. Section 603 of the Bipartisan Budget Act created "site neutral" reimbursement for services to Medicare beneficiaries at certain off-campus provider locations beginning January 1, 2017. Services subject to the change will not be reimbursed under Medicare's hospital OPPS, but rather will be reimbursed under alternative payment systems generally commensurate with Medicare Physician Fee Schedule rates. The exclusion applies to off-campus hospital departments that did not bill for services under the OPPS prior to November 2, 2015. Effective for calendar year 2020 and after, off-campus provider-based hospital departments are paid for G0463 clinic visit services at 40% of the OPPS rate regardless of whether those departments have been excepted from the payment limitations described above.

Disproportionate Share Hospital Payments. The Medicare and Medicaid programs provide additional payments to hospitals that serve a disproportionate share of certain low-income and uninsured individuals. HHC has qualified for disproportionate share hospital ("*DSH*") payments in the past, but there can be no assurance that it will qualify for DSH status in the future. Commencing in federal fiscal year 2025, and continuing through 2027, DSH payments are scheduled to be reduced by $8 billion annually. There can be no assurance that payments to DSH hospitals will not be further decreased or eliminated. Loss or reduction of funding for the DSH program could adversely affect HHC.

340B Drug Pricing Program. Entities that participate in the prescription drug discount program established under Section 340B of the federal Public Health Service Act (the "*340B Program*") are able to purchase certain outpatient drugs for patients at a reduced cost. Eligibility for the 340B Program is determined on an annual basis and, therefore, can be unpredictable. The rules and regulations applicable to participation in the 340B Program are technical, complex, and numerous. Failure to comply with the 340B Program requirements or rules could result in exclusion from the 340B Program, thus significantly increasing costs for drugs and creating a repayment obligation, which in either case could have a material adverse effect on the business or financial condition of HHC. In addition, Congressional and administrative efforts may be made seeking to tighten 340B Program eligibility requirements, eliminate or reduce the scope of the program, or reduce related payments. Certain states, including Indiana, have adopted transparency requirements for hospitals requiring reporting on the reinvestment and use of savings received under the 340B Program. Failure to comply with reporting requirements results in daily financial penalties. Future legal, legislative, or administrative actions that result in a loss of 340B eligibility, decreases in 340B Program drug

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discounts, a narrowing of drug manufacturer obligations, or a termination of the program could have a material adverse effect on HHC.

For a period from 2018 through 2022, CMS imposed significant Medicare Part B reimbursement reductions for separately payable, non-pass-through drugs provided in hospital outpatient settings purchased through the 340B Program. The American Hospital Association and others filed a lawsuit challenging these reimbursement reductions. In American Hospital Association et. al v. Becerra, the U.S. Supreme Court held that CMS had unlawfully reduced the reimbursement rates for hospitals participating in the 340B Program. On November 2, 2023, in light of the U.S. Supreme Court decision and remand to the agency, CMS issued a final rule in which it authorized one-time lump sum remedy payments to the affected 340B hospitals and made other reimbursement policy adjustments. To meet the statutory requirement for budget neutrality, CMS indicated that it would reduce future non-drug item and service payments by adjusting the OPPS conversion factor by a negative 0.5 percent beginning in 2026 until the budget neutrality offset is complete, which CMS estimates will take 16 years.

A variety of legislative proposals are currently being discussed which may strengthen, limit or modify the 340B Program (including new reporting requirements or restrictions on use of 304B Program revenue).

Medical Education Payments. Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. These payments are vulnerable to reduction or elimination. The direct and indirect medical education reimbursement programs have repeatedly emerged as targets in the legislative efforts to reduce the federal budget deficit. There can be no assurance that medical education payments will remain at current levels.

Medicaid Reimbursement

General. HHC are also highly dependent on Medicaid reimbursement. Approximately 22.0% of the gross patient service revenues of Eskenazi for the fiscal year ended December 31, 2024 were derived from Medicaid and Indiana's "Healthy Indiana Plan" (as described in more detail below). See *Appendix A* — "Financial Information — Sources of Revenue and Governmental Funds Balance" hereto. Payments made to health care providers under the Medicaid program are subject to changes as a result of federal or state legislative and administrative actions, including further changes in the methods for calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. Such changes have occurred in the past and may continue to occur in the future, particularly in response to federal and state budgetary constraints coupled with increased costs for covered services.

Hospitals participating in the Medicaid program are subject to numerous requirements and regulations under the program. Failure to remain in compliance with any program requirements may subject the Medicaid provider to civil and/or criminal penalties, including fines and suspension or expulsion from the program, preventing the provider from receiving any funds under the Medicaid program. Noncompliance with Medicaid requirements, and suspension or exclusion from the Medicaid program, can also be a basis for mandatory or permissive suspension or exclusion from the Medicare program.

Significant changes have been and may be made in the Medicaid program which could have a material adverse impact on HHC's business or financial condition. For example, under Medicaid, the federal government provides limited funding to states that have medical assistance programs that meet federal standards, and the Affordable Care Act provides significantly enhanced federal funding for states to expand their Medicaid program to virtually all non-elderly, non-disabled adults with incomes up to 138% of the federal poverty level. Attempts to balance or reduce the federal and state budgets by decreasing funding of Medicaid may negatively impact spending for Medicaid and other state health care programs spending. Health care providers have been affected significantly in the last several years by changes to federal and state health care laws and regulations, particularly those pertaining to Medicaid. The purpose of much of this statutory and regulatory activity has been to contain the rate of increase in health care costs, particularly costs paid under the Medicaid program. Diverse and complex mechanisms to limit the amount of money paid to health care providers under the Medicaid program have been enacted, and may have a material adverse impact on HHC's business or financial condition. Legislative proposals to tighten Medicaid eligibility requirements or require more frequent or stringent eligibility determinations were included in the 2025 budget reconciliation package passed by Congress and may otherwise be proposed in the future. These proposals may

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result in a rise in uninsured patients and a corresponding financial strain on hospitals, particularly those serving low-income populations.

Medicaid Eligibility. Newly enacted Indiana legislation increases the frequency of information sharing among state agencies to more quickly identify changes of circumstance impacting Medicaid eligibility and requires more frequent eligibility determinations. The use of self-attestation in verifying Medicaid enrollment eligibility is no longer permitted as of July 1, 2025. Congress has similarly implemented more frequent eligibility determinations and limitations on retroactive coverage for Medicaid services. These changes to Medicaid eligibility processes may result in decreased Medicaid enrollment and changes to HHC's payor mix, including an increase in the self-pay or uninsured population.

Indiana Medicaid Waivers; Work Requirements; Supplemental and Directed Payments. Indiana has previously entered into, and may in the future enter into, one or more "*State Medicaid Waivers*" with the federal government. A State Medicaid Waiver is a request that the federal government waive certain Medicaid program requirements so that the state can test new ways to deliver or pay for care in its Medicaid program. Hospitals may receive a material amount of supplemental payments or enhanced reimbursement through State Medicaid Waiver programs. Indiana expanded its Medicaid program in 2015 using a State Medicaid Waiver that gives Indiana additional flexibility in designing and implementing its expansion. Indiana's Medicaid program, known as "Healthy Indiana Plan 2.0" ("*HIP 2.0*"), covers most adults with incomes at or below 138% of the federal poverty level and has decreased the number of individuals who were previously uninsured or underinsured in the State. The State Medicaid Waiver approval for HIP 2.0 expires December 31, 2030. Newly enacted Indiana legislation directs the State Medicaid agency to apply for a new waiver, known as "Healthy Indiana Plan 3.0" ("*HIP 3.0*"). Indiana law requires the HIP 3.0 waiver to include community engagement requirements, frequently referred to as "work requirements." Congress has similarly mandated work requirements for the Medicaid expansion population as a cost containment mechanism for federal Medicaid expenditures. Enrollment in HIP 3.0 is limited to the number of individuals that ensures the State's financial participation in the program does not exceed the amount of funding appropriated for the plan. These changes to the HIP program design may result in decreased Medicaid enrollment and changes to HHC's payor mix, including an increase in the self-pay or uninsured population. Management cannot predict whether any such event will materially adversely affect the business or financial condition of HHC. Congress has further considered limitations on state directed payment programs which provide supplemental Medicaid reimbursement. Any loss or reduction of supplemental or enhanced funding received through a State Medicaid Waiver program could adversely affect HHC.

State Provider Fee Programs. Certain states, including Indiana, have created programs that impose a fee or tax on health care providers, the proceeds of which are intended to be used as a mechanism to generate new in-state funds that can be matched with federal funds so that the state receives additional federal Medicaid funding. In many cases, the cost of the tax is paid back to providers through an increase in the Medicaid reimbursement rate for their patient services. While HHC have benefitted overall from the provider fee program, management of HHC believes that a reduction in Indiana's current provider fee program will not materially adversely affect the business or financial condition of HHC. An elimination of Indiana's provider fee program entirely could have a significant impact on HHC. The program is generally discussed in Note 5 within the consolidated financial statements of HHC, attached as *Appendix B* hereto. In the 2025 budget reconciliation process, Congress adopted a future limit on the use of provider taxes, including freezing the current rate of established provider taxes and reducing the allowable amount of provider taxes in the future. This would restrict states' ability to generate increased federal matching funds for Medicaid, shifting additional costs to states. If Indiana were not able to find additional funds to replace provider tax funding with other state sources, limits on provider taxes could result in Indiana Medicaid program cuts.

Medicare/Medicaid Conditions of Participation. Certain health care facilities must comply with standards called "Conditions of Participation" in order to be eligible for Medicare and Medicaid reimbursement. Under the Medicare rules, hospitals accredited by an approved accrediting organization (such as The Joint Commission) are deemed to meet the Conditions of Participation. However, CMS may request that the state agency responsible for licensing hospitals, on behalf of CMS, conduct a "sample validation survey" of a hospital to determine whether it is complying with the Medicare or Medicaid Conditions of Participation. Failure to maintain The Joint Commission accreditation or to otherwise comply with the Conditions of Participation could have a material adverse effect on the financial condition of HHC.

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Audits, Fines, Withholds and Enforcement Actions. The DOJ, the Federal Bureau of Investigation and the DHHS Office of the Inspector General (*"OIG"*) have been conducting investigations and audits of the billing practices of many health care providers. HHC may be required to undergo such audits by one or more of these agencies and may be required to make payments to resolve any such audits. It is possible that any such payments may be substantial and could have a material adverse effect on the results of operations or financial condition of HHC.

In addition, HIPAA (defined and described below) also added provisions that outlaw certain types of manipulative Medicare billing practices. These include improperly coding (for billing purposes) services rendered in order to claim a higher level of reimbursement and billing for the provision of services or items that were not medically necessary. HIPAA also created two new crimes that are based on the traditional crimes of fraud and theft but are applied specifically to health benefit programs. This law increases the legal risk of provider billing and increases the risk that a Medicare provider will be the subject of a fraud investigation.

The federal Medicaid Integrity Program was the first federal program established to combat fraud and abuse in the state Medicaid programs. Congress determined a federal program was necessary due to the substantial variations in state Medicaid enforcement efforts. The Medicaid Integrity Program's enforcement efforts support existing state Medicaid Fraud Control Units. Federal Medicaid Integrity Contractors (*"MICs"*) are classified into Review MICs, Audit MICs and Educational MICs. Review MICs perform review audits generally to determine trends and patterns of aberrant Medicaid billing practices through data mining. Audit MICs perform post-payment reviews of individual providers through desk and field audits. The Educational MICs are responsible for developing and carrying out a variety of education activities to increase and improve Medicaid enforcement efforts by state government. Once a Medicaid overpayment is identified, the state has one year to recover or attempt to recover the overpayment from the provider before adjustment is made in the federal payment to the state on account of such overpayment; provided, however, in the case of fraud, if the state is unable to recover the overpayment from the provider within the one year period because there has not been a final determination of the amount of the overpayment under an administrative or judicial process (as applicable), including as a result of judgment being under appeal, no adjustment shall be made in the federal payment to the state before the date that is 30 days after the final judgment is made.

Medicare and Medicaid audits may result in reduced reimbursement or repayment obligations related to past alleged overpayments and may also delay Medicare or Medicaid payments to providers pending resolution of the appeals process. The Affordable Care Act explicitly gives DHHS the authority to suspend Medicare and Medicaid payments to a provider or supplier during a pending investigation of fraud. The Affordable Care Act also amended certain provisions of the FCA (as defined below) to include retention of overpayments as a false claim. A provider or supplier must report and return an overpayment by the later of 60 days after the overpayment was identified, or the date the corresponding cost report is due, if applicable. The provider or supplier is also required to describe in writing the reason for the overpayment. Overpayments must be reported and returned only if a provider or supplier identifies the overpayment within six years of the date the overpayment was received.

CMS has implemented a Recovery Audit Contractor (*"RAC"*) program on a nationwide basis pursuant to which CMS contracts with private contractors to conduct pre- and post-payment reviews to detect and correct improper payments in the fee-for-service Medicare program. The Affordable Care Act expands the RAC program's scope to include managed Medicare plans and Medicaid claims. CMS also employs MIC to perform post-payment audits of Medicaid claims and identify overpayments. These programs tend to result in retroactively reduced payment and higher administration costs to hospitals.

Exclusions from Medicare or Medicaid Participation. The government must exclude from Medicare and Medicaid program participation a health care provider that is convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare or a state health care program, any criminal offense relating to patient neglect or abuse in connection with the delivery of health care, fraud against any federal, state or locally financed health care program or an offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. The government also may exclude individuals or entities under certain other circumstances, such as an unrelated conviction of fraud or other financial misconduct relating either to the delivery of health care in general or to participation in a federal, state or local government program. Exclusion from the Medicare and Medicaid programs means that a health care provider would be decertified and no program payments can be made. Any exclusion of HHC could be a materially adverse event.

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Administrative Enforcement. Administrative regulations may require less proof of a violation than do criminal laws and thus, health care providers may have a higher risk of imposition of monetary penalties as a result of an administrative enforcement action.

Enforcement Activity. Enforcement activity against health care providers has increased and enforcement authorities have adopted aggressive approaches. In the current regulatory climate, it is anticipated that many hospitals and physician groups will be subject to an audit, investigation or other enforcement action regarding the health care fraud laws mentioned above. Enforcement authorities are often in a position to compel settlements by providers charged with or being investigated for false claims violations by withholding or threatening to withhold Medicare, Medicaid and/or similar payments and/or by instituting criminal action. In addition, the cost of defending such an action, the time and management attention consumed, and the facts of a case may dictate settlement. Therefore, regardless of the merits of a particular case, a hospital could experience materially adverse settlement costs, as well as materially adverse costs associated with implementation of any settlement agreement. Prolonged and publicized investigations could be damaging to the reputation and business of a hospital, regardless of outcome.

Certain acts or transactions may result in violation or alleged violation of a number of the federal health care fraud laws described below and therefore, penalties or settlement amounts often are compounded. Generally, these risks are not covered by insurance. Enforcement actions may involve multiple hospitals in a health system, as the government often extends enforcement actions regarding health care fraud to other hospitals in the same organization. Therefore, Medicare fraud related risks identified as being materially adverse as to a hospital could have materially adverse consequences to a health system taken as a whole.

Review of Outlier Payments. CMS is reviewing health care providers that are receiving large proportions of their Medicare revenues from outlier payments. Health care providers found to have obtained inappropriately high outlier payments will be subject to further investigation by the CMS Program Integrity Unit and potentially the OIG.

Surprise Billing. The No Surprises Act establishes federal protections against surprise medical bills that could arise from out-of-network emergency care, certain ancillary services provided by out-of-network providers at in-network facilities, and for out-of-network care provided at in-network facilities without the patient's informed consent. Patients are required to pay only the in-network cost-sharing amount, determined through a formula established by the DHHS Secretary and counted toward the patient's health plan deductible and out-of-pocket cost-sharing limits. Providers are not permitted to balance bill patients beyond this cost-sharing amount. Both providers and health plans are required to inform patients about these protections. Violations could result in enforcement action or substantial federal civil monetary penalties. Although surprise billing laws are important for protecting patients, they can reduce the bargaining power of hospitals with payers and ultimately have a negative impact on hospitals. The ultimate effect of the No Surprises Act on HHC's operations and financial condition cannot be predicted at this time. At the present time, Management is not aware of any pending or threatened claim, investigation, or enforcement action relating to the No Surprises Act which, if determined adversely to the Members of HHC, would have a material adverse effect on HHC's business or financial condition.

Price Transparency Rule. The federal Hospital Price Transparency Rule ("*Transparency Rule*") requires hospitals to publish gross charges, discounted cash prices, payor-specific negotiated charges, and minimum and maximum negotiated charges for all items and services provided by the hospital. Hospitals are also required to publish a consumer-friendly list of standard charges for at least 300 shoppable services—generally, non-emergency services that patients can schedule in advance. Failure to comply with these requirements can result in daily monetary penalties to the hospital, subject to a total maximum yearly penalty which varies based on the number of hospital beds. Certain states, including Indiana have also adopted price transparency laws, some of which may be broader in scope and carry larger fines than the federal Transparency Rule. Failure to comply with the Transparency Rule or state price transparency laws could have a material adverse effect upon the future financial condition and operations of HHC. Additionally, the availability of competitively sensitive pricing information among hospitals, insurers, and employer sponsors of group health plans could lead to market distortions, anti-competitive effects, protracted payor contract negotiations, or changes in patient choice, any of which may negatively impact HHC. At the present time, Management is not aware of any pending or threatened claim, investigation, or enforcement action regarding price transparency issues which, if determined adversely to the Members of HHC, would have a material adverse effect on HHC's business or financial condition.

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HIPAA and State Privacy Laws. The Health Insurance Portability and Accountability Act, as amended, and its implementing regulations (*"HIPAA"*) provides data privacy and security requirements for safeguarding medical information. HIPAA, which applies to business associates, health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically, includes both (1) a "privacy rule," which sets forth national standards for the protection of individually identifiable protected health information (*"PHI"*), and (2) a "security rule," which sets forth national standards for protecting the confidentiality, integrity, and availability of electronic PHI. Failure to comply with HIPAA can result in both criminal and civil fines and penalties. States may have privacy or consumer protection laws that are broader than HIPAA, and unlike HIPAA, authorize a private right of action. Management of HHC believes that HHC are currently in material compliance with HIPAA and similar state privacy and security laws and regulations. Eskenazi maintains a robust HIPAA Privacy and Security program to monitor privacy compliance, identify violations, and facilitate Eskenazi's response to any identified violation. Management is not presently aware of any violation that could result in imposition of material sanctions on HHC, but no assurance can be given that a violation resulting in penalties will not be assessed. Privacy investigations, and the disposition thereof, are ongoing at HHC and occur frequently. Sanctions imposed as a result of a HIPAA or state privacy law violation could have a material adverse effect on HHC's business or financial condition.

Civil and Criminal Fraud and Abuse Laws and Enforcement. The federal Civil Monetary Penalties Law (*"CMP Law"*) provides for administrative sanctions against health care providers for a broad range of billing and other abuses. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Under the Affordable Care Act, Congress amended the CMP Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment, (ii) failing to grant the OIG timely access for audits, investigations, or evaluations, and (iii) failing to report and return a known overpayment within statutory time limits. The CMP Law authorizes imposition of civil monetary penalties, adjusted yearly for inflation, for each item or service improperly claimed and each instance of prohibited conduct, plus three times the amount of damages sustained by the government. Health care providers may be found liable under the CMP Law even when they did not have actual knowledge of the impropriety of the claim. It is sufficient that the provider "should have known" that the claim was false, and ignorance of the Medicare regulations is no defense. Civil monetary penalties can add up quickly and result in multi-million dollar judgments or settlements, materially adversely impacting a provider's business or financial condition.

False Claims Act. The federal False Claims Act (*"FCA"*) makes it illegal to knowingly submit or present a false, fictitious or fraudulent claim to the federal government (e.g. the Medicare or Medicaid programs) for payment or approval for payment. Because the term "knowingly" is defined broadly under the law to include not only actual knowledge but also deliberate ignorance or reckless disregard of the facts, the FCA can be used to punish a wide range of conduct. Accordingly, FCA investigations and cases have become common in the health care industry and may cover a range of activity from intentionally inflated billings, to highly technical billing infractions, to allegations of unnecessary or inadequate care. Additionally, a claim connected to a Stark Law or Anti-Kickback Statute violation may be deemed a false claim in violation of the FCA. The Affordable Care Act expanded the reach of the FCA to include, among other things, failure to report and return known overpayments within statutory limits. Filing false claims in violation of the FCA can result in civil fines, substantial per claim penalties plus monetary penalties up to three times the amount of damages sustained by government (e.g. the amount falsely billed to the Medicare or Medicaid program). These fines can add up quickly and result in multi-million-dollar judgments or settlements. Additionally, violation or alleged violation of the FCA can result in payment suspension pending investigation, the imposition of corporate integrity agreements, or exclusion from Medicare and Medicaid.

The *qui tam* or "whistleblower" provisions of the FCA allow a private individual to bring an FCA action on behalf of the government. As part of the resolution of a *qui tam* case, the whistleblower may share in a portion of any FCA settlement or judgment. *Qui tam* actions can also be filed under certain state false claims laws if the fraud involves Medicaid funds or funding from state and local agencies. In recent years, there has been a large increase in the number of FCA *qui tam* actions. Because *qui tam* lawsuits are kept under seal while the federal government evaluates whether the United States will join the lawsuit, it is difficult to determine whether any such actions are pending.

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The Deficit Reduction Act of 2005 provides financial incentives to states that pass similar false claims statutes or amend existing false claims statutes that track the FCA more closely with regard to penalties and rewards to *qui tam* relators. A number of states, including Indiana, have passed similar false claims statutes, some of which expand the prohibition against false claims submitted to non-government third-party payors. Management of HHC is not currently aware of any overpayments or pending or threatened claims, investigations or enforcement actions under the FCA or state false claims laws which, if determined adversely to HHC, would have a material adverse effect on HHC's business or financial condition. No assurance can be given that FCA actions will not be filed and a violation found. Sanctions imposed as a result of an FCA or state false claims law violation could have a material adverse effect on HHC's business or financial condition.

Anti-Kickback Statutes. The federal Anti-Kickback Statute is a felony criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients). Actual knowledge and specific intent to violate the statute are not required. Remuneration includes anything of value and can take many forms besides cash (e.g., free rent, free hotel stays and meals, and excessive compensation for medical directorships or consultancies). The Anti-Kickback Statute applies to both the payers of kickbacks (those who offer or pay remuneration) as well as the recipients of kickbacks (those who solicit or receive remuneration). Anti-Kickback "safe harbors" described in federal regulations protect certain payment and business arrangements that could otherwise implicate the Anti-Kickback Statute from criminal and civil prosecution (e.g., personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees), but in order to be protected by a safe harbor, an arrangement must squarely meet each safe harbor element. Failure to squarely meet all the required elements of a safe harbor does not necessarily render the conduct or business arrangement illegal under the Anti-Kickback Statute. Rather, such conduct or business arrangements may be subject to increased regulatory scrutiny. Criminal penalties, civil monetary penalties and administrative sanctions for violating the Anti-Kickback Statute include substantial fines per kickback plus monetary penalties up to three times the amount of damages sustained by government, jail terms, and exclusion from participation in the federal health care programs. In addition, under the ACA, submission of a claim for services or items generated in violation of the Anti-Kickback Statute may constitute a false or fraudulent claim subject to additional penalties under the federal FCA.

In addition to the federal Anti-Kickback Statute, many states, including Indiana, have anti-kickback and/or fee-splitting statutes designed to prohibit inducements or improper remuneration for the referral of patients. In some cases, state statutes are broader or carry larger fines than corresponding federal law. Management of HHC believes its policies, procedures and business arrangements have been and currently are in material compliance with the Anti-Kickback Statute and state anti-kickback and fee-splitting laws and regulations but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of an Anti-Kickback Statute or similar state law violation could have a material adverse effect on HHC's business or financial condition.

Eliminating Kickbacks in Recovery Act. The federal Eliminating Kickbacks in Recovery Act ("*EKRA*") generally prohibits offering, paying, receiving or soliciting any remuneration for services provided by a laboratory, recovery home, or clinical treatment facility. Violations may result in significant criminal penalties, including fines and prison. Unlike the federal Anti-Kickback Statute, EKRA applies to private payer programs as well as government payers. Like the federal Anti-Kickback Statute, EKRA does have several statutory safe harbors, but it has no regulatory safe harbors. Accordingly, it is more difficult to fit within a safe harbor under EKRA. Management believes its practices and arrangements comply with EKRA, but given the lack of regulatory safe harbors and limited case law, it is possible that the government might reach a different conclusion.

Physician Self-Referral Laws. The Ethics in Patient Referrals Act of 1989, as amended in the Omnibus Budget Reconciliation Act of 1993 and subsequently amended (collectively, the *"Stark Law"*), prohibits the referral of Medicare patients for certain "designated health services" (including inpatient and outpatient hospital services, clinical laboratory services, and radiology and other imaging services) to entities with which the referring physician (or an immediate family member) has a financial relationship unless that relationship fits within an exception to the Stark Law. It also prohibits a hospital, or other provider, furnishing the designated health services from billing Medicare, or any other government health care program for services performed pursuant to a prohibited referral. Importantly, the Stark Law is a strict liability statute, meaning that one can violate the law without any intent to do so. Statutory and regulatory exceptions to the Stark Law's referral prohibition can protect a broad range of common

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financial relationships between referring physicians and a designated health services provider such as a hospital (e.g., employment relationships, relocation arrangements, leases, group practice arrangements, or medical directorships). If the relationship does not squarely meet the elements of a Stark Law exception, it will result in violation of the law. All providers of designated health services with physician relationships have some exposure to liability under the Stark Law.

Penalties for violation of the Stark Law include denial of payment, recoupment, refunds of amounts paid in violation of the law, exclusion from the Medicare or Medicaid program, and substantial civil monetary penalties. Violation of the Stark Law may also provide the basis for a claim under the FCA.

Medicare may deny payment for all services performed based on a prohibited referral and a hospital that has billed for prohibited services is obligated to refund the amounts collected from the Medicare program or to make a self-disclosure to CMS under its Self-Referral Disclosure Protocol. For example, if an office lease between a hospital and a large group of heart surgeons is found to violate the Stark Law, the hospital could be obligated to repay CMS for the payments received from Medicare for all of the heart surgeries performed by all of the physicians in the group for the duration of the lease; a potentially significant amount. As a result, even relatively minor, technical violations of the Stark Law may trigger substantial refund obligations. Moreover, where there are "knowing" violations of the Stark Law, the government may seek substantial civil monetary penalties under FCA, and in some cases, a hospital may be excluded from the Medicare and Medicaid programs. Potential repayments to CMS, settlements, fines or exclusion for a Stark Law violation or alleged violation could have a material adverse impact on a hospital and other health care providers. Increasingly, the federal government is prosecuting Stark Law violations under the FCA, based on the argument that claims resulting from an illegal referral arrangement are also false claims for FCA purposes. See the discussion under the subheading "False Claims Act" above. The DOJ and others have asserted that Medicaid referrals in which a non-excepted financial arrangement exists under the Stark Law also create FCA exposure, and have had some success with these arguments in certain courts.

Many states, including Indiana, have adopted self-referral prohibitions similar to the Stark Law, some of which may be broader in scope and carry larger fines than the federal statute. Management of HHC believes HHC's policies, procedures and business arrangements have been and currently are in material compliance with the Stark Law and similar state physician referral laws, but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of a Stark Law or similar state law violation could have a material adverse effect on HHC's business or financial condition.

CMS has established a voluntary self-disclosure program under which hospitals and other entities may report Stark Law violations and seek a reduction in potential refund obligations. HHC may make self-disclosures under this program as appropriate from time to time. Any submission pursuant to the self-disclosure program does not waive or limit the ability of the DHHS Office of the Inspector General or the U.S. Department of Justice to seek or prosecute violations of the Anti-Kickback Law or impose civil monetary penalties.

EMTALA. The Emergency Medical Treatment and Labor Act (*"EMTALA"*) is a federal civil statute that requires Medicare-participating hospitals with emergency departments to conduct a medical screening examination to determine the presence or absence of an emergency medical condition and to provide treatment sufficient to stabilize such emergency medical condition before discharging or transferring the patient. A hospital that violates EMTALA is subject to substantial civil penalties per offense and exclusion from the Medicare and Medicaid programs. EMTALA also provides for a limited private right of action against hospitals, and as a result a hospital could be subject to claims for personal injury where an individual suffers harm as result of an EMTALA violation.

Management of HHC believes HHC's policies and procedures are in material compliance with EMTALA, but no assurance can be given that a violation of EMTALA will not be found. Any failure of HHC to meet its responsibilities under EMTALA could have a material adverse effect on HHC's business or financial condition.

Increased Enforcement Affecting Academic Research. In addition to increasing enforcement of laws governing payment and reimbursement, the federal government has also stepped up enforcement of laws and regulations governing the conduct of clinical trials at hospitals. HHS elevated and strengthened its Office for Human Research Protections, one of the agencies with the responsibility for monitoring federally funded research. The FDA also has authority over the conduct of clinical trials performed in hospitals when these trials are conducted on behalf of sponsors seeking FDA approval to market the drug or device that is the subject of the research. Moreover, the OIG

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has included several enforcement initiatives related to reimbursement for experimental drugs and devices and claims for clinical trial-related services on its "Work Plans". These agencies' enforcement powers range from substantial fines and penalties to exclusion of researchers and suspension or termination of entire research programs.

Additional State Regulation

The Affordable Care Act imposes significant obligations on states related to health care insurance. Prior to the passage of the Affordable Care Act, many states increased regulations related to the managed care industry. State legislatures cited their right and obligation to regulate and oversee health care insurance and enacted sweeping measures that aimed to protect consumers and, in some cases, providers. For example, a number of states enacted laws mandating a minimum of 48-hour hospital stays for women after delivery; laws prohibiting "gag clauses" (contract provisions that prohibit providers from discussing various issues with their patients); laws defining "emergencies," which provide that a health care plan may not deny coverage for an emergency room visit if a lay person would perceive the situation as an emergency; and laws requiring direct access to obstetrician-gynecologists without the requirement of a referral from a primary care physician. It is unclear how the increased federal oversight of state health care may affect the probability of future increased state oversight or impact HHC. Due to this increased oversight, HHC could become subject to a variety of state health care laws and regulations affecting health care providers. In addition, HHC could be subject to other state laws and regulations.

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APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024 FOR THE HEALTH AND HOSPITAL CORPORATION
OF MARION COUNTY, INDIANA

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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, 2024

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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, 2024

Paul T. Babcock
President and CEO

James W. Simpson
Interim CFO and Assistant Treasurer

Prepared by: The Treasurer's Office

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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, 2024

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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, 2024

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Introductory Section (Unaudited)

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HEALTH& HOSPITAL CORPORATION

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June 26, 2025

TO: The Board of Trustees and Audit & Finance Committee
of The Health and Hospital Corporation of
Marion County, Indiana
The Mayor, City of Indianapolis
The City-County Council
The County Commissioners
The County's Citizens

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, 2024, 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, 2024, 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

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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 740 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 72 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 8,000 contractual workers throughout Indiana. The senior care services of this service division provided care to approximately 6,400 residents in 2024.

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

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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

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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 began late 2024 and continues in 2025.

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 to funds 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.

MCPHD received approximately $11.8 million in Health First Indiana (HFI) funding, the state's investment in local public health departments in 2024. In 2025, MCPHD received approximately $22.8 million in HFI funding. During the 2025 state legislative session, the statewide allocation was reduced from the $150.0 million for state fiscal year 2025 to $40.0 million for each of the two state fiscal years 2026 and 2027. The Corporation expects the MCPHD HFI funding level to decrease in 2026 to approximately $6.1 million due to the state's budget reduction during the 2025 legislative session.

The Corporation is in the construction phase of an approximately $80.0 million 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 (Bell Flower), 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.

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 completed a $75.0 million multi-year capital improvement project in early 2024, 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. This comprehensive 95,000-square foot health and community center has expanded services to the east side 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.

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The Corporation has received funds in the state budget since 2009 of $38.0 million per state fiscal year for Health Care for the Indigent (HCI) funding to support Eskenazi Health. During the 2025 state legislative session, the Corporation's $38.0 million annual budget allocation for HCI funding was removed for state fiscal years 2026 and 2027.

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 Corporation is in the pre-construction phase of an approximately $60.0 million new IEMS headquarters facility. This project is expected to be fully funded by the Capital Projects Fund. The project will provide a modern space that meets the demands of the IEMS group in the future. The IEMS headquarters facility is being proposed at 65,000 gross square feet to meet the requested space needs of the key stakeholders.

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 began.

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 UPDATEAND SIGNIFICANT ORGANIZATIONAL UPDATES

As of June 2025, James Simpson continues to fill the interim CFO role and is the Assistant Treasurer until a permanent CFO and Treasurer is appointed.

In 2024, the Corporation began the request for proposals (RFP) process to select a vendor to lead the re-establishment of the Internal Audit department. A vendor was selected and approved in February of 2025. The

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Corporation is in the early stages of re-establishing the department, which includes both completing interviews with stakeholders and completing a risk assessment.

MAJOR INITIATIVES FOR THE YEAR

Marion County Public Health Department:

We appreciate and express our gratitude to our Marion County community, neighborhoods, customers, federal, state, and local partners, policymakers, and colleagues for your ongoing support of the Marion County Public Health Department (MCPHD) efforts. MCPHD is exceptionally proud of the achievements made in 2024, as it continues to fulfill its mission. We are committed to the broad public health goal of ensuring that everyone has access to essential services and a healthy life. We recognize that the health of the population and the economic vitality of the community are universal goals that public health leaders should strive for in every community.

This report highlights the MCPHD's efforts to achieve our vision of healthy people in healthy communities. Our efforts align with the ten essential public health services, echoing federal and state priorities, and embody our goal of achieving a safe, healthy, and thriving community. In Marion County, we continue to face complex, multidimensional challenges within an evolving healthcare system landscape that serves diverse populations. For example, during the recent COVID-19 pandemic, a significant gap in public health infrastructure was identified, primarily focused on social determinants of health, including stable housing, food insecurity, utility support, a lack of a robust and diverse workforce, and inadequate health literacy. As a result, the Indiana Governor's Commission was established to evaluate the Public Health Infrastructure in Indiana, which led state policymakers to provide an investment in prevention with significant public health funding under the Indiana Department of Health's Health First Indiana's initiative to help support core public health services such as maternal and child care, trauma and injury, and lead exposure.

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 respiratory viral illnesses.
- 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, including syphilis.
- Environmental health with restaurant and food vendor inspections, water quality, lead screening, and removing environmental hazards.
- Educate on the impact of climate change and the importance of 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.

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- Focus on equity, social, and environmental justice in all planning processes.
- Focus on public health aspects in urban planning.
- Enhancing health literacy among diverse populations served.
- Addressing the social determinants of health and poverty, including living and thriving wages, unstable housing, and food insecurity.

Through this comprehensive collaborative approach, MCPHD recognizes that many of its public health challenges are interrelated and involve not only personal responsibility but also a long-term commitment from the community to achieve positive health outcomes. We understand the vital role and importance of community engagement and partnership collaboration with the City of Indianapolis, the Indianapolis City Council, civic and community organizations, faith-based institutions, local agencies, schools, academic institutions, hospitals, federally qualified health centers, and the business sector.

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. Our Safe Syringe and Support Program, launched in 2019, remains successfully implemented. In the five years since the program was initiated, the percentage of new HIV cases reporting injection drug use as a risk factor dropped from 6.4% in 2018 to 3.1% in 2023, and the rate of acute hepatitis C infections has more than halved from 8.5 cases per 100,000 in 2018 to 3.3 cases per 100,000 in 2023. Clients of the program have reportedly reversed over 3,400 overdoses with over 50,000 doses of naloxone distributed through the program, and 500 individuals have been connected to treatment programs for substance use disorder.

MCPHD's Maternal and Child Health program interventions continue to work to reduce maternal and infant mortality through our Infant and Fetal Mortality Review Task Force and Indianapolis Healthy Start initiative with outreach and education to pregnant clients on parenting 101 classes, safe sleep, breastfeeding, tobacco-free classes, and resources for active public health care services, including collaboration with health care systems on postpartum depression. We continue to see an increase in client volume in our Women, Infant, and Children Nutrition Program, which provides nutritious foods, nutrition education, and healthcare referrals to eligible individuals, resulting in over 389,597 client visits in 2024.

We continue to expand dental services for disadvantaged children and seniors, creating optimal coordination of community-based primary care services with our primary care Action Center and Community Based Care sites, along with housing and restaurant 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 mental health distress. MCPHD continues to remove barriers to healthcare while promoting health equity with community and education.

As always, a special thank you to the MCPHD staff for working long hours and managing staff shortages while serving the needs of Marion County residents. 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 Corporation, Eskenazi Health partners with the Indiana University School of Medicine, whose physicians provide a comprehensive range of primary and specialty care services. During the course of 2024, Eskenazi Health treated and cared for over 1.2 million outpatient visits.

Eskenazi Health received many awards during 2024, a sample of which includes:

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- The Eskenazi Health community weavers, led by supervisor Renee Alford, were named finalists for the IBJ Health Care Heroes award in the Community Achievement in Health Care category.
- Kimberly McElroy-Jones, Ph.D., DMin., director of community partnerships for community health at Eskenazi Health, was named an honoree for Black History Month by Radio One.
- Daniel Pino, M.D., chief physician executive of Eskenazi Health Center West 38th Street and medical director of lifestyle health and wellness, was selected from 250 nominees to be on Indianapolis Business Journal (IBJ's) list of rising young leaders, winning an IBJ Forty under 40 award.
- Eskenazi Health has been awarded by The Joint Commission with the Disease-Specific Care, Joint Replacement Hip and Knee Core Certification, which is given to programs that meet certain performance standards set by The Joint Commission.
- The Gregory S. Fehribach Center at Eskenazi Health was selected among nearly every college and many leading employers in the country by the National Association of Colleges and Employers for the Chevron Innovation Award, which recognizes outstanding achievement for innovative programs that drive impact in the college career services field.
- The following Eskenazi Health physicians were among the 57 winners of the 2024 Trustees' Teaching Award, which recognizes Indiana University School of Medicine faculty for excellence in teaching: Dermatology: Alison Klenk, M.D.; Family Medicine: James Wilcox, M.D.; Medicine: Saira Butt, M.D., Stephen Jordan, M.D., Rakesh Mehta, M.D., Torsten Schreiber, M.D.; Obstetrics & Gynecology: Lisa Mims, M.D.; Otolaryngology-Head & Neck Surgery: Elisa Illing, M.D.; Surgery: Lindsey Mossler, M.D.
- Kimberly McElroy-Jones, Ph.D., DMin., director of community partnerships for community health at Eskenazi Health, was honored with an Achievement in Public and Community Service award at the Center for Leadership Development (CLD)'s 44th Annual Minority Achievers Awards & Scholarship Gala.
- Jay Wurz, care coordinator for the Sandra Eskenazi Mental Health Center, was named Indiana Council of Community Mental Health Centers Inc.'s Employee of the Year (Non-Practitioner).
- Eskenazi Health has been named as one of Becker's Hospital Review's "150 Top Places to Work in Healthcare." This is the fifth time that Eskenazi Health has received this prestigious recognition. Eskenazi Health was the only Indianapolis hospital and health system recognized.
- Lisa Harris, M.D., CEO of Eskenazi Health, has been named to The Indiana 250 list, chosen by leaders at IBJ Media, which includes Indianapolis Business Journal, Indiana Lawyer and Inside Indiana Business. Indiana 250 is a list of the state's most influential and impactful leaders across business, philanthropy, the arts, government and not-for-profits. She was also named in 2022 and 2023.
- Emily Earle, a clinical education program coordinator at Eskenazi Health, has been named as one of CAREERS & the disABLED magazine's Employees of the Year for her professional and advocacy efforts on behalf of people with disabilities in the workplace and in the community.
- Eskenazi Health has been recognized as a High Performer in LGBTQ+ Healthcare Equality by the Human Rights Campaign (HRC) Foundation. The designation is part of the 2024 Healthcare Equality Index (HEI), an annual survey conducted by the HRC Foundation. The survey evaluates health care facilities across the nation for LGBTQ+ inclusive policies and best practices related to LGBTQ+ patients, visitors and employees.
- The Indiana Nurses Foundation recently announced Indiana's most influential nurses. Among the list of nurses who embody the core values of nursing[; including human dignity, integrity, autonomy, altruism and social justice; are two Eskenazi Health nurses, Donna Burks and Jennifer Embree. Burks, MSN, RN, is the

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chief nursing officer for Eskenazi Health Center. Embree, DNP, RN, NE-BC, CCNS, FAAN, is a Magnet coordinator at Eskenazi Health.

- Kimberly McElroy-Jones, Ph.D., DMin., director of community partnerships for community health at Eskenazi Health, was recognized as a distinguished alum by her alma mater, University of Southern Indiana (USI).
- Frido Pagan, vice president of supply chain management at Eskenazi Health, was honored by the Global Healthcare Exchange (GHX) during the annual GHXcellence Awards at the GHX Summit. Pagan was honored with the Supply Chain Leadership award.
- Lisa Harris, MD., CEO of Eskenazi Health, was again chosen for Becker's Hospital Review's Great Leaders in Healthcare.
- Eskenazi Health was honored with a Community Partnership Award by the Philippine Cultural Community Center after attending one of their community fairs and providing services as well as education on the importance of immunizations.
- The Sidney & Lois Eskenazi Hospital has been designated a Baby-Friendly Hospital, the only such facility in Indianapolis. Baby-Friendly facilities are required to comply with the Ten Steps to Successful Breastfeeding for Hospitals and Health Centers. In agreement with these standards, Eskenazi Health offers support for mothers to initiate breastfeeding and skin-to-skin contact as soon as possible after birth. In addition to lactation education and support, Eskenazi Health enables mothers and their infants to remain together and to practice rooming-in 24 hours a day.
- Eskenazi Health has been named Indiana's top hospital for health equity and community benefit by the Lown Institute, a nonpartisan think tank in Boston that ranks hospital and health systems in various health categories as part of the 2024 Lown Hospitals Index for Social Responsibility. Eskenazi Health was evaluated and ranked with an A rating for social responsibility, health equity, patient safety, pay equity and inclusivity. Eskenazi Health was also ranked as the top hospital in the state in health equity. In addition, for the second year in a row, the Lown Institute ranked Eskenazi Health as Indiana's top hospital for avoiding of overuse, which means the system avoids tests and procedures that offer little to no clinical benefits to its patients. Here's the summary of all the honors Eskenazi Health received:
    - #1 in Indiana for Health Equity
    - #1 in Indiana for Community Benefit
    - #1 in Indiana for Avoiding Overuse
    - Top 10 in the Nation for Avoiding Overuse
    - Top 5 in Indiana for Inclusivity
    - Top 5 in Indiana for Racial Inclusivity
    - Social Responsibility Grade: A
    - Health Equity Grade: A
    - Patient Safety Grade: A
    - Community Benefit Grade: A
    - Inclusivity Grade: A
    - Pay Equity Grade: A

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    - Avoiding Overuse Grade: A

- The Partner Award was awarded to Eskenazi Health Center of Hope by the Exodus Refugee Immigration, Inc. Chosen from many nominees, the Center of Hope was distinguished for "responsiveness, patience, and dedication to your clients."

- Gareth Gilkey, M.D., was named the recipient of the 2024 Achievement in Medicine (AIM) Award by St. Margaret's Hospital Guild and Versiti Blood Center of Indiana. The AIM Award honors a physician or professional of the Eskenazi Health team who upholds the tradition of excellence in health care and recognizes an individual's achievements and contributions to continued innovation and dedication in health care.

- Virginia Caine, M.D., was inducted as 125th President of the National Medical Association. Caine is the director and chief medical officer of the Marion County Public Health Department, a physician with Eskenazi Health and an associate professor of medicine at the Indiana University School of Medicine.

- The Eskenazi Health Stroke Center was recently recognized for the fifth consecutive year by the American Heart Association with the Get with the Guidelines - Stroke Gold Plus with Target: Stroke Elite Honor Roll and Target: Type 2 Diabetes Honor Roll. This is also the first time the Stroke Center has been awarded elite status for the Target: Stroke Honor Roll. The Get with the Guidelines Gold recognition represents 85% compliance for 24 consecutive months or more on their achievement measures. The Target: Stroke Elite Honor Roll represents achieving 85% of patients experiencing door-to-needle times of 60 minutes or less, and the Type 2 Diabetes Honor Roll signifies greater than 80% compliance for the overall diabetes cardiovascular initiative composite score criteria for 12 consecutive months.

- Health and Hospital Corporation of Marion County, which operates Eskenazi Health, was named in Forbes's 2024 America's Best Employers by State. Forbes, partnering with Statistica, surveyed more than 160,000 employees (in organizations with 500+ people), asking whether they'd recommend employers as well as organizations in their industry and those they knew through family and friend employees. Scores, plus survey data from the past three years, was used. 1,294 organizations made the list.

- Eskenazi Health was one of 12 hospitals and health systems honored by the Emergency Care Research Institute (ECRI) with the 2024 Healthcare Supply Chain Excellence Award. The award recognizes ECRI clients for their exemplary supply chain processes and spending management. ECRI assessed effective service use through the procurement cycle (budgeting, benchmarking, technology assessment and strategic development). Eskenazi Health was selected for this honor from among the organization's more than 3,000 hospital and health system clients.

- Eskenazi Health's newest campus was honored by the Greater Indianapolis Chamber of Commerce (Indy Chamber) in multiple categories of their Monumental Awards, celebrating excellence in the built environment in nine Indianapolis counties. Eskenazi Health Thomas & Arlene Grande Campus was honored as follows:

    - Merit (Second Place) Award: Neighborhood Revitalization (nominator: arcDesign)

    - Honors (First Place) Award: Public Art (nominator: arcDesign) (the Eskenazi Health Katharine B. Sutphin Collection)

    - Honors (First Place) Award: Interior Design (nominator: StudioAxis)

    - Honors (First Place) Award: Architecture (nominator: arcDesign)

    - Top Monumental Award, the best overall project submission

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- Eskenazi Health was honored with the 2024 Public Health Communications & Media Award by the Indiana Public Health Association (IPHA). This award, which recognized the media campaign promoting the Eskenazi Health Fresh for You Market, is given for "exceptional media coverage or communications about public health policy, programming, or successes in Indiana."

For over 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 IEMS.

Long-Term Care:

During 2024, the Corporation transitioned from operating 73 to 72 skilled nursing facilities (SNFs). Fairway Village transitioned to a new operator on August 1, 2024. The Corporation also operates two independently licensed assisted living facilities and four skilled nursing facilities are dually certified for assisted living. Seven locations provide independent garden homes/apartments. Throughout the year, the Corporation facilities served on average more than 5,900 skilled nursing residents and close to 500 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 2024 remained fairly stable with the loss of one facility to a new operator.

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, Physical Therapist 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 105 onsite quality review audits and 74 onsite capital improvement, environmental, and life safety audits.

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 2024 include:

- Seven facilities earned deficiency free IDOH annual surveys: Bethlehem Woods Nursing & Rehabilitation, Canterbury Nursing & Rehabilitation Center, Coventry Meadows, Fairway Village, Rosegate Village, Todd-Dickey Nursing & Rehabilitation, and Westview Nursing & Rehabilitation Center.
- Forty-Six facilities received a deficiency free Emergency Preparedness Survey and nine facilities received a deficiency free Life Safety Code survey.
    - Six facilities received both a deficiency free Life Safety Code and Emergency Preparedness survey: Columbia Healthcare Center, Cypress Grove Rehabilitation Center, Eastgate Manor

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Nursing & Rehabilitation, Maple Park Village, Prairie Village Nursing & Rehabilitation, and Todd-Dickey Nursing & Rehabilitation.

- Three additional facilities received a deficiency free Life Safety Code survey: Creekside Village, Mount Vernon Nursing & Rehabilitation, and Seymour Crossing,
- Forty additional facilities received a deficiency free Emergency Preparedness survey: Arbor Grove Village, Autumn Ridge Rehabilitation Center, Avalon Village, Bethlehem Woods Nursing & Rehabilitation, Betz Nursing Home, Brownsburg Meadows, Canterbury Nursing & Rehabilitation, Cardinal Nursing & Rehabilitation, Clark Rehabilitation & Skilled Nursing Center, Clinton Gardens, Community Nursing & Rehabilitation, Countryside Meadows, Coventry Meadows, Eagle Valley Meadows, Edgewater Woods, Elkhart Meadows, Fairway Village, Greenwood Meadows, Harrison Terrace, Lake Pointe Village, Meadow Lakes, Meadow View Health & Rehabilitation, North Capitol Nursing & Rehabilitation Center, North Park Nursing Center, Riverview Village, Riverside Village, Riverwalk Village, Rosebud Village, Rosegate Village, Rosewalk Village at Lafayette, Salem Crossing, Spring Mill Meadows, Summit City Nursing & Rehabilitation, Swiss Villa Nursing & Rehabilitation, The Timbers of Jasper, University Nursing Center, Valparaiso Care & Rehabilitation Center, Washington Healthcare Center, Westview Nursing & Rehabilitation Center, and Williamsport Nursing & Rehabilitation

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 2023 to December 2024
- Canterbury Nursing & Rehabilitation
- Eastgate Manor Nursing & Rehabilitation
- Heritage Park Commons Assisted Living
- Mount Vernon Nursing & Rehabilitation
- Prairie Village Nursing & Rehab Center
- Salem Crossing
- The Timbers of Jasper
- Todd-Dickey Nursing & Rehab Center
- University Nursing Center
- Waters Edge Village

- 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 2023 to December 2024 is as follows:
  - Overall ratings average 3.49 Stars, exceeding both state (2.96 Stars) and national (2.85 Stars) averages.

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- Thirty facilities (or 41%) have an Overall Star rating of Four (above average) or Five (much above average) rating.
- Twenty-four facilities were rated Five Stars Overall, with sixteen maintaining their Five Star Overall rating from December 2023 to December 2024.

- Analysis of the aggregate Corporation facility Quality Measures Star Rating from December 2023 to December 2024 is as follows:
  - Corporation facilities averaged 4.48 Stars, exceeding both state (3.94 Stars) and national (3.47 Stars) averages.
  - Fifty-seven of the Corporation's facilities were rated Four or Five Stars for Quality Measures, or 78% 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 79%) of Corporation facilities have earned at least one AHCA/NCAL Quality Award. These national quality awards are based on the core values and health care criteria established by the Baldridge Performance Excellence Program, and they provide a pathway for facilities to journey toward program excellence.

- In 2024, a total of 32 Corporation facilities earned the AHCA/NCAL National Quality Bronze or Silver Award for Achievement in Quality:

  Bronze Award:

  - Autumn Ridge Rehabilitation Centre
  - Avalon Village
  - Beech Grove Meadows
  - Ben Hur Health & Rehabilitation
  - Countryside Meadows
  - Coventry Meadows Healthcare
  - Cypress Grove Rehabilitation Center
  - Franklin Meadows
  - Glenbrook Rehab & Skilled Nursing Center
  - Harcourt Terrace Nursing & Rehab
  - Harrison Terrace
  - Heritage Park
  - Hillcrest Village
  - Meadow Lakes
  - North Park Nursing Center
  - Riverview Village
  - Rosewalk at Lutherwoods

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- Spring Mill Meadows
- Summit City Nursing & Rehab
- Trailpoint Village
- Valparaiso Care & Rehab Center
- Williamsport Nursing & Rehab

Silver Award:

- Canterbury Nursing & Rehabilitation
- Eastgate Manor Nursing & Rehabilitation
- Heritage Park Commons Assisted Living
- Mount Vernon Nursing & Rehabilitation
- Prairie Village Nursing & Rehab Center
- Salem Crossing
- The Timbers of Jasper
- Todd-Dickey Nursing & Rehab Center
- University Nursing Center
- Waters Edge Village

Only thirty-one facilities in Indiana received the Silver Award during 2024, the second level of distinction awarded to facilities recognized for achievement in quality.

The Corporation is proud to have six communities selected throughout Indiana by US News and World Report as Best Nursing Homes 2025. The Corporation communities awarded this distinction are:

	AWARD	EMBLEM EARNED
American Village	Best independent Living, Best Assisted Living	Assisted Living-Management and Staff, Assisted Living-Caregiving, Assisted Living-Feels Like Home, Assisted Living-Food & Dining, Independent Living-Management & Staff, Independent Living-Activities & Enrichment, Independent Living-Feels Like Home, Independent Living-Food & Dining
Clinton Gardens	Best Memory Care	Memory Care-Management and Staff, Memory Care-Caregiving, Memory Care-Activities & Enrichment
Heritage Park	Best Independent Living, Best Assisted Living	Assisted Living-Management and Staff, Assisted Living-Caregiving, Assisted Living-Activities & Enrichment, Assisted Living-Feels Like Home, Independent Living-Feels Like Home
Mount Vernon Nursing and Rehab Center	Best Memory Care	Memory Care-Management and Staff, Memory Care-Caregiving, Memory Care-Feels Like Home, Memory Care-Food & Dining
Salem Crossing	Best Memory Care	Memory Care-Caregiving, Memory Care-Activities & Enrichment
Todd Dickey Nursing and Rehabilitation Center	Best Memory Care	Memory Care-Caregiving, Memory Care-Feels Like Home

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The Corporation facilities provided employment on average of over 8,000 members during 2024. A Nurse Aide in Training Program (NAIT) program had 807 students completed the NAIT program in 2024 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 249 nurses, both RNs and LPNs. The program had 20 graduates in 2024. 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 16 Directors of Nursing Services (DNS), five Assistant DNS, and four Regional Directors of Clinical Services.

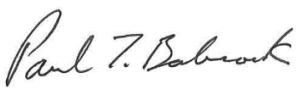
AWARDS AND ACKNOWLEDGEMENTS

The Corporation had an annual audit of its financial statements performed for 2024 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.

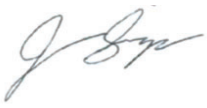
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Health and Hospital Corporation of Marion County, Indiana for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. Health and Hospital Corporation of Marion County, Indiana has received a Certificate of Achievement for the last 39 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

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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, 2023

Christopher P. Morrill

Executive Director/CEO

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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.The below officials were appointed as of the issuance date of the financial statements.

Appointed Officials - Board of Trustees

Robert W. Lazard
Chairperson
Retired CPA

Carl L. Drummer
Vice Chairperson
Taft

Kelly Doucet
INHP Director

Thomas Hanify
Retired Firefighter

Mike O'Brien
KWK Partner

Gary Fisch, M.D.
Retired Doctor

Brenda Horn
Retired Legal Partner

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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

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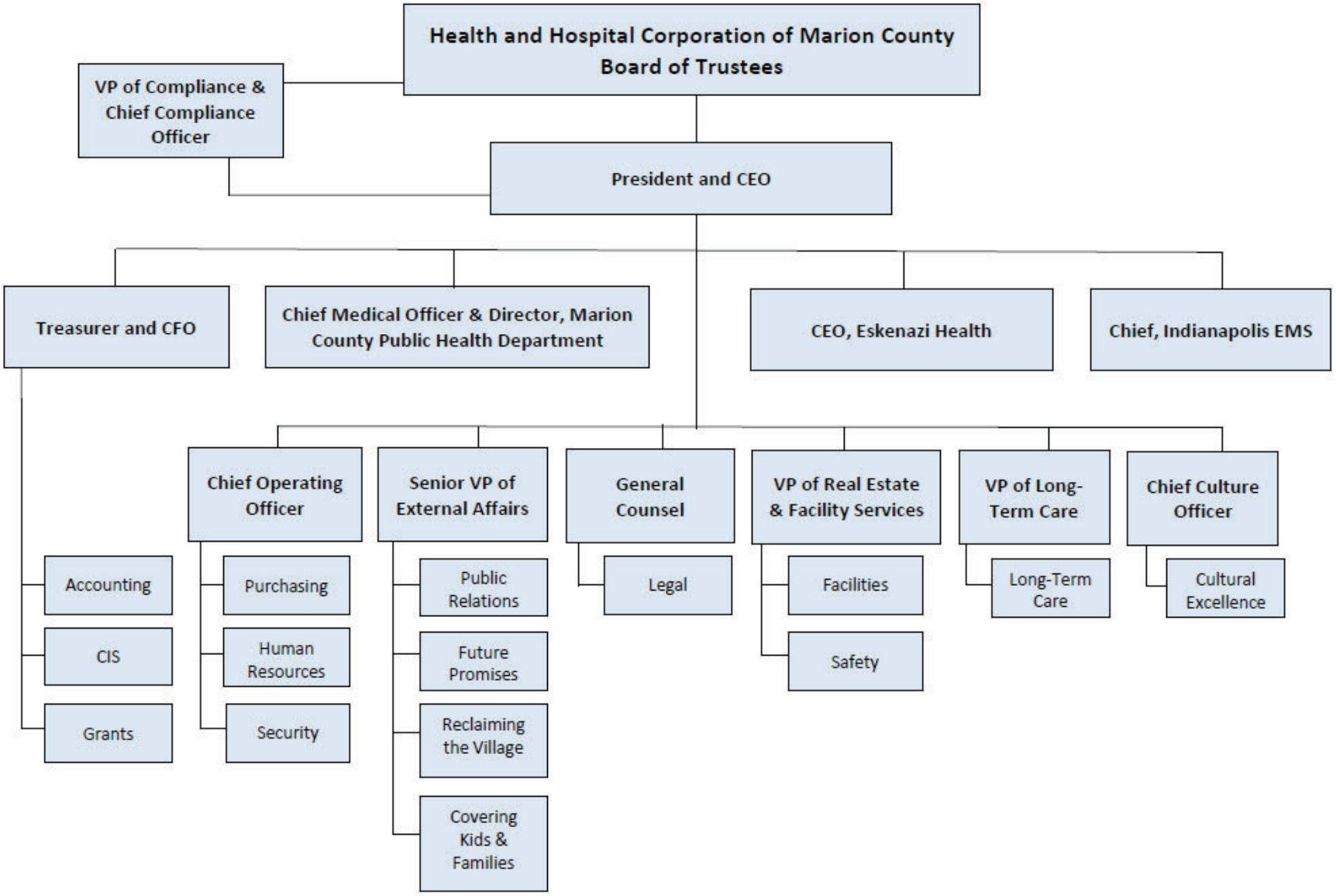

Financial Section

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Forvis Mazars, LLP
820 Massachusetts Avenue, Suite 1370
Indianapolis, IN 46204
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forvismazars.us

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, 2024, 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, 2024, 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. The financial statements of Eskenazi Medical Group, Inc. and Lions Insurance Company, component units included in the financial statements of the business-type activities, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2024, the Corporation adopted GASB Statement No. 101, *Compensated Absences*. 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.

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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.

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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 26, 2025, 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 26, 2025

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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, 2024. 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 $1.66 billion (net position). Unrestricted net position at the end of 2024 is $985.8 million.
- As of the close of 2024, the Corporation's governmental funds reported combined ending fund balances of $1.05 billion, an increase of $63.7 million in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $897.0 million, an increase of $33.4 million compared to prior year.
- The Corporation's total debt, excluding finance purchase obligations, lease and subscription liabilities, decreased by $2.7 million or 1.8% during the current fiscal year. This reflects scheduled principal payments on outstanding bonds. The finance purchase obligations decreased by $17.9 million or 4.5% in 2024. The lease and subscription liabilities decreased by $9.2 million or 2.2%.
- During 2024, the Corporation adopted GASB Statement No. 101, *Compensated Absences*, effective January 1, 2024. Balances within the management's discussion and analysis presented here related to 2023 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

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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 2.6% and 3.5%, respectively, of the business-type activities total assets and deferred outflow of resources as of December 31, 2024.

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.

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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 $1.66 billion at December 31, 2024. The Corporation's net position increased by $99.0 million, compared to $126.9 million in 2023.

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 $985.8 million is unrestricted.

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 1,289,546	$ 1,156,207	$ 668,290	$ 668,001	$ 1,957,836	$ 1,824,208
Capital assets, net of accumulated depreciation and amortization	157,667	208,169	961,266	898,992	1,118,933	1,107,161
Total assets	1,447,213	1,364,376	1,629,556	1,566,993	3,076,769	2,931,369
Deferred Outflows of Resources	15,863	16,497	23,842	27,709	39,705	44,206
Liabilities						
Other liabilities	39,455	25,133	136,460	114,339	175,915	139,472
Long-term liabilities	674,303	685,417	488,282	479,350	1,162,585	1,164,767
Total liabilities	713,758	710,550	624,742	593,689	1,338,500	1,304,239
Deferred Inflows of Resources	110,453	100,940	7,147	4,181	117,600	105,121
Net Position						
Net investment in capital assets	36,670	80,732	625,082	570,184	661,752	650,916
Restricted	12,775	12,683	-	-	12,775	12,683
Unrestricted	589,420	475,968	396,427	426,648	985,847	902,616
Total net position	$ 638,865	$ 569,383	$ 1,021,509	$ 996,832	$ 1,660,374	$ 1,566,215

Changes in Net Position

The Corporation's total revenue was $2.18 billion during the current fiscal year. Taxes represent 7.3% of the Corporation's revenue. Medicaid special revenue represents 3.0% of revenue, while 83.0% of revenue came from fees charged for services. The remaining 6.7% came from grants and contributions, investment earnings and Build America Bond subsidies.

The total cost of all programs and services was $2.08 billion. This resulted in an increase in net position for the year of $99.0 million.

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Governmental activities - Governmental activities increased the Corporation's net position by $74.3 million compared to the total $99.0 million increase in net position of the Corporation. The increase in net position is primarily due to the unrestricted investment earnings of $50.3 million and expenses of $261.2 million favorable to budget. Government activities received $51.9 million in operating grants and contributions in 2024. Net transfers were ($12.1) million, compared to $53.9 million from prior year. 2024 transfers reflect increases in both the Long-Term Care Fund transfer to the General Fund and the General Fund transfer to the Eskenazi Health Fund. The net General Fund transfers out postiion is attributed to the increase in capital contributions from Governmental Activities to the Eskenazi Health Fund as a multi-year FQHC project, which included the construction of the Eskenazi Health Center Grande clinic, was completed on the Capital Projects Fund and transferrred to the Eskenazi Health Fund.

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$ 11,263	$ 12,002	$ 1,800,191	$ 1,707,979	$ 1,811,454	$ 1,719,981
Operating grants and contributions	52,230	33,878	9,897	9,957	62,127	43,835
Capital grants and contributions	721	1,052	1,135	-	1,856	1,052
General revenues:						
Property, HCI and local option income taxes	150,621	143,122	-	-	150,621	143,122
Other taxes	8,104	9,153	-	-	8,104	9,153
Medicaid special revenue	64,488	81,380	-	-	64,488	81,380
Build America Bonds interest subsidies	9,838	10,147	-	-	9,838	10,147
Unrestricted investment earnings	50,288	40,268	23,449	24,703	73,737	64,971
Other - insurance recovery	-	-	-	-	-	-
Total revenues	347,553	331,002	1,834,672	1,742,639	2,182,225	2,073,641
Expenses						
Administration and finance	59,029	51,753	-	-	59,029	51,753
Healthcare delivery	60,675	44,148	-	-	60,675	44,148
Health improvement	55,324	43,766	-	-	55,324	43,766
Communicable disease prevention	32,410	26,423	-	-	32,410	26,423
Water quality and hazardous material management	3,354	2,558	-	-	3,354	2,558
Vector disease control	4,547	3,645	-	-	4,547	3,645
Housing and neighborhood health	7,458	5,691	-	-	7,458	5,691
Consumer and employee risk reduction	3,247	2,576	-	-	3,247	2,576
Interest on long-term debt	35,120	36,501	-	-	35,120	36,501
Eskenazi Health	-	-	1,051,445	971,984	1,051,445	971,984
Long-term care	-	-	770,665	757,735	770,665	757,735
Total expenses	261,164	217,061	1,822,110	1,729,719	2,083,274	1,946,780
Increase (Decrease) in Net Position Before Transfers and Special Items	86,389	113,941	12,562	12,920	98,951	126,861
Special Items	-	-	-	-	-	-
Transfers	(12,115)	53,855	12,115	(53,855)	-	-
Increase (Decrease) in Net Position	74,274	167,796	24,677	(40,935)	98,951	126,861
Net Position, Beginning of Year, as previously reported	569,383	401,587	996,832	1,037,767	1,566,215	1,439,354
Change in accounting principle	(4,792)	-	-	-	(4,792)	-
Net Position, Beginning of Year, as restated	564,591	401,587	996,832	1,037,767	1,561,423	1,439,354
Net Position, End of Year	$ 638,865	$ 569,383	$ 1,021,509	$ 996,832	$ 1,660,374	$ 1,566,215

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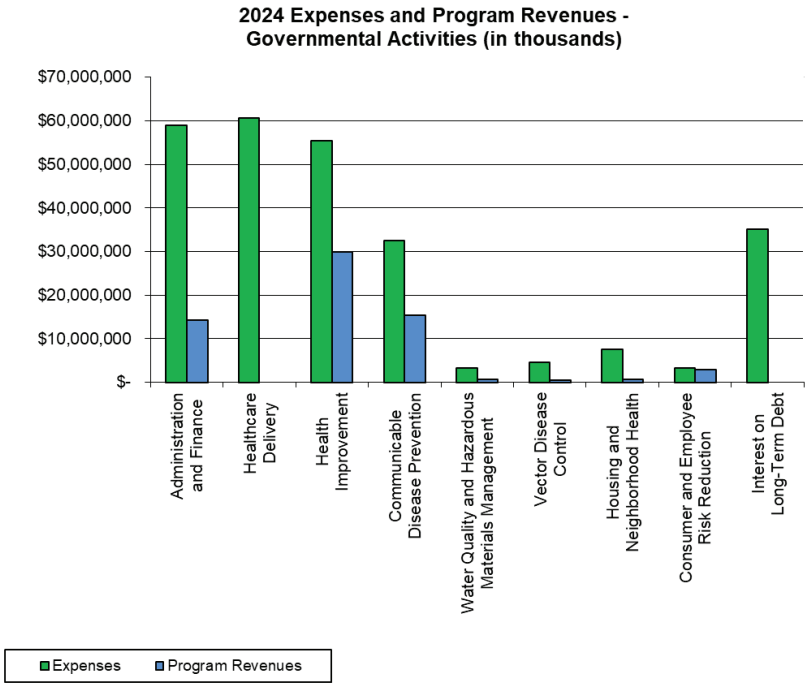
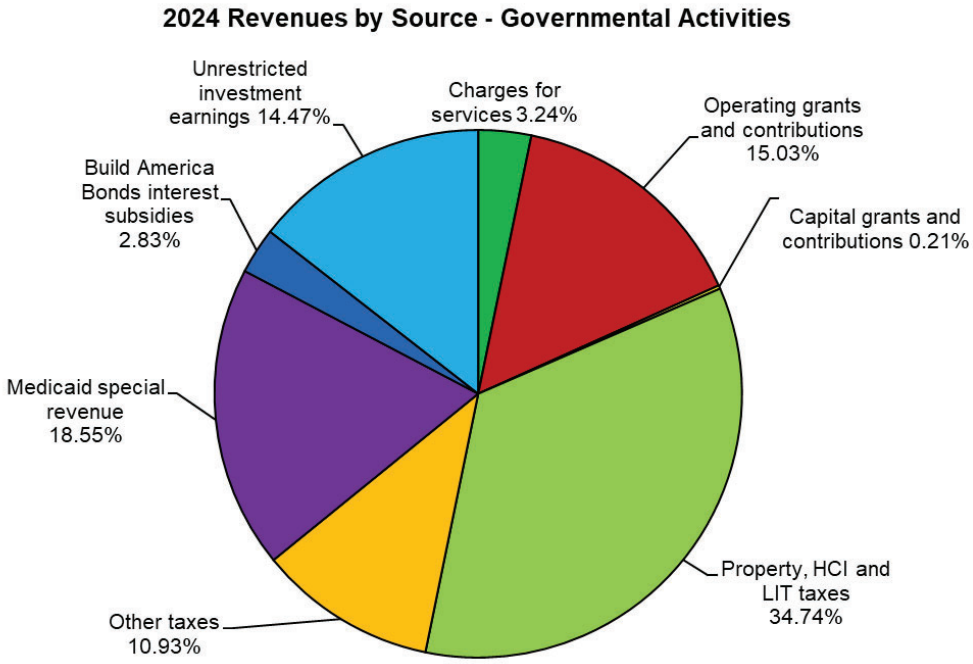
The following charts provide comparisons of the Corporation's governmental program revenues and expenses by function, as well as revenues by source. As shown, Administrative and Finance is the largest function in expense. General revenues such as property tax are not shown by program; but are included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





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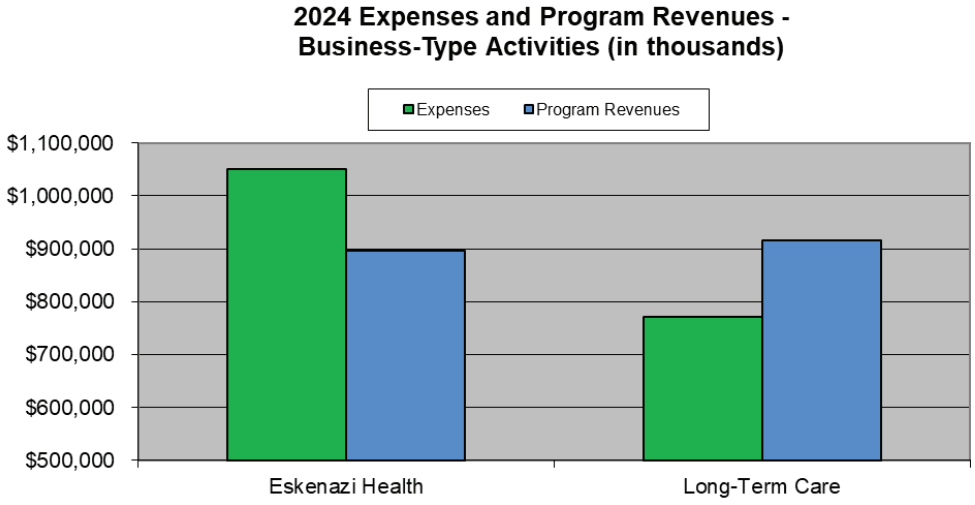
Business-type activities - The business-type activities increased the 2024 net position by $24.7 million compared to a 2023 decrease in net position of $40.9 million.

Eskenazi Health's net position decreased by $13.1 million in the current year. Net investment in capital assets is $574.0 million, a increase of $58.4 million. Operating revenues increased by $45.9 million due to an increase in net patient service revenue of $50.1 million that was partially offset by a decrease in other revenue of $4.2 million. Eskenazi Health transfers received from the General Fund increased by $90.0 million in 2024. Operating expenses increased by $78.7 million from 2023, 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 $164.0 million, which was partially offset by $125.9 million in transfers from the General Fund, $11.0 million in grants from various agencies, and $16.7 million from investment income.

Long-Term Care's net position was $215.1 million, an increase of $37.8 million compared to 2023. Operating revenues increased $46.3 million due to increased net patient service revenue and Medicaid special revenue caused by a slight increase in census. Operating expenses increased $14.4 million over 2023 due to decreased contractual labor, equipment rental, and lease expenses. Long-Term Care has a $51.1 million net investment in capital assets, a decrease of $3.4 million over 2023. All 72 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.



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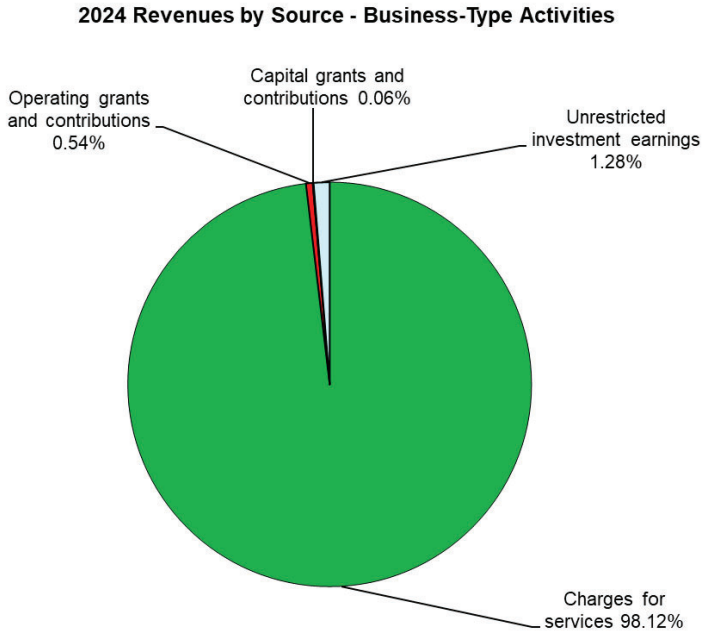

Financial Analysis of the Corporation's Funds

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 $1.05 billion, an increase of $63.7 million in comparison with the prior year. Approximately 14.9% of this total amount, or $156.7 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 85.0% of the total amount, or $897.0 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 $897.0 million, while the total fund balance increased $31.3 million to a balance of $915.0 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 388.3% of total General Fund expenditures, while total fund balance represents 396.1% of that same amount.

The Corporation's General Fund total fund balance increased by $31.3 million during the current fiscal year compared to a $156.1 million increase in 2023. The current year General Fund total fund balance increase is primarily a result of favorable to budget positions on the $45.9 million investment income and $231.0 million of total expenditures. The General Fund total fund balance increase was partially offset by unfavorable to budget intergovernmental revenue totaling $52.1 million and the $20.7 million of Medicaid special revenue. 2024 net transfers decreased the fund balance by $32.6 million, this is a result of fewer transfers from the Long-Term Care Fund in 2024 than the tranfsers to Eskenazi Health.

Debt Service Fund - The Debt Service Fund has a fund balance of $12.9 million compared to a fund balance of $13.9 million in 2023. The decrease in fund balance during the current year of $1.0 million was due to the legal maximum operating balance allowable for the Debt Service Fund in 2024.

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Capital Projects Fund - The Capital Projects Fund has a total fund balance of $126.9 million. The increase in fund balance during the current year was $33.4 million. The fund balance increase is related to capital outlay expenditures favorable to budget position and 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 $232.5 million. In 2024, the total net position for Eskenazi Health decreased by $13.1 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 $164.0 million. Total net position for Long-Term Care increased by $37.8 million in 2024. 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 2024 budget of $369.8 million remained unchanged during 2024, both in total and by major object of expenditure. The $369.8 million budget included $223.1 million in expenditures and $146.7 million in transfers out. Actual expenditures and transfers out totaled $314.9 million. Of the total $54.9 million underspending, $16.2 million related to personal services, $2.1 million to supplies, $29.0 million to other charges and services (including transfers out) and $7.9 million to capital outlays. Underspending for all reflects potential year-end initiatives that did not occur. General revenues and other resources were estimated at $369.1 million, and actual was $355.8 million. Medicaid special revenue was $42.5 million unfavorable to budget as the DSH payments in were less than budget due to the unpredictability of settlement timing and the supplemental intergovernmental expense settlements. Grants revenue was also unfavorable to budget by $18.3 million. The grant revenue matches the expenditures which has already been addressed as a favorable variance for expenditures. Taxes, miscellaenous revenues, and Long-Term Care transfers in were all at, or favorable to, budget at the end of 2024.

Capital Asset and Debt Administration

Capital Assets - The Corporation's capital assets for its governmental and business-type activities as of December 31, 2024, totaled $1,118.9 million (net of accumulated depreciation), a increase from $1,107.2 million at the end of 2023. 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	
	2024	2023	2024	2023	2024	2023
Land	$ 4,192	$ 4,133	$ 11,822	$ 9,224	$ 16,014	$ 13,357
Land improvements	-	-	49,628	36,782	49,628	36,782
Buildings and improvements	12,288	11,930	482,240	439,083	494,528	451,013
Equipment	4,967	5,391	102,781	97,891	107,748	103,282
Vehicles	1,712	1,201	4,129	3,152	5,841	4,353
Lease and subscription assests	116,095	121,752	291,571	286,547	407,666	408,299
Construction in progress	18,413	63,762	19,095	26,313	37,508	90,075
Total assets	$ 157,667	$ 208,169	$ 961,266	$ 898,992	$ 1,118,933	$ 1,107,161

Long-Term Debt - At the end of 2024, the Corporation had total general obligation debt outstanding of $142.9 million. Moody's Investors Service rates the Corporation's general obligation debt "Aa2".

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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 $389.4 million. Outstanding general obligation debt (excluding premiums) at December 31, 2024 represents 37.3% of this limit.

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

(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
2005 general obligation bonds	$ -	$ 2,290	$ -	$ -	$ -	$ 2,290
2010 general obligation bonds	140,960	145,540	-	-	140,960	145,540
Unamortized bond premiums	1,970	2,154	-	-	1,970	2,154
Financed purchase obligations	352,320	368,673	26,682	28,243	379,002	396,916
Lease liabilities	117,861	121,958	304,949	297,795	422,810	419,753
Subscription liabilities	4,426	3,973	173	329	4,599	4,302
Total long-term debt	$ 617,537	$ 644,588	$ 331,804	$ 326,367	$ 949,341	$ 970,955

2025 Budgetary Highlights and Overview

The 2025 original budget for all annually budgeted funds is $599.0 million. No revisions have been made through June 2025. The 2025 General Fund budget, which includes the State of Indiana Health First Indiana funding, is $469.2 million. The 26.9% increase from the 2024 final General Fund budget of $369.8 million reflects increases in personal services of $2.5 million, supplies of $0.2 million, other charges and services of $100.0 million due to transfers out to Eskenazi Health, and capital outlays of $1.7 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 and reform.

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.

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Basic Financial Statements

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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, 2024
(Dollars in thousands)

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 861,958	$ 420,127	$ 1,282,085
Investments	80,913	54,965	135,878
Receivables, net:			
Patient services	-	162,845	162,845
Medicaid special revenue	45,099	49,168	94,267
Grants	9,178	7,761	16,939
Taxes	103,135	-	103,135
BAB subsidies	4,919	-	4,919
Other	5,673	11,430	17,103
Internal balances	119,619	(119,619)	-
Inventories	-	13,619	13,619
Lease receivables:			
Due within one year	820	741	1,561
Lease receivables, net of current portion	6,320	784	7,104
Estimated Medicare/Medicaid settlements	-	7,113	7,113
Prepaid costs and other assets	1,051	22,879	23,930
Restricted cash and cash equivalents	16,983	-	16,983
Noncurrent investments	-	18,596	18,596
Restricted investments	-	14,836	14,836
Joint venture investments	33,878	-	33,878
Other long-term assets	-	3,045	3,045
Capital assets (net of accumulated depreciation):			
Land	4,192	11,822	16,014
Land improvements	-	49,628	49,628
Buildings and improvements	12,288	482,240	494,528
Equipment	4,967	102,781	107,748
Vehicles	1,712	4,129	5,841
Lease assets	110,775	291,400	402,175
Subscription assets	5,320	171	5,491
Construction in progress	18,413	19,095	37,508
Total assets	1,447,213	1,629,556	3,076,769
Deferred Outflows of Resources	15,863	23,842	39,705
Liabilities			
Accounts payable	33,058	90,605	123,663
Restricted accounts payable	1,710	-	1,710
Accrued liabilities	2,780	40,114	42,894
Accrued interest payable	422	-	422
Unearned revenue	1,485	452	1,937
Estimated Medicare/Medicaid settlement liabilities	-	5,289	5,289
Long-term liabilities:			
Due within one year	43,459	132,116	175,575
Due in more than one year	630,844	356,166	987,010
Total liabilities	713,758	624,742	1,338,500
Deferred Inflows of Resources	110,453	7,147	117,600
Net Position			
Net investment in capital assets	36,670	625,082	661,752
Restricted for:			
Debt service	12,775	-	12,775
Unrestricted	589,420	396,427	985,847
Total net position	$ 638,865	$ 1,021,509	$ 1,660,374

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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, 2024
(Dollars in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Administrative and finance	$ 59,029	$ 2,515	$ 11,792	$ -	$ (44,722)	$ -	$ (44,722)
Healthcare delivery	60,675	-	-	-	(60,675)	-	(60,675)
Health improvement	55,324	4,404	24,755	721	(25,444)	-	(25,444)
Communicable disease prevention	32,410	360	15,066	-	(16,984)	-	(16,984)
Water quality and hazardous materials management	3,354	500	121	-	(2,733)	-	(2,733)
Vector disease control	4,547	523	-	-	(4,024)	-	(4,024)
Housing and neighborhood health	7,458	128	496	-	(6,834)	-	(6,834)
Consumer and employee risk reduction	3,247	2,833	-	-	(414)	-	(414)
Interest and fiscal charges	35,120	-	-	-	(35,120)	-	(35,120)
Total governmental activities	261,164	11,263	52,230	721	(196,950)	-	(196,950)
Business-Type Activities							
Eskenazi Health	1,051,445	884,755	9,897	1,135	-	(155,658)	(155,658)
LT Care	770,665	915,436	-	-	-	144,771	144,771
Total business-type activities	1,822,110	1,800,191	9,897	1,135	-	(10,887)	(10,887)
Total	$ 2,083,274	$ 1,811,454	$ 62,127	$ 1,856	(196,950)	(10,887)	(207,837)
General revenues:							
Property and local income taxes					112,621	-	112,621
Health Care for the Indigent taxes					38,000	-	38,000
Excise taxes					6,427	-	6,427
Financial institution taxes					1,677	-	1,677
Medicaid special revenue (unrestricted)					64,488	-	64,488
Build America Bonds interest subsidies					9,838	-	9,838
Unrestricted investment earnings (loss)					50,288	23,449	73,737
Transfers					(12,115)	12,115	-
Total general revenues and transfers					271,224	35,564	306,788
Change in net position					74,274	24,677	98,951
Net position - beginning of year					569,383	996,832	1,566,215
Restatement for adoption of accounting principle					(4,792)	-	(4,792)
Net position - beginning of year, as restated					564,591	996,832	1,561,423
Net position - end of year					$ 638,865	$ 1,021,509	$ 1,660,374

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, 2024
(Dollars in thousands)

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 737,454	$ 133	$ 124,371	$ 861,958
Restricted cash and cash equivalents	-	12,775	4,208	16,983
Investments	80,913	-	-	80,913
Receivables (net of allowance for uncollectibles):				
Grants	9,178	-	-	9,178
Medicaid special revenue	45,099	-	-	45,099
Taxes	100,506	2,366	263	103,135
BAB subsidies	-	4,919	-	4,919
Other	5,673	-	-	5,673
Due from other funds	124,538	-	-	124,538
Lease receivables, current portion	820	-	-	820
Lease receivables, net of current portion	6,320	-	-	6,320
Prepaid costs and other assets	1,051	-	-	1,051
Total assets	$ 1,111,552	$ 20,193	$ 128,842	$ 1,260,587
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	$ 33,058	$ -	$ 1,710	$ 34,768
Salaries and related benefits	2,780	-	-	2,780
Unearned revenue	1,485	-	-	1,485
Due to other funds	-	4,919	-	4,919
Accrued self-insurance claims	1,118	-	-	1,118
Total liabilities	38,441	4,919	1,710	45,070
Deferred Inflows of Resources	158,107	2,366	263	160,736
Fund Balances				
Nonspendable	1,051	-	-	1,051
Restricted	-	12,775	4,209	16,984
Assigned	16,909	133	122,660	139,702
Unassigned	897,044	-	-	897,044
Total fund balances	915,004	12,908	126,869	1,054,781
Total liabilities, deferred inflows of resources and fund balances	$ 1,111,552	$ 20,193	$ 128,842	$ 1,260,587

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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
December 31, 2024
(Dollars in thousands)

Fund balance - total governmental funds	1,054,781
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	157,667
Joint venture investments are not financial resources and therefore are not reported in the fund statements	33,878
Net pension liability is not due and payable in the current period and therefore is not recorded in the funds statement	(35,326)
Deferred inflows of resources not meeting availability criteria in fund statements are not in the statement of net position	50,633
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:	(350)
Deferred outflows of resources are not financial resources and therefore are not reported in the fund statements and include:	
Loss on refunding	3,584
Pension	12,279
Accrued interest not in the fund statements	(422)
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)	(637,859)
Net position of governmental activities	$ 638,865

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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, 2024
(Dollars in thousands)

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Taxes	$ 157,256	$ 1,186	$ 283	$ 158,725
Licenses and permits	5,090	-	-	5,090
Intergovernmental	52,061	-	-	52,061
Charges for services	2,122	-	-	2,122
Medicaid special revenue	20,739	-	-	20,739
Investment income	45,911	260	5,796	51,967
Build America Bonds interest subsidies	-	9,838	-	9,838
Miscellaneous	4,755	-	310	5,065
Total revenues	287,934	11,284	6,389	305,607
Expenditures				
Current				
Administrative	49,764	-	2	49,766
Population health	37,626	-	-	37,626
Environmental health	15,762	-	-	15,762
Health center program	664	-	-	664
Data processing	5,778	-	-	5,778
Grant programs	38,843	-	-	38,843
Capital outlays	11,663	-	28,772	40,435
Debt service				
Principal	6,612	23,223	-	29,835
Interest and fiscal charges	3,608	31,850	-	35,458
Issuance costs	-	-	168	168
Intergovernmental expenditures	60,675	-	-	60,675
Total expenditures	230,995	55,073	28,942	315,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,939	(43,789)	(22,553)	(9,403)
Other Financing Sources (Uses)				
Private bonds issued	-	-	4,370	4,370
Issuance of lease and subscription liabilities	6,930	-	-	6,930
Transfers in	123,593	52,706	51,616	227,915
Transfers out	(156,206)	(9,954)	-	(166,160)
Total other financing sources and uses	(25,683)	42,752	55,986	73,055
Net change in fund balances	31,256	(1,037)	33,433	63,652
Fund balances - beginning of year	883,748	13,945	93,436	991,129
Fund balances - end of year	$ 915,004	$ 12,908	$ 126,869	$ 1,054,781

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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, 2024
(Dollars in thousands)

Net change in fund balances - total governmental funds	$	63,652
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		(13,112)
Capital outlays are reported as expenditures in the fund statements, but are reported as additions to capital assets in the statement of net position		40,435
Changes in joint venure investment are reported in the statement of net position but are not reported in the fund statements		(908)
Transfers of capital assets from governmental activities to the business type activities are not shown in the fund statements		(73,870)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements		46,094
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		18,456
Compensated absences that do not require the use of current financial resources are not reported as expenditures in the fund statements		(917)
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		(4,843)
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		(713)
Change in net position of governmental activities	$	74,274

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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, 2024
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 187,850	$ 232,277	$ 420,127
Investments	54,965	-	54,965
Receivables (net of allowance for uncollectibles):			
Patient services	92,873	69,972	162,845
Medicaid special revenue	-	49,168	49,168
Grants	7,761	-	7,761
Other	11,430	-	11,430
Estimated Medicare/Medicaid settlements	5,143	1,970	7,113
Inventories	13,619	-	13,619
Lease receivables, current portion	741	-	741
Prepaid costs and other assets	17,721	5,158	22,879
Total current assets	392,103	358,545	750,648
Noncurrent assets:			
Investments - long term	18,596	-	18,596
Investments restricted for deferred compensation	14,836	-	14,836
Lease receivable, net of current portion	784	-	784
Other long-term assets	-	3,045	3,045
Lease assets	11,992	279,408	291,400
Subscription assets	171	-	171
Nondepreciable capital assets	29,547	1,370	30,917
Depreciable capital assets (net of accumulated depreciation)	575,658	63,120	638,778
Total noncurrent assets	651,584	346,943	998,527
Total assets	1,043,687	705,488	1,749,175
Deferred Outflows of Resources	23,842	-	23,842
Total assets and deferred outflows of resources	1,067,529	705,488	1,773,017
Liabilities			
Current liabilities:			
Accounts payable	54,182	36,423	90,605
Accrued liabilities	18,776	21,338	40,114
Due to other funds	5,864	113,755	119,619
Estimated Medicare/Medicaid settlement liabilities	5,289	-	5,289
Unearned revenue	452	-	452
Current portion of lease liabilities	3,065	85,113	88,178
Current portion of subscription liabilities	173	-	173
Current portion of financed purchase obligation	1,639	-	1,639
Accrued compensated absences - current	24,686	-	24,686
Asserted and unasserted self-insurance claims - current	10,904	6,536	17,440
Total current liabilities	125,030	263,165	388,195
Noncurrent liabilities:			
Asserted and unasserted self-insurance claims	4,667	19,786	24,453
Accrued compensated absences	4,298	-	4,298
Net pension liability	70,765	-	70,765
Deferred compensation	14,836	-	14,836
Lease liabilities, net of current portion	9,304	207,467	216,771
Financed purchase obligations, net of current portion	25,043	-	25,043
Total noncurrent liabilities	128,913	227,253	356,166
Total liabilities	253,943	490,418	744,361
Deferred Inflows of Resources	7,147	-	7,147
Total liabilities and deferred inflows of resources	261,090	490,418	751,508
Net Position			
Net investment in capital assets	573,969	51,113	625,082
Unrestricted	232,470	163,957	396,427
Total net position	$ 806,439	$ 215,070	$ 1,021,509

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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, 2024
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Operating revenues:			
Net patient service revenue	$ 835,674	$ 746,459	$ 1,582,133
Medicaid special revenue	-	166,941	166,941
Other revenue	49,081	2,037	51,118
Total operating revenues	884,755	915,437	1,800,192
Operating expenses:			
Salaries	441,799	-	441,799
Employee Benefits	131,444	-	131,444
Contract Labor	465	435,356	435,821
Medical and professional fees	85,725	15,550	101,275
Purchased services	45,098	64,657	109,755
Supplies	87,041	42,579	129,620
Pharmaceuticals	107,933	9,694	117,627
Repairs and maintenance	14,904	6,381	21,285
Utilities	14,068	16,179	30,247
Equipment rental and lease expense	3,127	13,108	16,235
Depreciation and amortization	59,961	104,407	164,368
Provider assessment fee	22,274	24,690	46,964
Other	34,965	29,771	64,736
Total operating expenses	1,048,804	762,372	1,811,176
Operating income (loss)	(164,049)	153,065	(10,984)
Nonoperating revenues (expenses):			
Noncapital gifts and grants	9,897	-	9,897
Capital gifts and grants	1,135	-	1,135
Investment income	16,673	6,776	23,449
Loss on disposal of capital assets	(1,129)	-	(1,129)
Interest expense	(1,512)	(8,294)	(9,806)
Total nonoperating revenues (expenses)	25,064	(1,518)	23,546
Increase (decrease) in net position before transfers and special item	(138,985)	151,547	12,562
Capital contributions - capital assets transferred from governmental activities	73,870	-	73,870
Transfers - General Fund	52,000	(113,755)	(61,755)
Change in net position	(13,115)	37,792	24,677
Total net position - beginning of year	819,554	177,278	996,832
Total net position - end of the year	$ 806,439	$ 215,070	$ 1,021,509

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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, 2024
(Dollars in thousands)

	Eskenazi Health	LT Care	Total
Cash Flows From Operating Activities			
Receipts from patient services	$ 821,203	$ 720,693	$ 1,541,896
Receipts from other operations	52,536	2,037	54,573
Medicaid special revenue	-	155,055	155,055
Payments to suppliers	(253,049)	(185,173)	(438,222)
Payments to employees and contract labor	-	(439,820)	(439,820)
Payments on short-term leases and variable lease payments	(692,132)	(13,248)	(705,380)
Net cash provided by (used in) operating activities	(71,442)	239,544	168,102
Cash Flows From Noncapital Financing Activities			
Cash receipts from noncapital gifts and grants	8,622	-	8,622
Transfers from (to) the General Fund	52,000	(89,750)	(37,750)
Net cash provided by (used in) noncapital financing activities	60,622	(89,750)	(29,128)
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(41,086)	(15,888)	(56,974)
Proceeds from sale of capital assets	660	-	660
Payments made on lease and subscription liabilities	(2,427)	(84,850)	(87,277)
Interest payments made on financed purchase obligations, lease and subscription liabilities	(1,512)	-	(1,512)
Payment of purchase financing obligations	(1,562)	-	(1,562)
Proceeds from lease receipts	710	-	710
Interest expense payments	-	(8,294)	(8,294)
Net cash used in capital and related financing activities	(45,217)	(109,032)	(154,249)
Cash Flows From Investing Activities			
Proceeds from sale and maturities of investments	40,404	-	40,404
Purchases of investments	(41,022)	-	(41,022)
Interest and dividends received	13,988	6,776	20,764
Net cash provided by investing activities	13,370	6,776	20,146
Net Increase (Decrease) in Cash and Cash Equivalents	(42,667)	47,538	4,871
Cash and Cash Equivalents, January 1	230,517	184,739	415,256
Cash and Cash Equivalents, December 31	$ 187,850	$ 232,277	$ 420,127
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	$ (164,049)	$ 153,065	$ (10,984)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	59,961	104,407	164,368
Changes in operating assets and liabilities:			
Patient service receivables	1,969	(6,287)	(4,318)
Other receivables	6,470	(11,885)	(5,415)
Inventories	482	-	482
Prepaid costs and other assets	(2,569)	(3,009)	(5,578)
Deferred inflows and outflows of resources- pension	5,338	-	5,338
Net pension liability	1,546	-	1,546
Accounts payable	11,074	(3,935)	7,139
Accrued liabilities and compensated absences	5,312	7,247	12,559
Estimated Medicare/Medicaid settlements	3,560	(1,511)	2,049
Asserted and unasserted self-insurance claims	205	1,452	1,657
Deferred inflow of resources - leases	(741)	-	(741)
Total adjustments	92,607	86,479	179,086
Net cash provided by (used in) operating activities	$ (71,442)	$ 239,544	$ 168,102
Noncash investing, capital and financing activities:			
Deferred compensation payouts from investments	$ 272	$ -	$ 272
Lease obligations incurred for lease assets	7,331	90,469	97,800
Deferred inflows of resources recognized for lease receivable, during the year	2,235	-	2,235
Purchase of capital assets included in accounts payable	4,177	204	4,381
Transfers of capital assets and non-cash items from governmental activities	75,005	-	75,005
Loss on disposal of capital assets	(1,129)	-	(1,129)
Unrealized gain on investments, net	2,686	-	2,686

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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, 2024
(Dollars in thousands)

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

Financial Reporting Entity

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

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

The MCPHD operates two service bureaus, (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 344 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 72 long-term care facilities through lease agreements at December 31, 2024. 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.

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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.

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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.

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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, 2024, no such debt existed other than lease liabilities and financed purchase obligations. At December 31, 2024, 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.

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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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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.

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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:

	Years
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.

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

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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, 2024 was $1,048 within governmental activities and $797 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 policies permit most employees to accumulate paid time off (PTO) that may be realized as such or, in limited circumstances, as a cash payment. A liability is accrued for compenated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the statement of position date plus an additional amount for salary-related payments such as social security and Medicare taxes as well as defined benefit contributions required, computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after year end is included in long-term liabilities. 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.

Long-Term Obligations

Long-term debt, financed purchase obligations, lease liabilities, 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.

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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.

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.

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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.

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,

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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, 2024:

	General Fund	Capital Project Fund
Personal services	$ -	$ -
Supplies	1,150	-
Other charges and services	13,715	-
Capital projects	2,044	52,695
Total encumbrances	$ 16,909	$ 52,695

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.

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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 $106,270 during 2024. 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.

Adoption of New Accounting Standards

During 2024, the Corporation implemented GASB Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance under a unified model and by amending certain previousy required disclosures. As of January 1, 2024, adoption of the standard resulted in the following:

Governmental Activities:
*Increase in compensated absences liabilities and decrease in net position by $4,792

Compensated absences have been recognized and measured using the facts and circumstances that existed at the beginning of the year.

Future Adoption of New Accounting Standards

GASB has issued GASB Statement No. 102, *Certain Risk Disclosures*; GASB Statement No. 103, *Financial Reporting Model Improvements*; and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. 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, 2024, the Corporation, including its blended component units, had the following cash deposits and investments:

Cash deposits	$ 907,530
State external investment pool	365,192
U.S. Government obligations	122,553
Municipal bonds	25,029
Corporate bonds	212
Equity mutual funds	14,836
Equity securities	5,802
Negotiable certificate of deposits	569
Money market mutual funds	26,655
Total deposits and investments	$ 1,468,378

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

	2024
Carrying value	
Deposits	$ 907,530
Investments	560,848
	$ 1,468,378
Cash and cash equivalents	
Unrestricted	$ 1,282,085
Restricted	16,983
	1,299,068
Investments	
Unrestricted	154,474
Restricted	14,836
	$ 1,468,378

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 and other investments at December 31, 2024:

		Investment Activities (in years)			
	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
State external investment pool	$ 365,192	$ 365,192			
U.S. Government obligations	122,553	87,109	35,444	-	-
Municipal bonds	25,029	-	25,029	-	-
Corporate bonds	212	115	97		
Money market mutual funds	26,655	26,655	-	-	-
	$ 539,641	$ 479,071	$ 60,570	$ -	$ -

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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, 2024, 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	$ 365,192				$ 365,192
U.S. Government obligations	122,553	122,553	-	-	-
Municipal bonds	25,029	-	-	-	25,029
Coporate bonds	212	-	-	-	212
Money market mutual funds	26,655	26,655	-	-	-
	$ 539,641	$ 149,208	$ -	$ -	$ 390,433

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, 2024, 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, 2024, 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, 2024 consisted of:

	Governmental Fund-Types	Proprietary Fund-Types
Interest and dividend income and realized gains	$ 48,946	$ 20,763
Unrealized gain on investments, net	1,342	2,686
Total investment income	$ 50,288	$ 23,449

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, 2024:

		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)
State external investment pools	365,192	-	-	-	365,192
U.S. Government obligations	122,553	122,553	-	-	-
Municipal bonds	25,029	-	25,029	-	-
Corporate Bonds	212	-	212	-	-
Negotiable certificate of deposits	569	-	569	-	-
Equity mutual funds	14,836	14,836	-	-	-
Equity securities	5,802	5,802	-	-	-
Money market mutual funds	26,655	-	-	-	26,655

(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, 2024.

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, 2024, the Corporation recognized a receivable of $103,135 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 $782. 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, 2024:

	Eskenazi Health	LT Care	Total
Gross patient services receivables	$ 342,414	$ 82,992	$ 425,406
Allowance for estimated contractual adjustment	(175,094)	-	(175,094)
Allowance for uncollectible accounts	(74,447)	(13,020)	(87,467)
Net patient services receivables	$ 92,873	$ 69,972	$ 162,845

Note 7: Interfund Balances and Transfers

Individual due to/from other funds as of December 31, 2024 are as follows:

Interfund Receivables	Interfund Payables	Amount
General Fund	Debt Service Fund	$ 4,919
General Fund	Eskenazi Health Fund	5,864
General Fund	LT Care Fund	113,755

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, 2025.

Interfund transfers for the year ended December 31, 2024 on the fund statements consisted of the following:

	Transfer In:				
	General Fund	Debt Service Fund	Cap Projects Fund	Enterprise Fund - Eskenazi Health	Total
Transfer out:					
General Fund	$ -	$ 52,706	$ 51,500	$ 52,000	$ 156,206
Debt Service Fund	9,838	-	116	-	9,954
LT Care Fund	113,755	-	-	-	113,755
Governmental Activities	-	-	-	73,870	73,870
Total	$ 123,593	$ 52,706	$ 51,616	$ 125,870	$ 353,785

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, 2024, 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	$ 3,584	$ -	$ 3,584
Pension related deferred outflows:			
Contributions subsequent to measurement date	3,548	6,822	10,370
Changes in proportion and differences between the Corporation's contributions and proportionate share contributions	434	398	832
Actuarial differences	3,621	7,253	10,874
Net difference between projected and actual earnings on pension plan investments	4,676	9,369	14,045
Changes of assumptions	-	-	-
Total deferred outflows of resources	$ 15,863	$ 23,842	$ 39,705

Deferred Inflows of Resources

As of December 31, 2024, 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	$ 103,135	$ -	$ 103,135
Lease related	6,968	1,495	8,463
Pension related deferred inflows:			
Changes in proportion	350	5,652	6,002
Total deferred inflows of resources	$ 110,453	$ 7,147	$ 117,600

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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, 2024, 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	$ -	$ 1,316
Unavailable lease receivable/revenue	6,968	169
Unavailable property tax revenue	103,135	-
Unavailable Medicaid special revenue	43,149	-
Grant reimbursements not received within 90 days	2,350	-
Other revenues not received within 90 days	5,134	-
Total Governmental Funds	$ 160,736	$ 1,485

In addition, the Eskenazi Health Enterprise Fund had $452 of unearned revenue recorded at December 31, 2024 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, 2024:

	January 1, 2024	Transfers/ Additions	Transfers/ Disposals	December 31, 2024
Governmental Activities:				
Capital assets not being depreciated and amortized:				
Land	$ 4,133	$ 59	$ -	$ 4,192
Construction in progress	63,762	30,387	(75,736)	18,413
Total capital assets not being depreciated and amortized	67,895	30,446	(75,736)	22,605
Capital assets being depreciated and amortized:				
Buildings and improvements	38,708	1,854	-	40,562
Equipment	39,097	2,022	-	41,119
Vehicles	8,175	1,049	(245)	8,979
Lease assets - buildings and improvements	129,741	1,058	(1,002)	129,797
Subscription assets	5,797	5,872	(5,026)	6,643
Total capital assets being depreciated and amortized	221,518	11,855	(6,273)	227,100
Less accumulated depreciation and amortization for:				
Buildings and improvements	26,778	1,496	-	28,274
Equipment	33,706	2,446	-	36,152
Vehicles	6,974	538	(245)	7,267
Lease assets - buildings and improvements	12,778	6,915	(671)	19,022
Subscription assets	1,008	1,717	(1,402)	1,323
Total accumulated depreciation and amortization	81,244	13,112	(2,318)	92,038
Total capital assets being depreciated and amortized, net	140,274	(1,257)	(3,955)	135,062
Governmental activities capital assets, net	$ 208,169	$ 29,189	$ (79,691)	$ 157,667

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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, 2024:

	January 1, 2024	Transfers/ Additions	Transfers/ Disposals	December 31, 2024
Business-Type Activities:				
Capital assets not being depreciated and amortized:				
Land	$ 9,224	$ 2,866	$ (268)	$ 11,822
Construction in progress	26,313	7,907	(15,125)	19,095
Total capital assets not being depreciated and amortized	35,537	10,773	(15,393)	30,917
Capital assets being depreciated and amortized:				
Land improvements	98,479	16,494	(415)	114,558
Buildings and improvements	900,602	80,024	(10,923)	969,703
Equipment	365,227	40,560	(31,508)	374,279
Vehicles	8,898	2,647	(200)	11,345
Lease assets				
Buildings and improvements	448,008	93,008	(5,294)	535,722
Equipment	4,348	4,791	(513)	8,626
Subscription assets	507	-	-	507
Total capital assets being depreciated and amortized	1,826,069	237,524	(48,853)	2,014,740
Less accumulated depreciation and amortization for:				
Land improvements	61,697	3,645	(412)	64,930
Buildings and improvements	461,519	35,192	(9,248)	487,463
Equipment	267,336	34,374	(30,212)	271,498
Vehicles	5,746	1,670	(200)	7,216
Lease assets				
Buildings and improvements	164,333	87,668	(1,911)	250,090
Equipment	1,814	1,557	(513)	2,858
Subscription assets	169	167	-	336
Total accumulated depreciation and amortization	962,614	164,273	(42,496)	1,084,391
Total capital assets being depreciated and amortized, net	863,455	73,251	(6,357)	930,349
Business-type activities capital assets, net	$ 898,992	$ 84,024	$ (21,750)	$ 961,266

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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, 2024:

	January 1, 2024	Transfers/ Additions	Transfers/ Disposals	December 31, 2024
Business-Type Activities- Eskenazi Health:				
Capital assets not being depreciated and amortized:				
Land	$ 9,224	$ 2,866	$ (268)	$ 11,822
Construction in progress	23,983	-	(6,258)	17,725
Total capital assets not being depreciated and amortized	33,207	2,866	(6,526)	29,547
Capital assets being depreciated and amortized:				
Land improvements	84,958	15,202	(327)	99,833
Buildings and improvements	718,007	70,153	(9,470)	778,690
Equipment	270,111	35,060	(27,452)	277,719
Vehicles	8,873	2,647	(200)	11,320
Lease assets				
Buildings and improvements	5,692	2,539	-	8,231
Equipment	4,348	4,791	(513)	8,626
Subscription assets	507	-	-	507
Total capital assets being depreciated and amortized	1,092,496	130,392	(37,962)	1,184,926
Less accumulated depreciation and amortization for:				
Land improvements	52,229	2,687	(324)	54,592
Buildings and improvements	324,233	24,504	(7,795)	340,942
Equipment	186,930	28,405	(26,156)	189,179
Vehicles	5,721	1,670	(200)	7,191
Lease assets				
Buildings and improvements	1,036	971	-	2,007
Equipment	1,814	1,557	(513)	2,858
Subscription assets	169	167	-	336
Total accumulated depreciation and amortization	572,132	59,961	(34,988)	597,105
Total capital assets being depreciated and amortized, net	520,364	70,431	(2,974)	587,821
Eskenazi Health business-type activities capital assets, net	$ 553,571	$ 73,297	$ (9,500)	$ 617,368

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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, 2024:

	January 1, 2024	Transfers/ Additions	Transfers/ Disposals	December 31, 2024
Long-Term Care Business-Type Activities:				
Capital assets not being depreciated and amortized:				
Construction in progress	$ 2,330	$ 7,907	$ (8,867)	$ 1,370
Total capital assets not being depreciated and amortized	2,330	7,907	(8,867)	1,370
Capital assets being depreciated and amortized:				
Land improvements	13,521	1,292	(88)	14,725
Buildings and improvements	182,595	9,871	(1,453)	191,013
Equipment	95,116	5,500	(4,056)	96,560
Vehicles	25	-	-	25
Lease assets - building and improvements	442,316	90,469	(5,294)	527,491
Total capital assets being depreciated and amortized	733,573	107,132	(10,891)	829,814
Less accumulated depreciation and amortization for:				
Land improvements	9,468	958	(88)	10,338
Buildings and improvements	137,286	10,688	(1,453)	146,521
Equipment	80,406	5,969	(4,056)	82,319
Vehicles	25	-	-	25
Lease assets - building and improvements	163,297	86,697	(1,911)	248,083
Total accumulated depreciation and amortization	390,482	104,312	(7,508)	487,286
Total capital assets being depreciated and amortized, net	343,091	2,820	(3,383)	342,528
Long-Term Care business-type activities lease assets, net	$ 345,421	$ 10,727	$ (12,250)	$ 343,898

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	$	12,017
Health improvements		385
Communicable disease prevention		421
Water quality and hazardous material management		23
Vector disease control		249
Housing and neighborhood health		7
Consumer and employee risk reduction		10
Total depreciation and amortization expense, governmental activities	$	13,112
Business-Type Activities:		
Eskenazi Health	$	59,961
LT Care		104,407
Total depreciation and amortization expense, business-type activities	$	164,368

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, 2024, the Medicare and Medicaid cost reports for Eskenazi Health have been audited by the fiscal intermediaries through December 31, 2020.

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.

The State of Indiana established a Hospital Assessment Fee (HAF), which increases 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. During 2024, the State of Indiana transitioned the payment model for long-term care services to a Managed Medicaid Program. This transition is phased in over five years and established a quality component to UPL payments.

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 $20,739 in Medicaid special revenue and a receivable of $45,099 at December 31, 2024. The intergovernmental transfers made by the Corporation in 2024 under these programs totaled $60,675, with $27,235 accrued within accounts payable in the general fund as of December 31, 2024. The Long-Term Care Fund recognized revenue of $166,941 and a receivable of $49,168 at December 31, 2024.

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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.

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, 2024:

	Eskenazi Health	LT Care	Total	Percentage
Patient service revenue:				
Inpatient	$ 1,294,184	$ -	$ 1,294,184	32%
Outpatient	1,997,249	-	1,997,249	49%
Long-term care	-	764,091	764,091	19%
Gross patient service less:	3,291,433	764,091	4,055,524	100%
Contractual adjustments	1,992,694	-	1,992,694	49%
Charity and indigent care	326,675	-	326,675	8%
Provision for uncollectible accounts	136,390	17,632	154,022	4%
Net patient service revenue	$ 835,674	$ 746,459	$ 1,582,133	39%

Revenue from the Medicare and Medicaid programs accounted for approximately 19% and 57%, respectively, of net patient service revenue for fiscal year 2024. 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 2024 net patient service revenue increased approximately $658 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, 2024:

	January 1, 2024*	Additions	Reductions	December 31, 2024	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	$ 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	145,540	-	(4,580)	140,960	7,120
Public Improvement Bond Banks of 2024 - Series G, ($4,370,000 original amount), 3.69%, due January 15, 2027	-	4,370	-	4,370	1,045
Plus: bond premium	2,154	-	(184)	1,970	131
Total bonds payable	149,984	4,370	(7,054)	147,300	8,296
Financed purchase obligations	368,673	-	(16,353)	352,320	17,071
Lease liabilities	121,958	1,058	(5,155)	117,861	5,051
Subscription liabilities	3,973	5,872	(5,419)	4,426	1,766
Asserted and unasserted self-insurance claims	1,412	13,742	(12,763)	2,391	1,118
Accrued compensated absences	13,762	917	-	14,679	10,157
Net pension liability	30,447	11,789	(6,910)	35,326	-
Governmental activities long-term liabilities	$ 690,209	$ 37,748	$ (53,654)	$ 674,303	$ 43,459
Business-Type Activities:					
Eskenazi Health:					
Asserted and unasserted self-insurance claims	$ 15,257	$ 68,180	$ (67,866)	$ 15,571	$ 10,904
Accrued compensated absences	30,772	-	(1,788)	28,984	24,686
Net pension liability	69,219	14,909	(13,363)	70,765	-
Financed purchase obligations	28,243	-	(1,561)	26,682	1,639
Lease liabilities	7,309	7,331	(2,271)	12,369	3,065
Subscription liabilities	329	-	(156)	173	173
Deferred compensation	12,866	2,242	(272)	14,836	-
LT Care:					
Lease liabilities	290,486	90,469	(88,375)	292,580	85,113
Asserted and unasserted self-insurance claims	24,869	3,099	(1,646)	26,322	6,536
Business-type activities long-term liabilities	$ 479,350	$ 186,230	$ (177,298)	$ 488,282	$ 132,116

* The balances have been restated to reflect the adoption of GASB Statement No. 101.

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.

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

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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. As of December 31, 2024, the 2005 GO Bonds have been paid in full.

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, 2024 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 2024 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.

General Obligation Bonds of 2024

During 2024, the Corporation issued $4,370 of General Obligation Bonds, Series 2024G (the 2024G Bonds). The 2024G 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 2024G Bonds that remain outstanding at December 31, 2024 bear interest at 3.69%, with principal and interest payments due January 15 and July 15 through January 15, 2027.

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The governmental activities debt service requirements, including interest, on bonds and related future expected BAB subsidies as of December 31, 2024 are as follows:

Year Ending December 31,	Principal	Interest	BAB Expected Subsidies
2025	$ 8,165	$ 8,572	$ 2,863
2026	9,585	8,051	2,774
2027	8,800	7,556	2,637
2028	7,965	7,107	2,494
2029	8,265	6,641	2,346
2030 - 2034	46,380	25,429	9,273
2035 - 2039	56,170	10,375	4,495
2040	-	-	240
	$ 145,330	$ 73,731	$ 27,122

The above future BAB Subsidies reflect an assumed reduction for the BAB Sequester adjustment in effect at December 31, 2024.

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, 2024, is as follows:

Net assessed value - 2024	$ 58,115,082
	0.67%
Debt limit	389,371
Debt applicable to debt limit:	
Bonded debt (excluding unamortized premiums)	145,330
Legal debt margin	$ 244,041

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. As of December 31, 2024, the defeased bonds have been paid in full.

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.

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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.

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.

Future minimum financed purchase obligation payments for the Corporation's governmental activities as of December 31, 2024 are:

Year Ending December 31,	Total to Be Paid	Principal	Interest
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	37,668	20,282	17,386
2030 - 2034	181,872	115,602	66,270
2035 - 2039	169,354	143,515	25,839
	$ 543,277	$ 352,320	$ 190,957

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

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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, 2024 are:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2025	$ 2,676	$ 1,639	$ 1,037
2026	2,675	1,719	956
2027	2,675	1,804	871
2028	1,675	894	781
2029	1,737	991	746
2030 - 2034	8,795	5,654	3,141
2035 - 2039	9,235	7,283	1,952
2040 - 2043	7,184	6,698	486
	$ 36,652	$ 26,682	$ 9,970

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, 2024 for the governmental activities:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2025	$ 8,492	$ 5,051	$ 3,441
2026	8,064	4,787	3,277
2027	7,907	4,783	3,124
2028	7,699	4,728	2,971
2029	7,857	5,037	2,820
2030 - 2034	39,575	27,804	11,771
2035 - 2039	41,862	34,679	7,183
2040 - 2043	32,796	30,992	1,804
	$ 154,252	$ 117,861	$ 36,391

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During the year ended December 31, 2024, the governmental activities did not recognize significant 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, 2024 for the business-type activities:

	Total to Be Paid	Principal	Interest
Year Ending December 31,			
2025	$ 97,958	$ 88,178	$ 9,780
2026	98,335	91,588	6,747
2027	73,540	69,857	3,683
2028	22,487	20,323	2,164
2029	22,562	21,360	1,202
2030 - 2033	14,113	13,643	470
	$ 328,995	$ 304,949	$ 24,046

During the year ended December 31, 2024, the business-type activities recognized $16,235 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, 2024 for Eskenazi Health:

	Total to Be Paid	Principal	Interest
Year Ending December 31,			
2025	$ 3,615	$ 3,065	$ 550
2026	3,237	2,825	412
2027	2,385	2,090	295
2028	1,232	1,023	209
2029	775	604	171
2030 - 2033	3,085	2,762	323
	$ 14,329	$ 12,369	$ 1,960

During the year ended December 31, 2024, Eskenazi Health recognized $3,127 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, 2024 for the Long-Term Care Enterprise Fund:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2025	$ 94,343	$ 85,113	$ 9,230
2026	95,098	88,763	6,335
2027	71,155	67,767	3,388
2028	21,255	19,300	1,955
2029	21,787	20,756	1,031
2030	11,028	10,881	147
	$ 314,666	$ 292,580	$ 22,086

During the year ended December 31, 2024, the Long-Term Care Enterprise Fund recognized $13,108 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 SBITAs at December 31, 2024 for the governmental activities:

Year Ending December 31,	Total to Be Paid	Principal	Interest
2025	$ 1,968	$ 1,766	$ 202
2026	1,760	1,649	111
2027	1,047	1,011	36
	$ 4,775	$ 4,426	$ 349

The Eskenazi Health payments under the SBITAs at December 31, 2024 will mature in 2025 with $174 total payments consisting of $173 prinicipal payments and $1 interest payments.

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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, 2023	$	34,361
Change in incurred claims (including IBNRs), net		1,672
Claim payments		(3,826)
Balance at January 1, 2024		32,207
Change in incurred claims (including IBNRs), net		2,641
Claim payments		(1,655)
Balance at December 31, 2024	$	33,193

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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, 2024. 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, 2023	$	1,336
Change in incurred claims (including IBNRs), net		8,628
Claim payments		(8,552)
Balance at January 1, 2024		1,412
Change in incurred claims (including IBNRs), net		13,742
Claim payments		(12,763)
Balance at December 31, 2024	$	2,391

The amount recorded as a liability in the General Fund at December 31, 2024 is $1,118 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, 2023	$	6,834
Change in incurred claims (including IBNRs), net		56,197
Claim payments		(55,363)
Balance at January 1, 2024		7,668
Change in incurred claims (including IBNRs), net		67,924
Claim payments		(66,892)
Balance at December 31, 2024	$	8,700

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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 2024, 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 2024, 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, 2023 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2024. The Corporation's contractually required contribution rate for 2024 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, 2024, exclusive of employer-paid member contributions, was $20,273, 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, 2024, the Corporation reported a liability of $106,091 for its proportionate share of PERF's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2023 and June 30, 2024. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2023 to the June 30, 2024 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, 2024, the Corporation's proportion was 2.63%, which was a decrease of 0.19% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Corporation recognized a pension expense (contra expense) of $32,061, which is comprised of $11,755 related to governmental activities and $20,306 related to business-type activities. At December 31, 2024, 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	$ 10,874	$ -
Net difference between projected and actual earnings on pension plan investments	14,045	-
Changes of assumptions	-	-
Changes in proportion and differences between the Corporation's contributions and proportionate share contributions	832	6,002
Corporation's contributions subsequent to the measurement date	10,370	-
	$ 36,121	$ 6,002

At December 31, 2024, the Corporation reported $3,548 in the governmental activities and $6,822 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, 2025. Other amounts reported as net deferred outflows of resources at December 31, 2024, related to pensions will be recognized in pension expense (reduction) as follows:

	Governmental Activities	Business-Type Activities	Total
Year Ending December 31,			
2025	$ 1,348	$ 501	$ 1,849
2026	5,680	9,260	14,940
2027	1,644	2,185	3,829
2028	(291)	(578)	(869)
	$ 8,381	$ 11,368	$ 19,749

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Actuarial Assumptions

The total pension liability in the June 30, 2024 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, 2024 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%	4.6%
Private markets	15.0%	7.1%
Fixed income - ex inflation linked	20.0%	3.6%
Fixed income - inflation linked	15.0%	2.1%
Commodities	10.0%	2.8%
Real estate	10.0%	5.4%
Absolute return	5.0%	2.5%
Risk parity	20.0%	6.3%
Leverage Offset	-15.0%	
	100%	

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Discount Rate

The discount rate used to measure the total pension liability was 6.25% for the year ended June 30, 2024. 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	$ 56,280	$ 35,326	$ 17,904
Business-type activities	112,738	70,765	35,864
Total	$ 169,018	$ 106,091	$ 53,768

Pension Plan Fiduciary Net Position

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

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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 2024, the Corporation contributed $11,537 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 2024 were approximately $493.

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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 2024, 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 $75,233 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 2024, the Corporation incurred approximately $53,464 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 2024, the Corporation paid approximately $22,232 to this organization in associated lease costs for Long-Term Care operating revenue.

At December 31, 2024, the Long-Term Care Fund had a payable to EagleCare of approximately $21,006 primarily for accrued labor and related benefits. The Long-Term Care Fund also had a payable to ASC at December 31, 2024 of approximately $14,790 for outstanding management services rendered to be paid from operations.

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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, 2024, the Corporation received $158,725 in tax cash receipts and $375 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 $416 in 2024 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, 2024, the partial risk delivery system is recorded as a net receivable of $1,672 which relates to its financial performance since January 1, 2022, less payments received or disbursed. Under the partial risk model, the 2019-2021 program years are fully settled as of December 31, 2024.

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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, 2024 was $33,878. 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:

	HHC-HTA, LLC
Current assets	$ 13,375
Property and other long-term assets, net	58,255
Total assets	71,630
Total liabilities	3,874
Members' equity	$ 67,756
Revenues	$ 9,779
Excess of revenues over expenses	$ 4,925

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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)	$	147,300
Financed purchase obligations		352,320
Lease liabilities		117,861
Subscription liabilities		4,426
Asserted and unasserted self-insurance claims		1,273
Accrued compensated absences		14,679
	$	637,859

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	$	6,870
Subscription and lease liabilities		6,612
Financed purchase obligations		16,353
Issuance of bonds		(4,370)
Issuance of subscription and lease liabilities		(6,930)
Amortization of bond premium		184
Amortization of deferred loss on refunding		(263)
	$	18,456

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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, 2024 is as follows:

Commercial insurance	22%
Medicare	18%
Medicaid	39%
Self-pay	15%
Other	6%
	100%

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, 2024. 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.

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

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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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Corporation's proportion of the net pension liability	2.6319%	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	$ 106,091	$ 99,666	$ 94,526	$ 40,504	$ 95,558	$ 111,601	$ 138,952	$ 184,103	$ 203,839	$ 187,353
Corporation's covered payroll	$ 176,777	$ 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	60%	56%	55%	24%	56%	63%	67%	90%	95%	85%
Plan fiduciary net position as a percentage of the total pension liability	80%	81%	82%	93%	81%	80%	79%	73%	71%	73%

* The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Notes to Schedule:

Benefit changes: No changes.

Changes of assumptions: The cost-of-living adjustment (COLA) assumption was revised by the passage of HEA 1004-2024.

Changes of actuarial methods: Change in surcharge rate effective with the 2024 valuation, which is required by HEA 1004-2024 to begin funding for an inflation-indexed 13th Check and 1% COLA.

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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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 20,273	$ 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	20,273	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	$ 184,876	$ 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	10.97%	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).

Notes to Schedule:

Benefit changes: No changes.

Changes of assumptions: The cost-of-living adjustment (COLA) was revised by the passage of HEA 1004-2024.

Changes in actuarial methods: Changes in surcharge rate effective with the 2024 valuation, which is required by HEA 1004-2024 to begin funding for an inflation-indexed 13th check and 1% COLA.

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, 2024
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 152,002	$ 152,002	$ 157,256	$ 5,254
Licenses and permits	4,967	4,967	5,090	123
Intergovernmental	11,760	11,760	12,167	407
Charges for services	1,218	1,218	2,122	904
Medicaid special revenue (net of intergovernmental transfers)	18,115	18,115	(24,375)	(42,490)
Interest	3,000	3,000	38,192	35,192
Grants	58,752	58,752	40,497	(18,255)
Miscellaneous	5,489	5,489	11,059	5,570
Total revenues	255,303	255,303	242,008	(13,295)
Expenditures				
Personal services	106,088	106,088	89,890	(16,198)
Supplies	10,595	10,595	8,487	(2,108)
Other charges and services	93,848	93,848	65,095	(28,753)
Capital outlays	12,591	12,591	4,987	(7,604)
Total expenditures	223,122	223,122	168,459	(54,663)
Other Financing Uses				
Transfers in	113,755	113,755	113,755	-
Transfers out	(146,706)	(146,706)	(146,368)	338
Total other financing uses	(32,951)	(32,951)	(32,613)	338
Net change in fund balances	(770)	(770)	40,936	41,706
Fund balances - beginning of year	51,814	51,814	822,828	771,014
Fund balances - end of year	$ 51,044	$ 51,044	$ 863,764	$ 812,720

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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, 2024
(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	$ 31,256
Add (Deduct):	
Encumbrances as of year-end	(16,909)
Change in prepaid expenditures	127
Change in accounts receivable	(1,262)
Change in accounts payable	14,360
Change in self-insurance claims	2,427
Change in accrued expense	10,937
Net change in fund balance - Budgetary Basis	$ 40,936

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Other Supplementary Information

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Balance Sheet - General Fund
December 31, 2024
(Dollars in thousands)

	General Fund	Health First Indiana	Total
Assets			
Cash and cash equivalents	$ 735,230	$ 2,224	$ 737,454
Investments	80,913	-	80,913
Receivables (net of allowance for uncollectibles):			
Grants	9,178	-	9,178
Medicaid special revenue	45,099	-	45,099
Taxes	100,506	-	100,506
Other	5,673	-	5,673
Due from other funds	124,538	-	124,538
Lease receivables, current portion	820	-	820
Lease receivables, net of current portion	6,320	-	6,320
Prepaid costs and other assets	1,051	-	1,051
Total assets	$ 1,109,328	$ 2,224	$ 1,111,552
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	33,058	-	33,058
Salaries and related benefits	2,517	263	2,780
Unearned revenue	1,485	-	1,485
Accrued self-insurance claims	1,118	-	1,118
Total liabilities	38,178	263	38,441
Deferred Inflows of Resources	158,107	-	158,107
Fund Balances			
Nonspendable	1,051	-	1,051
Assigned	16,909	-	16,909
Unassigned	895,083	1,961	897,044
Total fund balances	913,043	1,961	915,004
Total liabilities, deferred inflows of resources and fund balance	$ 1,109,328	$ 2,224	$ 1,111,552

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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 Revenues, Expenditures and Changes in Fund Balances - General Fund
For the Year Ended December 31, 2024
(Dollars in thousands)

	General	Health First Indiana	Total
Revenues			
Taxes	$ 157,256	$ -	$ 157,256
Licenses and permits	5,090	-	5,090
Intergovernmental	40,269	11,792	52,061
Charges for services	2,122	-	2,122
Medicaid special revenue	20,739	-	20,739
Investment income	45,561	350	45,911
Miscellaneous	4,755	-	4,755
Total revenues	275,792	12,142	287,934
Expenditures			
Current			
Administrative	49,628	136	49,764
Population health	31,946	5,680	37,626
Environmental health	11,886	3,876	15,762
Health center program	664	-	664
Data processing	5,778	-	5,778
Grant programs	38,843	-	38,843
Capital outlays	11,174	489	11,663
Debt service			
Principal	6,612	-	6,612
Interest and fiscal charges	3,608	-	3,608
Intergovernmental	60,675	-	60,675
Total expenditures	220,814	10,181	230,995
Excess of Revenues Over Expenditures	54,978	1,961	56,939
Other Financing Sources (Uses)			
Issuance of lease and subscription liabilities	6,930	-	6,930
Transfers in	123,593	-	123,593
Transfers out	(156,206)	-	(156,206)
Total other financing sources and uses	(25,683)	-	(25,683)
Net change in fund balances	29,295	1,961	31,256
Fund balances - beginning of year	883,748	-	883,748
Fund balances - end of year	$ 913,043	$ 1,961	$ 915,004

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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 Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2024
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget-
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$ 1,181	$ 1,181	$ 1,186	$ 5
Interest	20	20	260	240
Build America Bonds interest subsidies	9,500	9,500	9,838	338
Total revenues	10,701	10,701	11,284	583
Expenditures				
Principal retirement	6,870	6,870	23,223	(16,353)
Interest and fiscal charges	48,224	48,224	31,850	16,374
Total expenditures	55,094	55,094	55,073	21
Excess of revenues over expenditures	(44,393)	(44,393)	(43,789)	604
Other Financing Sources				
Transfers in	43,206	43,206	42,868	(338)
Total other financing sources	43,206	43,206	42,868	(338)
Net Change in fund balances	(1,187)	(1,187)	(921)	266
Fund balances - beginning of year	(87,329)	(87,329)	4,591	91,920
Fund balances - end of year	$ (88,516)	$ (88,516)	$ 3,670	$ 92,186

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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 Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2024
(Dollars in thousands)

	Budgeted Amounts		Actual	Variance With Final Budget-
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$ 261	$ 261	$ 283	$ 22
Interest	1,000	1,000	5,793	4,793
Miscellaneous	-	-	310	310
Total revenues	1,261	1,261	6,386	5,125
Expenditures				
Other charges and services	-	-	2	2
Capital outlays	52,800	52,800	52,556	244
Total expenditures	52,800	52,800	52,558	246
Excess of revenues over expenditures	(51,539)	(51,539)	(46,172)	5,371
Other Financing Sources				
Transfers in	51,500	51,500	51,616	116
Total other financing sources	51,500	51,500	51,616	116
Net Change in fund balances	(39)	(39)	5,444	5,487
Fund balances - beginning of year	126,431	126,431	69,125	(57,306)
Fund balances - end of year	$ 126,392	$ 126,392	$ 74,569	$ (51,819)

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Statistical Section (Unaudited)

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Health and Hospital Corporation of Marion County, Indiana

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

Statistical Section (Unaudited)
Table of Contents

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

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

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

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

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

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

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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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary Government										
Governmental activities										
Net investment in capital assets	$ 36,670	$ 80,732	$ 40,022	$ 27,492	$ 17,222	$ 26,770	$ 22,839	$ 22,108	$ 16,462	$ 29,633
Restricted	12,775	12,683	14,975	15,003	14,147	13,539	645	243	412	165
Unrestricted	589,420	475,968	346,590	221,548	87,666	(17,339)	(113,452)	(148,962)	(200,702)	(300,861)
Total governmental activities net position	$ 638,865	$ 569,383	$ 401,587	$ 264,043	$ 119,035	$ 22,970	$ (89,968)	$ (126,611)	$ (183,828)	$ (271,063)
Business-type activities										
Net investment in capital assets	$ 625,082	$ 570,184	$ 611,322	$ 645,501	$ 662,601	$ 661,701	$ 699,533	$ 732,588	$ 765,328	$ 766,711
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	396,427	426,648	426,445	486,270	364,926	288,818	240,632	220,560	123,917	186,470
Total business-type activities net position	$ 1,021,509	$ 996,832	$ 1,037,767	$ 1,131,771	$ 1,027,527	$ 950,519	$ 940,165	$ 953,148	$ 889,245	$ 953,181
Primary Government										
Net investment in capital assets	$ 661,752	$ 650,913	$ 651,344	$ 672,993	$ 679,823	$ 688,471	$ 722,372	$ 754,696	$ 781,790	$ 796,344
Restricted	12,775	12,683	14,975	15,003	14,147	13,539	645	243	412	165
Unrestricted	985,847	902,616	773,035	707,818	452,592	271,479	127,180	71,598	(76,785)	(114,391)
Total primary government net position	$ 1,660,374	$ 1,566,212	$ 1,439,354	$ 1,395,814	$ 1,146,562	$ 973,489	$ 850,197	$ 826,537	$ 705,417	$ 682,118

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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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities										
Administration and finance	$ 59,029	$ 51,753	$ 55,993	$ 47,430	$ 47,949	$ 47,103	$ 50,974	$ 41,372	$ 35,579	$ 32,283
Healthcare delivery	60,675	44,148	38,480	61,572	71,126	81,302	100,117	103,450	120,086	85,678
Health improvement	55,324	43,766	38,117	37,689	37,380	40,226	37,377	36,061	35,062	32,540
Communicable disease prevention	32,410	26,423	32,779	39,572	35,529	17,881	17,501	17,613	17,374	16,531
Water quality and hazardous materials management	3,354	2,558	2,334	1,938	2,091	2,582	2,517	2,506	2,439	2,365
Vector disease control	4,547	3,645	3,447	2,963	3,032	3,477	3,494	3,443	3,593	3,347
Housing and neighborhood health	7,458	5,691	4,897	4,574	4,911	5,757	5,132	4,953	5,055	4,930
Consumer and employee risk reduction	3,247	2,576	2,293	2,065	1,752	2,101	2,001	2,034	1,944	1,841
Interest on long-term debt	35,120	36,501	30,830	36,162	37,305	38,384	39,439	40,425	41,250	39,406
Total governmental activities expenses	261,164	217,061	209,170	233,965	241,075	238,813	258,552	251,857	262,382	218,921
Business-type activities										
Eskenazi Health	1,051,445	971,984	902,926	790,336	764,217	735,835	731,439	717,858	664,886	617,220
LT Care	770,665	757,735	785,981	736,051	780,706	753,824	734,548	719,059	717,573	672,134
Total business-type activities expenses	1,822,110	1,729,719	1,688,907	1,526,387	1,544,923	1,489,659	1,465,987	1,436,917	1,382,459	1,289,354
Total primary government expenses	$ 2,083,274	$ 1,946,780	$ 1,898,077	$ 1,760,352	$ 1,785,998	$ 1,728,472	$ 1,724,539	$ 1,688,774	$ 1,644,841	$ 1,508,275
Program Revenues										
Governmental activities										
Charges for services										
Administration and finance (1)	$ 2,515	$ 2,949	$ 1,707	$ 1,824	$ 2,342	$ 1,384	$ 1,323	$ 17,514	$ 4,944	$ 4,853
Healthcare delivery	-	-	-	-	-	-	-	-	-	3,843
Health improvement	4,404	3,994	4,215	3,704	3,431	3,582	3,822	3,594	3,662	472
Communicable disease prevention	360	1,309	1,591	1,043	294	569	503	562	516	366
Water quality and hazardous materials management	500	483	482	470	457	499	474	366	373	567
Vector disease control	523	481	569	642	441	480	598	722	614	87
Housing and neighborhood health	128	77	32	40	23	89	98	92	116	2,370
Consumer and employee risk reduction	2,833	2,709	2,610	2,412	2,273	2,491	2,500	2,496	2,405	33,446
Operating grants and contributions (1)	52,230	33,878	30,263	31,950	35,169	22,470	25,069	27,295	33,768	336
Capital grants and contributions	721	1,052	-	34	66	75	25	2,025	13	-
Total governmental activities program revenues	64,214	46,932	41,469	42,119	44,496	31,639	34,412	54,666	46,411	46,340

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

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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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities										
Charges for services										
Eskenazi Health	$ 884,755	$ 838,870	$ 763,992	$ 728,166	$ 654,831	$ 577,062	$ 558,194	$ 536,369	$ 385,019	$ 393,516
LT Care	915,436	869,109	822,946	866,387	933,884	949,995	969,592	958,177	990,101	892,469
Operating grants and contributions	9,897	9,957	20,935	106,326	112,176	25,359	26,691	29,071	26,566	27,621
Capital grants and contributions	1,135	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	1,811,223	1,717,936	1,607,873	1,700,879	1,700,891	1,552,416	1,554,477	1,523,617	1,401,686	1,313,606
Total primary government program revenues	$ 1,875,437	$ 1,764,868	$ 1,649,342	$ 1,742,998	$ 1,745,387	$ 1,584,055	$ 1,588,889	$ 1,578,283	$ 1,448,097	$ 1,359,946
Net program (expense)/revenue										
Governmental activities	$ (196,950)	$ (170,129)	$ (167,701)	$ (191,846)	$ (196,579)	$ (207,174)	$ (224,140)	$ (197,191)	$ (215,971)	$ (172,581)
Business-type activities	(10,887)	(11,783)	(81,034)	174,492	155,968	62,757	88,490	86,700	19,227	24,252
Total primary government net expense	$ (207,837)	$ (181,912)	$ (248,735)	$ (17,354)	$ (40,611)	$ (144,417)	$ (135,650)	$ (110,491)	$ (196,744)	$ (148,329)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property and HCI taxes	$ 150,621	$ 143,122	$ 137,309	$ 133,655	$ 128,679	$ 126,457	$ 123,512	$ 119,300	$ 113,931	$ 110,577
Excise taxes	6,427	7,124	7,135	7,084	6,963	6,648	6,525	6,413	5,949	5,604
Financial institution taxes	1,677	2,029	2,359	2,088	1,690	1,556	1,192	1,261	1,402	1,300
Medicaid special revenue	64,488	81,380	96,158	97,559	41,826	90,338	26,565	23,429	87,487	65,467
Build America Bonds interest subsidies	9,838	10,147	10,229	10,341	10,255	10,191	10,153	10,115	10,105	10,083
Unrestricted investment earnings	50,288	40,268	9,235	515	2,365	8,979	5,885	2,174	316	158
Special items	-	-	-	-	-	4,042	-	-	-	-
Transfers	(12,115)	53,855	42,820	85,612	100,866	71,901	90,642	91,716	84,016	67,697
Total governmental activities	271,224	337,925	305,245	336,854	292,644	320,112	264,474	254,408	303,206	260,886

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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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities										
Unrestricted investment earnings	$ 23,449	$ 24,703	$ (1,698)	$ 2,547	$ 4,140	$ 6,181	$ 1,441	$ 2,344	$ 854	$ (13)
Special items	-	-	(4,909)	3,115	17,766	13,317	-	66,575	-	-
Transfers	12,115	(53,855)	(42,820)	(85,612)	(100,866)	(71,901)	(90,642)	(91,716)	(84,016)	(67,697)
Total business-type activities	35,564	(29,152)	(49,427)	(79,950)	(78,960)	(52,403)	(89,201)	(22,797)	(83,162)	(67,710)
Total primary government	$ 306,788	$ 308,773	$ 255,818	$ 256,904	$ 213,684	$ 267,709	$ 175,273	$ 231,611	$ 220,044	$ 193,176
Change in Net Position										
Governmental activities	$ 74,274	$ 167,796	$ 137,544	$ 145,008	$ 96,065	$ 112,938	$ 40,334	$ 57,217	$ 87,235	$ 88,305
Business-type activities	24,677	(40,935)	(130,461)	104,244	77,008	10,354	(711)	63,903	(63,935)	(43,459)
Total primary government	$ 98,951	$ 126,861	$ 7,083	$ 249,252	$ 173,073	$ 123,292	$ 39,623	$ 121,120	$ 23,300	$ 44,846

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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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	$ 1,051	$ 1,178	$ 581	$ 518	$ 391	$ 3,319	$ 619	$ 348	$ 328	$ 369
Assigned	16,909	18,927	16,730	22,330	24,582	17,166	8,335	5,397	2,326	1,640
Unassigned	897,044	863,643	710,372	640,512	539,836	434,496	385,884	376,632	360,767	297,574
Total general fund	$ 915,004	$ 883,748	$ 727,683	$ 663,360	$ 564,809	$ 454,981	$ 394,838	$ 382,377	$ 363,421	$ 299,583
All Other Governmental Funds										
Restricted, reported in										
Debt service fund	$ 12,775	$ 12,683	$ 12,648	$ 12,722	$ 7,583	$ 12,674	$ 12,744	$ 16,211	$ 16,162	$ 16,160
Capital projects fund	4,209	312	-	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	133	1,262	1,343	1,372	1,263	1,476	1,250	1,207	1,073	971
Capital projects fund	122,660	93,124	91,577	95,965	84,775	73,312	75,982	57,963	43,637	30,247
Total all other governmental funds	$ 139,777	$ 107,381	$ 105,568	$ 110,059	$ 93,621	$ 87,462	$ 89,976	$ 75,381	$ 60,872	$ 47,378

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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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	$ 158,725	$ 152,275	$ 146,806	$ 142,828	$ 137,332	$ 134,660	$ 131,232	$ 126,974	$ 121,282	$ 117,481
Licenses and permits	5,090	5,000	5,029	4,886	4,403	4,663	4,684	4,576	4,487	4,464
Intergovernmental	52,061	34,196	31,452	30,935	33,767	22,616	19,814	19,343	18,502	18,126
Charges for services	2,122	2,300	2,539	1,674	765	1,364	1,575	1,456	1,855	1,105
Medicaid special revenue	20,739	128,795	49,748	97,126	71,469	63,701	26,426	26,581	89,452	58,910
Build America Bonds interest subsidies	9,838	10,147	10,229	15,367	5,117	10,191	10,153	10,115	10,105	10,083
Contributions	-	-	-	-	-	-	5,500	8,048	15,000	15,500
Investment income	51,967	42,460	12,310	3,780	5,492	12,136	9,023	3,899	3,366	2,208
Miscellaneous	5,065	4,297	3,767	3,468	7,524	9,249	5,786	9,468	5,770	4,511
Total revenues	305,607	379,470	261,880	300,064	265,869	258,580	214,193	210,460	269,819	232,388
Expenditures										
Administrative	49,766	50,594	48,376	55,869	50,319	47,009	53,018	42,008	35,846	31,883
Population health	37,626	31,837	35,865	34,452	29,957	28,596	27,781	26,620	26,680	25,722
Environmental health	15,762	13,350	12,433	11,775	11,423	13,071	12,514	11,781	12,213	11,958
Health center program	664	532	621	864	981	1,055	1,003	896	1,103	1,026
Data processing	5,778	6,085	5,717	5,308	6,103	5,152	5,139	4,940	4,144	3,747
Grants program	38,843	32,692	29,957	31,679	34,338	21,488	19,010	18,412	17,825	17,107
Capital outlays	40,435	61,642	22,865	14,445	5,609	26,617	5,321	4,868	2,871	3,755
Debt service										
Principal	29,835	22,672	20,660	19,461	18,327	17,256	16,209	15,239	14,426	16,280
Interest and fiscal charges	35,458	32,813	35,074	36,275	37,405	38,480	39,523	40,497	41,307	39,456
Bond issuance costs	168	-	-	-	-	-	-	-	-	-
Intergovernmental	60,675	44,148	38,480	61,572	71,126	81,302	100,117	103,450	120,086	85,678
Total expenditures	315,010	296,365	250,048	271,700	265,588	280,026	279,635	268,711	276,501	236,612
Excess (deficiency) of revenues over (under) expenditures	(9,403)	83,105	11,832	28,364	281	(21,446)	(65,442)	(58,251)	(6,682)	(4,224)

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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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other Financing Sources (Uses)										
Other debt issued	$ 11,300	$ 8,184	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers in	227,915	198,206	178,597	237,506	286,611	252,426	296,271	296,262	357,047	300,974
Transfers out	(166,160)	(131,617)	(130,597)	(150,881)	(170,905)	(173,351)	(203,773)	(204,546)	(273,031)	(231,282)
Total other financing sources (uses), net	73,055	74,773	48,000	86,625	115,706	79,075	92,498	91,716	84,016	69,692
Net change in fund balances	$ 63,652	$ 157,878	$ 59,832	$ 114,989	$ 115,987	$ 57,629	$ 27,056	$ 33,465	$ 77,334	$ 65,468
Debt service as a percentage of noncapital expenditures	23.8%	23.6%	24.5%	21.7%	21.4%	22.0%	20.3%	21.1%	21.1%	20.4%
Debt service expenditures	$ 65,293	$ 55,485	$ 55,734	$ 55,736	$ 55,732	$ 55,736	$ 55,732	$ 55,736	$ 55,733	$ 55,736
Noncapital expenditures	274,575	234,723	227,183	257,255	259,979	253,409	274,314	263,843	263,843	273,630

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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, 2024
(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	
2024	$ 58,115,082	$ 58,115,082	$ 7,760,278	$ 7,760,278	$ 65,875,360	$ 65,875,360	0.1887
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

(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

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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, 2024

					County Direct Rates			Other Direct Rates			Total Direct and
Year	Operations	Debt	Cumulative Building	Total	City	County	Municipal Corporations	School	State	Other	Overlapping Rates (1)
2024	0.1863	0.0019	0.0005	0.1887	0.6103	0.3631	0.2051	1.3587	-	0.0479	2.7738
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

(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.

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table VII
Principal Property Tax Payers
Current Year and Nine Years Ago
December 31, 2024
(Dollars in thousands)

	2024				2015			
	Taxpayers	Net Taxable Assessed Valuation (1) (2) (in thousands)	Rank	Percentage of Total City Taxable Assessed Valuation	Taxpayers	Net Taxable Assessed Valuation (2) (3) (in thousands)	Rank	Percentage of Total City Taxable Assessed Valuation
1	Eli Lilly and Company	$ 1,485,042	1	2.254%	Eli Lilly and Company	$ 1,207,560	1	2.810%
2	Citizens Energy Group	579,388	2	0.880%	Citizens Energy Group	437,456	2	1.018%
3	Federal Express Corporation	335,732	3	0.510%	Indianapolis Power and Light Company	311,180	3	0.724%
4	Indianapolis Power and Light Company	233,158	4	0.354%	Federal Express Corporation	199,419	4	0.464%
5	White Legacy Properties, LLC	227,143	5	0.345%	Convention Headquarters Hotels, LLC	174,342	5	0.406%
6	Allison Transmission Inc.	206,559	6	0.314%	CW Monument Circle Inc.	161,328	6	0.375%
7	SFT Property LLC	168,350	7	0.256%	Allison Transmission Inc.	109,196	7	0.254%
8	Rolls-Royce Corporation	144,059	8	0.219%	Castleton Square, LLC	82,090	8	0.191%
9	Cellco Partnership	118,464	9	0.180%	American United Life Insurance Company	80,007	9	0.186%
10	MSA North Developer LLC	116,142	10	0.176%	SVC Manufacturing	76,608	10	0.178%
11	G&I IX MJW Keystone Crossing, LLC	110,110	11	0.167%	Verizon Wireless	70,559	11	0.164%
12	Corteva Agriscience LLC	97,132	12	0.147%	Ingredion Inc.	70,351	12	0.164%
13	SVC Manufacturing Inc.	96,401	13	0.146%	Indiana Bell Telephone Compnay, Inc.	69,524	13	0.162%
14	American United Life Insurance Company	94,157	14	0.143%	DOW Agrosciences, LLC	63,683	14	0.148%
15	Axis FC LLC	89,239	15	0.135%	HUB Properties GA, LLC	60,996	15	0.142%
16	Castleton Square, LLC	89,128	16	0.135%	Circle Centre Development Co.	60,013	16	0.140%
17	Heritage Crystal Clean LLC	87,965	17	0.134%	Rolls-Royce Corporation	58,897	17	0.137%
18	MS Operations Center Partners LLC	80,007	18	0.121%	Indianapolis Multifamily Dist	53,734	18	0.125%
19	IUPUI Holdings LLC	79,947	19	0.121%	Summit Hospitality 22, LLC	52,767	19	0.123%
20	Whit Lake Marina LLC	78,299	20	0.119%	NG 211 N Pennsylvania St, LLC	51,022	20	0.119%
		$ 4,516,422		6.856%		$ 3,450,732		8.030%

(1) Represents the January 1, 2023 valuations for taxes due and payable in 2024 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 2015 Health and Hospital Corporation's Annual Comprehensive Financial Report.

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Health and Hospital Corporation of Marion County, Indiana

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

Table VIII

Property Tax Levies and Collections

December 31,2024

(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
2024	$ 98,211	$ 94,675	96.40%	$ -	$ 94,675	96.40%
2023	91,876	88,568	96.40%	2,757	91,325	99.40%
2022	83,500	80,661	96.60%	2,589	83,250	99.70%
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%

Source: Marion County Auditor's Office

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table IX
Ratios of Outstanding Debt by Type
December 31, 2024
(Dollars in thousands)

	Governmental Activities						Business-Type Activities						
							Long-Term Care		Eskenazi Health				
Fiscal Year	General Obligation Bonds of 2005	General Obligation Bonds of 2010	General Obligation Bonds of 2024	Capital Lease	Renovation Bonds of 1988	Financed Purchase Obligations (3)	Lease & Subscription Liabilities (3)	Capital Leases (3)	Lease Liabilities (3)	Financed Purchase Obligations (3)	Lease & Subscription Liabilities (3)	Total Primary Government	Percentage of Personal Income (1) (2)	Debt Per Capita (1)
2024	$ 1,970	$ 140,960	$ 4,370	$ -	$ -	$ 352,320	$ 122,287	$ -	$ 292,580	$ 26,682	$ 12,542	$ 953,711	n/a	n/a
2023	4,444	145,540	-	-	-	368,673	125,931	-	290,486	28,243	7,638	970,955	1.41%	1,089.14
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

(1) See Table XIII for personal income and population data. Data was not yet available for 2024 personal income and population.

(2) Personal income not available for 2024 so 2023 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
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table X
Ratio of Net General Obligation Debt Outstanding
December 31, 2024
(Dollars in thousands)

Fiscal Year	Net General Bonded Debt Outstanding: General Obligation Bonds	Less: Amounts in Debt Service Funds	Total Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita (1)
2024	$ 147,300	$ 12,775	$ 134,525	0.20%	n/a
2023	149,984	12,683	137,301	0.22%	154.01
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

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

(1) See Table XIII for population data. Data was not yet available for 2024 population.

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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, 2024
(Dollars in thousands)

	Assessed Value (5)	Bonding Limit %	Bonding Limit Dollar Amount	Debt Outstanding
Direct Debt:				
Health and Hospital Corporation of Marion County	$ 58,115,082	0.67%	$ 389,371	$ 147,300
Other Direct Debt:				
Direct financing agreements				352,320
Lease and subscription liabilities				122,287
Total Health and Hospital Corporation debt				$ 621,907
Overlapping:				
Marion County	$ 59,603,155	0.67%	$ 399,341	$ -
City of Indianapolis				
Civil City	$ 55,702,516	0.67%	$ 373,207	$ 60,440
Park District	59,603,155	0.67%	399,341	21,930
Redevelopment District	55,702,516	(3)	-	-
Flood Control District	59,603,155	0.67%	399,341	-
Metropolitan Thoroughfare District	59,603,155	1.33%	792,722	247,120
Solid Waste Disposal District	55,787,329	2.00%	1,115,747	-
Public Safety Communication and Computer Facilities District	59,603,155	0.67%	399,341	23,600
Premiums on general obligation debt			-	21,776
Total city general obligation debt			$ 3,479,699	$ 374,866
City of Indianapolis Other Direct Debt (6):				
Tax increment bonds				$ 785,486
Revenue bonds				776,609
Notes payable				71,759
Lease liabilities				34,154
Subscription based information technology arrangements				17,615
Finance purchase obligations				81,675
Total city general obligation debt				$ 2,142,164
Other Municipal Corporations				
Indianapolis Airport Authority	$ 59,603,155	0.67%	$ 399,341	$ -
Capital Improvement Board	59,603,155	0.67%	399,341	-
Indianapolis-Marion County Building Authority	59,603,155	(1)	-	-
Indianapolis-Marion County Library	58,746,063	0.67%	393,599	54,660
Indianapolis Public Transportation Corp.	56,393,076	0.67%	377,834	-
Total municipal corporations			$ 1,570,115	$ 54,660

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XI - Continued
Schedule of Direct and Overlapping Debt and Bonded Debt Limit
December 31, 2024
(Dollars in thousands)

	Assessed Value (5)	Bonding Limit %	Bonding Limit Dollar Amount	Debt Outstanding
School Districts				
Beech Grove	$ 654,373	(4)	$ 4,384	$ 3,178
Decatur	2,476,856	(4)	16,595	5,725
Franklin	4,134,868	(4)	27,704	-
Indianapolis Public Schools	16,730,317	(4)	112,093	52,410
Lawrence	7,004,216	(4)	46,928	30,035
Perry	5,422,348	(4)	36,330	24,625
Pike	6,455,403	(4)	43,251	30,625
Speedway	857,092	(4)	5,743	205
Warren	3,871,748	(4)	25,941	6,975
Washington	7,739,198	(4)	51,853	11,410
Wayne	4,256,735	(4)	28,520	4,250
Total school districts	$ 59,603,154		$ 399,342	$ 169,438
Other Cities and Towns				
Beech Grove	$ 690,560	0.67%	$ 4,627	$ -
Lawrence	2,268,174	0.67%	15,197	385
Southport	84,813	0.67%	568	-
Speedway	857,092	0.67%	5,743	6,159
Total Other Cities and Towns	$ 3,900,639		$ 26,134	$ 6,544
Townships				
Center	$ 9,735,122	0.67%	$ 65,225	$ -
Decatur	2,479,890	0.67%	16,615	-
Franklin	4,300,141	0.67%	28,811	-
Lawrence	7,618,514	0.67%	51,044	2,190
Perry	5,932,669	0.67%	39,749	-
Pike	6,264,412	0.67%	41,972	-
Warren	5,274,458	0.67%	35,339	-
Washington	11,143,582	0.67%	74,662	-
Wayne	6,521,210	0.67%	43,692	-
Total Townships	$ 59,269,998		$ 397,109	$ 2,190
Excluded Library Districts				
Speedway	$ 829,060	0.67%	$ 5,555	$ -
	0		0	0
Total Excluded Library Districts	$ 829,060		$ 5,555	$ -
Ben Davis Conservancy District	$ 579,235	(2)	$ -	$ -
Total Overlapping Debt				$ 2,374,996
Total Direct and Overlapping Debt				$ 2,996,903

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XI - Continued
Schedule of Direct and Overlapping Debt and Bonded Debt Limit
December 31, 2024
(Dollars in thousands)

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, 2023 (Marion County Auditor's "certified abstract") assessment for taxes due and payable in 2024.

(6) Other direct debt outstanding includes deferred premiums.

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.

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Health and Hospital Corporation of Marion County, Indiana
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XII
Legal Debt Margin Calculation
December 31, 2024
(Dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year Ended December 31, 2024	
Net assessed value - 2023	$ 58,115,082
Debt limit (.67%of assessed values)	389,371
Debt applicable to limit	
Bonded Debt	145,330
Notes payable from tax levy	-
Total net debt applicable to limit	145,330
Legal Debt Margin	$ 244,041

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit	$ 389,371	$ 373,910	$ 317,237	$ 303,674	$ 288,852	$ 274,485	$ 265,032	$ 251,720	$ 246,152	$ 246,616
Total net debt applicable to limit	145,330	147,830	154,430	160,760	166,780	172,510	177,950	183,080	187,930	192,525
Legal debt margin	$ 244,041	$ 226,080	$ 162,807	$ 142,914	$ 122,072	$ 101,975	$ 87,082	$ 68,640	$ 58,222	$ 54,091
Total net debt applicable to the limit as a percentage of debt limit	37.32%	39.54%	48.68%	52.94%	57.74%	62.85%	67.14%	72.73%	76.35%	78.07%

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, 2024
(Dollars in thousands)

Year	(1) (2) Population	(2) Personal Income	(2) Per Capita Personal Income	Public School Enrollment	(3) Unemployment Rate
2024	n/a	n/a	$ 71	125,432	3.7%
2023	891,484	$ 68,759,982	71	126,398	2.9%
2022	971,102	63,729,003	67	127,458	2.5%
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%

(1) Source: Census Bureau-Population Estimates for 2015-2023 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 2015-2023 reflect county population estimates available as of March 2025. Data was not yet available for 2024 personal income and population.

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

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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, 2024

	2024			2015		
Taxpayer	(1) Employees	(1) Rank	(1) Percentage of Total Metropolitan Statistical Area Employment	(2) Employees	(2) Rank	(2) Percentage of Total Metropolitan Statistical Area Employment
Indiana University Health	26,177	1	2.94%	11,810	2	1.26%
Ascension St. Vincent	17,398	2	1.95%	17,398	1	1.86%
Community Health Network	16,280	3	1.83%	10,402	4	1.11%
Indiana University-Indianapolis	14,000	4	1.57%	7,365	7	0.79%
Eli Lilly and Company	12,518	5	1.40%	10,565	3	1.13%
Walmart	10,193	6	1.14%	8,830	5	0.95%
Kroger Co	8,014	7	0.90%	6,700	8	0.72%
Federal Express	5,800	8	0.65%	6,000	9	0.64%
Elevance Health	4,978	9	0.56%			
Roche Diagnostics	4,815	10	0.54%	4,600	10	0.49%
Marsh Supermarkets				8,000	6	0.86%

(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 2015 Annual Comprehensive Financial Report.

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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, 2024

	Full-Time Equivalent Employees at December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function/Program										
Primary Government Employees:										
Administration	160	160	147	144	157	149	149	143	135	128
Health improvement	380	380	365	365	391	392	376	373	366	354
Communicable disease prevention	142	142	154	190	138	132	130	129	127	125
Water quality and hazardous materials	28	28	26	26	28	29	28	27	27	28
Housing and neighborhood health	63	63	61	63	71	72	72	71	71	72
Consumer and employee risk reduction	29	29	29	28	26	27	27	27	27	27
Vector disease control	42	42	42	41	44	46	48	49	52	50
Business-type Employees:										
Eskenazi Health	4,584	4,436	4,210	4,130	4,073	4,047	4,284	4,310	4,177	3,853
Long-Term Care (1)	-	-	-	-	-	-	-	-	-	-
Total Employees	5,428	5,280	5,034	4,987	4,928	4,894	5,114	5,129	4,982	4,637

(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.

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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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Health Improvement										
Community Based Clinic Services										
Vaccine doses administered	29,428	27,504	26,372	28,615	28,811	64,491	53,557	57,262	61,000	58,034
Vital Statistics - certified birth copies issued	62,031	52,732	59,641	41,102	46,803	58,171	52,247	47,074	46,392	48,552
Vital Statistics - certified death copies issued	51,071	53,881	59,763	54,421	58,174	50,729	50,048	50,922	48,226	51,621
WIC Services - transactions (per month) (i)	389,597	170,220	184,440	192,198	168,641	165,133	260,583	56,083	24,023	30,959
WIC Services - nutrition education	15,295	14,185	15,370	18,239	14,053	13,761	13,086	11,041	7,059	9,378
Dental Health/Education Services	39,092	42,263	27,382	21,401	13,097	65,712	63,650	62,220	35,765	45,847
Communicable Disease Prevention										
Chronic Disease										
Hepatitis A,B,C shots	638	780	851	764	617	1,443	1,431	1,382	1,383	1,216
AIDS cases	121	133	87	97	88	23	36	38	36	29
HIV infection - total cases	301	273	235	231	163	166	209	196	166	148
Tuberculosis cases reported	64	61	41	53	35	57	33	39	43	54
Sexually transmitted diseases total cases	14,386	15,621	15,336	16,779	15,167	13,878	14,123	15,213	14,228	12,272
Influenza-Like Illness	13,934	12,585	18,357	11,912	13,273	11,918	10,055	6,534	5,836	4,510
Water Quality and Hazardous Materials										
Water Quality										
Laboratory services performed	50,259	46,762	41,301	39,123	44,327	62,784	61,274	68,733	58,807	56,235
Swimming pool samples	1,545	1,235	1,153	1,173	1,547	4,395	4,155	5,155	4,055	4,250
Surface water samples taken	2,564	2,496	2,360	2,849	2,400	2,595	2,614	2,598	2,590	2,598
Hazardous Materials Management										
Responses to emergency situations	562	246	277	703	685	617	763	707	281	266
Drinking water wells surveyed for toxins	372	290	253	385	446	840	572	489	396	300
Septic systems permits	136	86	93	160	132	111	87	128	100	79
Well construction permits	118	133	144	171	162	121	105	97	105	87
Well pump permits	528	529	503	575	650	426	266	266	212	167
Housing and Neighborhood Health										
Initial housing orders	5,497	5,639	1,898	1,932	1,317	2,538	2,288	2,247	3,126	4,660
Housing compliances	5,640	5,790	5,786	5,189	3,874	6,734	5,432	5,571	4,783	4,613
Initial sanitation orders	12,263	10,512	5,033	13,117	11,479	14,279	13,294	13,513	14,934	15,429
Sanitation compliances	12,750	10,744	7,961	10,604	11,819	5,655	10,491	16,422	14,135	10,738
Court cases filed	3,138	2,912	2,233	931	1,516	3,352	3,312	3,379	3,906	3,921
Court cases resolved	1,373	2,605	2,404	987	1,837	2,582	2,900	3,545	2,566	2,004
Unsafe buildings-structures demolished	**	**	**	**	**	**	**	**	**	**
Unsafe buildings-structures boarded	**	**	**	**	**	**	**	**	**	**
Unsafe buildings-structures repaired	**	**	**	**	**	**	**	**	**	**
Lead - children screened	22,548	22,967	12,228	11,185	14,475	14,073	12,087	11,499	9,618	4,721

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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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Consumer and Employee Risk Reduction										
Foodborne disease prevention										
Foodborne inspections	15,985	20,528	19,511	18,519	13,229	15,316	16,382	18,043	16,822	19,734
Foodborne investigations	115	141	196	138	118	261	238	196	207	207
Foodborne complaints	625	1,156	1,167	1,091	3,374	1,118	1,062	975	972	920
Foodborne licenses issued	8,864	8,030	7,854	6,316	6,438	7,443	7,112	7,147	7,090	6,981
Occupational health										
Radon investigations	182	69	124	198	112	144	113	115	215	95
Related indoor air inspections	420	579	922	470	865	1,898	2,115	2,044	2,480	3,017
Vector Disease Control										
Environmental/Rodent Control										
Total premises baited for rodents	1,024	1,148	1,457	1,339	1,414	1,675	2,420	2,914	3,103	2,232
Abandoned property cleanups	1,289	1,096	1,053	1,611	1,625	1,838	2,327	2,490	3,944	2,911
Assisted cleanups of neighborhoods	24	52	28	21	-	8	11	4	9	7
Total weight (lbs.) of trash removed	7,342,444	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
Mosquito Control										
Inspections of mosquito breeding sites	9,207	9,385	8,624	14,000	14,000	16,929	14,266	17,429	17,987	18,744
Mosquito breeding sites treated	5,779	4,396	4,261	6,557	6,668	7,407	5,470	7,491	8,410	9,835
Adulticiding, lineal miles sprayed	3,429	3,002	2,163	3,574	4,328	4,249	3,954	4,512	4,775	4,514
Complaint services, adulticiding	7,417	6,252	4,931	7,148	8,657	8,720	7,989	9,230	8,521	5,374
Combination complaints	8,039	6,529	5,261	7,523	9,324	9,646	8,790	10,286	9,935	6,772
Long-Term Care										
Total Beds	8,651	8,704	9,236	9,524	9,524	9,524	9,524	9,524	9,524	9,524
Eskenazi Health										
Admissions (Acute, Behavioral, Lockefield)	17,169	16,132	16,232	16,224	15,959	17,151	16,596	15,896	15,492	14,977
Patient Days (Acute, Behavioral, Lockefield)	84,689	83,272	84,122	87,855	85,854	82,350	75,541	77,496	72,741	67,403
OP Encounters (net of ED)	1,037,187	1,007,816	1,005,803	1,004,282	956,057	953,299	859,145	815,999	804,189	747,007
ED Visits	105,076	101,984	96,204	92,038	86,679	103,981	103,046	91,675	94,733	87,624
Advantage Members	42,752	41,607	33,239	10,221	11,621	11,630	12,714	9,139	12,531	15,811
Uncompensated Care (000's Omitted)	453,768	411,398	329,370	321,351	284,294	390,959	376,046	293,617	410,579	535,005
Surgeries	10,200	10,043	9,539	9,101	8,131	9,062	9,078	8,967	8,400	7,715
Births	3,324	3,246	2,938	2,481	2,471	2,704	2,677	2,306	2,316	2,233

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.

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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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Health Improvement										
Dental chairs	26	26	26	26	26	25	25	25	25	25
Dental x-ray units	25	24	24	24	24	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	7	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	4	2	2	2
Community Health Vehicles	4	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	1	-	-	-
Refrigerators/freezer for lab	66	65	43	43	35	34	24	24	23	23
Incubator for lab	11	11	8	8	8	7	7	7	7	7
Trailer with hitch	11	11	11	11	11	11	11	11	11	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	6	5	5	4	4	3	3	3	3	3
Water Quality and Hazardous Materials										
Water quality trucks for site cleanups	17	15	14	14	14	14	14	17	17	17
Analyzers for hazardous materials	6	6	6	5	5	5	5	5	5	5
Housing and Neighborhood Health										
Analyzers for lead testing	14	10	10	10	10	10	10	10	9	9
Van/cars for housing visits	19	17	17	17	17	15	10	10	8	8
Vector Disase Control										
Environmental trucks/vans for cleanup	32	32	32	29	29	28	28	27	27	27
Dump Trucks	22	21	21	19	19	19	17	20	18	18
Tractors/Trailers	29	29	29	29	29	29	27	28	28	28
Rodent/Mosquito control trucks for spraying	89	83	83	79	76	71	67	69	65	64
Rodent/Mosquito control - sprayers	27	23	19	19	16	16	12	12	12	12
Rodent/Mosquito control - generators	6	6	6	6	6	6	6	6	6	6
Long-Term Care										
# of buildings	72	73	76	78	78	78	78	78	78	78
Eskenazi Health										
# of beds	336	336	336	336	336	336	336	336	336	346

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

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APPENDIX C

SUMMARY OF PRINCIPAL FINANCING DOCUMENTS AND DEFINITIONS

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APPENDIX C

SUMMARY OF PRINCIPAL FINANCING DOCUMENTS AND DEFINITIONS

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE INDENTURE, THE AUTHORIZING INSTRUMENT AND THE SERIES 2025C QUALIFIED ENTITY PURCHASE AGREEMENT AND THE DEFINITIONS THAT APPLY THROUGHOUT THIS OFFICIAL STATEMENT. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE INDENTURE, THE AUTHORIZING INSTRUMENT AND THE SERIES 2025C QUALIFIED ENTITY PURCHASE AGREEMENT.

THE INDENTURE

The following is a brief description of certain provisions of the Indenture and does not purport to comprehensively describe that document.

Trust Estate

The Bond Bank, in order to secure the payment of the principal of and interest on the Series 2025C Bonds and all Additional Bonds issued on a parity therewith (collectively, the "Bonds"), and to secure the performance and observation by the Bond Bank of all covenants in the Indenture and the Bonds, (1) absolutely and irrevocably assigns to the Trustee and to its successors in trust, and its and their assigns, any right, title and interest of the Bond Bank in and to the Qualified Obligations acquired and held by the Trustee pursuant to the Indenture and the earnings thereon and all proceeds thereof, including all Qualified Obligation Payments, and the Funds and Accounts created or established under the Indenture, and all moneys and investments therein, except the Rebate Fund, and (2) grants a security interest to the Trustee and to its successors in trust, and its and their assigns in the Revenues (collectively, the "Trust Estate").

All Bonds issued under and secured by the Indenture are without preference, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds, except as otherwise expressly provided in the Indenture.

Structure of Indenture Funds

Creation of Funds and Accounts. The Indenture creates the following three funds: (1) the General Fund; (2) the Debt Service Reserve Fund; and (3) the Rebate Fund. The Indenture creates in the General Fund the "General Account," the "Redemption Account," the "Bond Issuance Expense Account," and the "Series 2025C Refunding Account." The Indenture creates in the Bond Issuance Expense Account the ""Series 2025C Bond Issuance Expense Subaccount." The Indenture creates in the Rebate Fund the "Series 2010 A-1 Rebate Account" and the "Series 2025C Rebate Account."

Deposit of Revenues and Other Receipts. Upon receipt of any Revenues or other receipts (except the proceeds of the Bonds and moneys received upon sale or redemption prior to

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maturity of the Qualified Obligations), the Trustee will deposit such amounts into the General Account or such other Fund or Account as provided under the Indenture. Any moneys received for replenishment of the Debt Service Reserve Fund pursuant to the Authorizing Instrument will be deposited in the Debt Service Reserve Fund and applied in accordance with the Act and the Indenture.

Operation of General Account. The Trustee will deposit in the General Account all moneys required to be deposited therein pursuant to the provisions of the Indenture. The Trustee will invest such funds in accordance with the Indenture and will make the following payments from the General Account on the specified dates and, if there are not sufficient funds to make all the payments required, with the following order of priority:

(1) If applicable, on the date of initial delivery of a series of Bonds, to purchase Qualified Obligations in accordance with the procedures established by the Bond Bank, upon the submission of requisitions of the Bond Bank signed by an Authorized Officer stating that all requirements with respect to such financing set forth in the Indenture have been or will be complied with;

(2) On or before 10:00 a.m. in the city in which the Trustee is located, on each Interest Payment Date, to the Trustee, such amount as will be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;

(3) As soon as funds become available, to the Debt Service Reserve Fund, sufficient amounts to assure that the Debt Service Reserve Requirement is met from time to time;

(4) At such times as will be necessary, the reasonable Program Expenses, if any, provided, that Program Expenses may not exceed the amounts set forth in the most recent Cash Flow Certificate delivered pursuant to the Indenture;

(5) At the direction of the Bond Bank, any amount necessary to comply with the rebate requirements set forth in the Indenture, to the extent such amounts are not obtained as Fees and Charges; and

(6) After making such deposits and disbursements and after the Trustee determines the amounts reasonably expected to be received in the form of Qualified Obligation Payments in the succeeding twelve months, to any other fund or account maintained by the Bond Bank or the Qualified Entity, at the written direction of an Authorized Construction Officer, regardless of whether such fund or account is subject to the lien of the Indenture, all moneys in the General Account, which, together with such expected receipts for the succeeding twelve months, are in excess of the amounts needed to pay principal of and interest on the Bonds within the immediately succeeding twelve-month period. No moneys will be so transferred, unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that, after such transfer, the Revenues expected to be received, together with moneys expected to be held in the Funds and Accounts, will at least equal the Adjusted Debt Service Requirements of all Outstanding Bonds.

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To the extent debt service on any of the Bonds is paid from Investment Earnings, the Qualified Entity will be credited with making such payments and any obligations under the Qualified Obligations so paid will be deemed satisfied.

Operation of Redemption Account. The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of Qualified Obligations and all other moneys required to be deposited therein pursuant to the Indenture, will invest such funds pursuant to the Indenture and will disburse the funds held in the Redemption Account as follows:

(1) On the fifteenth day of each month, to the General Account, an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed prior to maturity;

(2) On each Interest Payment Date, if moneys in the General Account are not sufficient to make the payments of principal and interest required to be made on such date, the Trustee will transfer to the General Account moneys in the Redemption Account not already committed to the redemption of Bonds for which notice of redemption has been given;

(3) After providing for the payments as described under clause (1) and (2) above, moneys in the Redemption Account may be used (a) to redeem Bonds of such maturity or maturities as directed by the Bond Bank, if such Bonds are then subject to redemption, (b) to purchase Qualified Obligations permitted by the Indenture, (c) to the extent there are any excess moneys in the Redemption Account, to transfer to the General Account, (d) to purchase Bonds of such maturity or maturities as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds will then be subject to redemption, or (e) to invest such moneys until the maturity or maturities of Bonds as directed by an Authorized Officer in accordance with the Indenture. Such price may not, however, exceed the Redemption Price which would be payable on the next ensuing date on which the Bonds so purchased are redeemable according to their terms, unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that the purchase at a price in excess of the Redemption Price will not result in the Revenues, together with moneys expected to be held in the Funds and Accounts, being less than an amount equal to Debt Service on all Outstanding Bonds. The Trustee will pay the interest accrued on the Bonds so purchased to the date of delivery of the Bonds to the Trustee from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of 60 days next preceding an Interest Payment Date or a date on which such Bonds are subject to redemption under the provisions of the Indenture; and

(4) If the Trustee is unable to purchase Bonds in accordance with and under the provisions described in clause (3) above, then, subject to any restrictions on redemption set forth in the Indenture, and subject to the provisions described in clause (3)(a) above, the Trustee will call for redemption on the next ensuing redemption date such amount of Bonds of such maturity or maturities as directed by the Bond Bank as, at the Redemption Price thereof, will exhaust the Redemption Account as nearly as possible. Such redemption will be made pursuant to the Indenture. The Trustee will pay the interest accrued on the Bonds so redeemed to the date of redemption from the General Account and the Redemption Price from the Redemption Account.

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The Trustee may, upon written direction from the Bond Bank, transfer any moneys in the Redemption Account to the General Account if the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that, after such transfer and after any transfer from the General Account to the Bond Bank, the Revenues, together with moneys expected to be held in the Funds and Accounts, will at least equal Debt Service on all Outstanding Bonds.

Operation of Series 2025C Bond Issuance Expense Subaccount. The Trustee will deposit in the Series 2025C Bond Issuance Expense Subaccount the moneys required to be deposited therein pursuant to the Indenture. The Trustee will invest such funds pursuant to the Indenture and will disburse the funds held in the Series 2025C Bond Issuance Expense Account upon receipt of invoices or requisitions certified by the Executive Director of the Bond Bank to pay the Costs of Issuance or to reimburse the Bond Bank or the Qualified Entity for amounts previously advanced for such costs. In making disbursements from the Series 2025C Bond Issuance Expense Subaccount, the Trustee may rely upon such certifications and invoices without further investigation. Any amounts remaining in the Series 2025C Bond Issuance Expense Subaccount ninety (90) days after the issuance of the Series 2025C Bonds will be transferred to the General Account, at which time, the Series 2025C Bond Issuance Expense Subaccount may, at the direction of the Bond Bank, be closed.

Operation of Series 2025C Refunding Account. The Trustee will deposit in the Series 2025C Refunding Account all moneys required to be deposited therein pursuant to the Indenture. The Trustee will, concurrently with its receipt and deposit of such proceeds, immediately transfer such proceeds, together with a portion of moneys currently on deposit in the General Account in the amount of $_____ and in the Debt Service Reserve Fund in the amount of $_____, to the Escrow Agent for deposit under the Escrow Account established under the Escrow Agreement, in order to refund and defease the Refunded Series 2010A-2 Bonds. Any amounts remaining in the Series 2025C Refunding Account ninety (90) days after the issuance of the Series 2025C Bonds will be transferred to the General Account, at which time the Series 2025C Refunding Account may, at the direction of the Bond Bank, be closed.

Operation of Debt Service Reserve Fund. The Trustee will deposit in the Debt Service Reserve Fund all moneys required to be deposited therein pursuant to the Indenture, will invest such funds pursuant to the Indenture and, except as provided in the provisions described under this subcaption, will disburse the funds held in the Debt Service Reserve Fund solely for the payment of interest on and principal of the Bonds, and only in the event that moneys in the General Account, the Bond Interest Account and the Construction Account are insufficient to pay principal of and interest on the Bonds after making all the transfers thereto required to be made pursuant to the Indenture (from the Redemption Account) have been made.

If moneys in the Debt Service Reserve Fund exceed the Debt Service Reserve Requirement from time to time, such excess will be transferred no less than semiannually, subject to the Trustee's receipt of a Favorable Opinion of Bond Counsel, in the following order:

(1) To the General Account to pay a portion of the principal and interest due on the Bonds on the next Interest Payment Date;

(2) To the Rebate Fund to the extent required under the Indenture; and

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(3) To the Qualified Entity with the consent of the Bond Bank to be used for any other lawful purpose.

If the Favorable Opinion of Bond Counsel described above provides for a different use of such excess, the Bond Bank will use or transfer such excess in accordance with such Opinion.

Notwithstanding the foregoing, the Bond Bank may satisfy all or any part of its obligation to maintain an amount in the Debt Service Reserve Fund at least equal to the Debt Service Reserve Requirement by depositing a Debt Service Reserve Fund Credit Facility in the Debt Service Reserve Fund, provided that such deposit does not adversely affect any Rating Agency ratings on the Bonds. To the extent that a Debt Service Reserve Fund Credit Facility is on deposit in the Debt Service Reserve Fund, any cash on deposit in the Debt Service Reserve Fund will be disbursed first and prior to drawing upon the Debt Service Reserve Fund Credit Facility. After any such cash is disbursed, the Trustee will draw on the Debt Service Reserve Fund Credit Facility, and, if more than one Debt Service Reserve Fund Credit Facility is available, the Trustee will draw on such Debt Service Reserve Fund Credit Facilities on a pro rata basis based on the relative stated amount of each such Debt Service Reserve Fund Credit Facility.

On the date of issuance of the Series 2025C Bonds, the Bond Bank will acquire the Series 2025C Debt Service Reserve Fund Credit Facility to satisfy the Debt Service Reserve Requirement.

Rebate Fund. The Trustee will establish, designate appropriately and maintain, so long as any Series 2025C Bonds are Outstanding and are subject to a requirement that arbitrage profits be rebated to the United States, a separate fund to be known as the Rebate Fund and a separate account therein to be known as the Series 2025C Rebate Account. The Trustee will make information regarding the Bonds and investments available under the Indenture to the Bond Bank and will make deposits as of each Bond Year into the Rebate Fund and disbursements as required by law from the Rebate Fund solely in accordance with instructions received from the Bond Bank. In accordance with the Indenture, the Trustee will invest the Rebate Fund in accordance with investment instructions of the Bond Bank.

Anything in the Indenture to the contrary notwithstanding, the provisions described in the immediately preceding sentence and under the subcaptions "Rebate Deposit" and "Rebate Disbursements" below may be superseded or amended by new investment, payment or compliance instructions delivered by the Bond Bank and accompanied by an opinion of Bond Counsel addressed to the Trustee to the effect that the use of the new instructions will not cause the interest on the Series 2025C Bonds to become included in the gross income of the holders thereof for federal income tax purposes. The provisions described under this subcaption and the subcaptions "Rebate Deposit" and "Rebate Disbursements" below will survive the discharge of the Indenture until any rebate obligations on the Series 2025C Bonds are remitted to the United States. Any balance remaining in the Rebate Fund after the Indenture and such rebate obligation are discharged will be distributed to the Qualified Entity or its designee.

Rebate Deposit. If a deposit to the Rebate Fund is required as a result of the computations made by the Bond Bank, the Trustee will, upon receipt of direction from the Bond

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Bank, accept such payment for the benefit of the Bond Bank. Records of the determinations required by the provisions described in this paragraph and the investment instructions must be retained by the Trustee until six years after the Series 2025C Bonds are no longer Outstanding.

Rebate Disbursements. Not later than 60 days after _____ __, 2030, and every five years thereafter, the Bond Bank will direct the Trustee to pay to the United States at least 90% of the amounts required to be on deposit in the Series 2025C Rebate Account. Not later than 60 days after the final retirement of the Series 2025C Bonds, the Bond Bank will direct the Trustee to pay to the United States 100% of the balance remaining in the Series 2025C Rebate Account. Each payment required to be paid to the United States pursuant to the provisions described under this subcaption will be filed with the Internal Revenue Service Center, Ogden, Utah 84201-0027, or such other location as the Code will require. Each payment will be accompanied by a copy of the Form 8038-T or such other documentation as may be required under applicable regulations.

Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account established under any provision of the Indenture will be held by the Trustee in trust and applied in accordance with the Indenture, and, except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and, except for moneys held in the Rebate Fund, will, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created by the Indenture and will not be subject to any lien or attachment by any creditor of the Bond Bank.

Repayment to Qualified Entity from Indenture Funds. Any amounts remaining in any Fund or Account created under the Indenture, after payment or provision for payment in full of the Bonds in accordance with the provisions for the discharge of the Indenture, the fees, charges and expenses of the Bond Bank, the Trustee and any co-trustee appointed under the Indenture, and all other amounts required to be paid under the Indenture and after and to the extent that the Bond Bank will determine that the payment of such remaining amounts may be made without violation of the provisions of the Series 2025C Tax Certificate, will be paid, upon the expiration of, or upon the sooner termination of, the Indenture, to the Qualified Entity or its designee.

Investment of Moneys

Investment of Moneys. Subject to the restrictions described under this subcaption, moneys held in each Fund and Account (except the Redemption Account) will be invested and reinvested by the Trustee upon oral directions (immediately confirmed in writing) of the Bond Bank in Qualified Investments. Moneys in the Redemption Account will be invested only in Federal Securities. The Trustee may rely on any written investment instructions it receives from an Authorized Officer as to the suitability of such investments.

All investment instructions under the Indenture will be provided orally (confirmed in writing) to the Trustee no later than one Business Day prior to the making of the investment directed therein. The Trustee will be entitled to rely on all investment instructions provided by the Bond Bank hereunder and will have no duty to monitor the compliance thereof with the restrictions described under this subcaption, but will be responsible for determining that such investments constitute Qualified Investments. The Trustee will not be responsible or liable for

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the performance of any such investments or for keeping the moneys held by it under the Indenture fully invested at all times. Any obligations acquired by the Trustee as a result of investment or reinvestment will be held by or under the control of the Trustee (except for such investments held in book-entry form) and will be deemed to constitute a part of the Fund or Account from which the moneys used for its purchase were taken. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so.

Moneys in separate Funds and Accounts may be commingled for the purpose of investment or deposit. Instructions of the Bond Bank to the Trustee with respect thereto, will be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing any of the Series 2025C Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses will be charged to the Fund or Account (including the Rebate Fund) in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with certain provisions of the Indenture, including those described under this supcaption, the Trustee will not be liable for any investment losses. Moneys in any Fund or Account (including the Rebate Fund) will be invested in Qualified Investments with a maturity date, or a redemption date determined by the owner of the Qualified Investments at that owner's option, which will coincide as nearly as practicable with times at which moneys in such Funds or Accounts (including the Rebate Fund) will be required for the purposes thereof. The Trustee will sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account (including the Rebate Fund) whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid.

Although the Bond Bank recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Bond Bank agrees that confirmations of Qualified Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any Fund or Account if no activity occurred in such Fund or Account during such month.

In computing the amount in any Fund or Account held under the Indenture, except the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein having a stated maturity of less than two years will be valued at the cost thereof (including in such cost accrued interest paid and unamortized debt discount) and all other obligations purchased as an investment of moneys will be valued at the cost (including in such cost accrued interest paid and unamortized debt discount) or market price thereof, exclusive of accrued interest earned, whichever is lower, except that securities covered by a repurchase agreement will be valued at the market value of the collateral securing the repurchase agreement. When market prices for such obligations are not readily available, the market price for obligations held under the Indenture may be determined in such manner as the Trustee deems reasonable. In computing the amount in the Debt Service Reserve Fund and compliance with the Debt Service Reserve Requirement, obligations purchased as an investment of moneys held in such Fund will be valued at fair market value.

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The Bond Bank will: (1) certify to the owners of the Series 2010 A Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Series 2025C Bonds or in the Rebate Fund, whether or not such moneys were derived from the proceeds of the sale of the Series 2025C Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2025C Bonds to become included in gross income for federal income tax purposes; and (2) covenant with the owners of the Series 2025C Bonds from time to time Outstanding that, so long as any of the Series 2025C Bonds remain Outstanding, moneys on deposit in any Fund or Account established in connection with the Series 2025C Bonds or in the Rebate Fund, whether or not such moneys were derived from the proceeds of the sale of the Series 2025C Bonds or from any other source, will not be used in any manner which will cause the interest on the Series 2025C Bonds to become included in gross income for federal income tax purposes under the Code.

Investment Earnings. All Investment Earnings derived from any Fund or Account held under the Indenture will be deposited as received, into the General Account. Notwithstanding the foregoing: (1) income and profits on investment of funds in the Rebate Fund, will remain in the Rebate Fund; and (2) Investment Earnings on investment of funds in the Debt Service Reserve Fund will remain in such Fund, until the balance therein equals the Debt Service Reserve Requirement from time to time, and thereafter will be retained or disbursed as provided in the Indenture.

Additional Bonds, including Refunding Bonds

Additional Bonds may be issued only to purchase Additional Qualified Obligations, to refund, directly or indirectly, all or any part of any Series of Bonds issued under the Indenture or to purchase Refunding Qualified Obligations.

Additional Bonds will be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish one of the purposes set forth in the preceding paragraph, as specifically indicated in the Supplemental Indenture authorizing such Series of Additional Bonds and to make such deposits required by the provisions of the Act, the provisions described under this subcaption and the Supplemental Indenture authorizing such Series of Additional Bonds.

Each Supplemental Indenture authorizing the issuance of a Series of Additional Bonds will also specify:

(1) The authorized principal amount of such Series of Additional Bonds;

(2) The purposes for which such Series of Additional Bonds are being issued, which will be one or more of the following: (a) making deposits into the Funds and Accounts established under the Indenture and the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds; (b) the payment of Costs of Issuance or Program Expenses; (c) purchasing Additional Qualified Obligations; (d) purchasing Refunding Qualified Obligations issued to refund Qualified Obligations acquired under the Indenture; (e) the payment of notes theretofore issued by the Bond Bank for any purposes for which Bonds may have been issued; (f) the refunding of Bonds; and (g) related purposes, as provided below;

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(3) The date or dates of issue, Principal Payment Date or Dates and amounts of each maturity of the Additional Bonds of such Series;

(4) The interest rate or rates, or the manner of determining such rate or rates of the Additional Bonds of such Series, and the Interest Payment Dates therefor;

(5) The denomination or denominations of, and the manner of numbering and lettering, the Additional Bonds of such Series, provided that each Additional Bond will be of the denomination of $5,000 or any multiple thereof, except as may otherwise be specifically provided in a Supplemental Indenture, not exceeding the aggregate principal amount of the Additional Bonds of such Series maturing in the year of maturity of the Bond for which the denomination is to be specified, including provisions for the issuance of capital appreciation or zero coupon bonds;

(6) The Paying Agent or Paying Agents, and the place or places of payment of the principal of, redemption premium, if any, and interest on the Additional Bonds of such Series; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution of the Bond Bank adopted prior to authentication and delivery of such Series of Additional Bonds;

(7) The Redemption Price or Prices, if any, and, subject to certain redemption provisions of the Indenture, the redemption terms, if any, for the Additional Bonds of such Series;

(8) If so determined by the Bond Bank, provisions for the sale of the Additional Bonds of such Series;

(9) The form or forms of the Additional Bonds of such Series and of the Registrar's certificate of authentication;

(10) The manner of execution of the Additional Bonds of such Series;

(11) Except in the case of Bonds that are not intended to be issued as Tax-Exempt Bonds, the necessary tax covenants to ensure that such series of Bonds will be Tax-Exempt Bonds; and

(12) Any other provisions deemed advisable by the Bond Bank, not in conflict with the Indenture.

A Series of Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee and the Registrar (in addition to the receipt by them of the documents required in connection with the issuance of the Bonds elsewhere in the Indenture and as described under this subcaption) of:

(1) Irrevocable instructions from the Bond Bank to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on the redemption date specified in such instructions;

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(2) Irrevocable instructions from the Bond Bank to the Trustee, satisfactory to it, to make due publication of the notice provided for in the notice of redemption provisions in the Indenture to the owners of the Bonds being refunded;

(3) Either (a) moneys in an amount sufficient to effect payment at the applicable Redemption Price or principal amount of the Bonds to be refunded or paid, respectively, together with accrued interest on such Bonds to the redemption or maturity date, which moneys will be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective owners of the Bonds to be refunded or paid, or (b) Federal Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as will be necessary to comply with the provisions of the discharge provisions of the Indenture, which Federal Securities will be held in trust and used only as provided in the discharge provisions of the Indenture, or (c) Refunding Qualified Obligations or (d) any combination described in clause (a), (b) or (c) above; and

(4) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements described in the third paragraph under this subcaption and in this paragraph.

General Covenants of Bond Bank

Payment of Principal and Interest. The Bond Bank covenants and agrees that it will promptly pay the principal of and interest on every Bond issued under the Indenture at the place, on the dates and in the manner provided therein and in such Bonds according to the true intent and meaning thereof, provided that the principal and interest are payable by the Bond Bank solely from the Trust Estate, which includes the Revenues and any other funds or assets of the Bond Bank pledged thereunder.

Performance of Covenants. The Bond Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered thereunder and in all of its proceedings pertaining thereto. The Bond Bank covenants and represents: (1) that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized by the Indenture, to execute the Indenture and to pledge the Revenues and all other property thereby pledged in the manner and to the extent therein set forth; (2) that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and (3) that the Bonds in the hands of the owners thereof are and will be valid and enforceable limited obligations of the Bond Bank according to the terms of the Bonds and the Indenture.

In order to provide for the payment of the principal of and premium, if any, and interest on the Bonds and the Program Expenses, the Bond Bank will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Indenture and sound banking practices and principles, to the extent necessary to provide for the payment of the Bonds, (1) do all such acts and things as will be necessary to receive and collect the Revenues (including enforcement of the prompt collection of all arrears on Qualified Obligation Payments) and (2) diligently enforce, and take all steps, actions and

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proceedings reasonably necessary in the judgment of the Bond Bank to protect its rights with respect to or to maintain, any insurance on the Qualified Obligations and to enforce all terms, covenants and conditions of the Qualified Obligations, including the collection, custody and prompt application of all escrow payments required by the terms of a Qualified Obligation for the purposes for which they were made.

Whenever necessary, in order to provide for the payment of debt service on the Bonds, the Bond Bank will commence appropriate remedies with respect to the Qualified Obligations if in default.

Instruments of Further Assurance. The Bond Bank covenants and agrees that the Trustee may defend its rights to the payment of the Revenues for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Bond Bank covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental to the Indenture and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the rights assigned thereby and the amounts and other property pledged thereby to the payment of the principal of and interest on the Bonds.

Possession and Inspection of Qualified Obligations. The Trustee covenants and agrees to retain or cause its agent to retain possession of each Qualified Obligation and a copy of the transcript or documents related thereto and release them only in accordance with the Indenture. The Bond Bank and the Trustee covenant and agree that all books and documents in their possession relating to the Qualified Obligations will at all times be open to inspection by such accountants or other agencies or persons as the Bond Bank or the Trustee may from time to time designate.

Accounts and Reports. The Bond Bank covenants and agrees to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture and to the Rebate Fund. Such books, and all other books and papers of the Bond Bank, and such Funds and Accounts and the Rebate Fund will at all reasonable times be subject to the inspection of the Trustee and the owners of an aggregate of not less than five percent in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing. The permissive right of inspection by the Trustee will not be construed as a duty.

The Trustee covenants and agrees to provide to the Bond Bank prior to the twentieth day of each month a statement of the amount on deposit in each Fund and Account as of the last day of the preceding month and of the total deposits to and withdrawals from each Fund and Account during the preceding month. The Bond Bank may provide for less frequent statements so long as such statements are supplied no less frequently than quarterly.

Within 210 days after the close of each Fiscal Year, the Bond Bank covenants and agrees to file with the Trustee a copy of an annual report as to the operations of the Bond Bank during such Fiscal Year and audited financial statements prepared in conformity with generally accepted

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accounting principles by an accounting firm appointed by the Bond Bank. Such financial statements should set forth in reasonable detail a balance sheet showing the assets and liabilities of the Program, a statement of revenues and expenses of the Program and a statement of changes in financial position of the Program, which may be presented on a consolidated or combined basis with other reports of the Bond Bank (including reports on other programs), but only to the extent that the transactions conducted with respect to the Indenture and the Program are accurately reflected. The Trustee will have no duty to review or analyze such financial statements and will hold such financial statements solely as a repository for the benefit of the Bondholders.

The Bond Bank covenants and agrees to provide to the Trustee copies of all reports filed with the Bond Bank by the Qualified Entity pursuant to any Purchase Agreement.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provision of the Indenture will be provided by the Trustee at the expense of the Bond Bank to any Registered Owner (or designated representative) of five percent or more in aggregate principal amount of Bonds then Outstanding who files or has filed a written request therefor with the Trustee.

Bond Bank Covenants With Respect to Qualified Obligations. The Bond Bank covenants and agrees that it will not permit or agree to any material change in any Qualified Obligation, unless the Bond Bank supplies the Trustee with a Cash Flow Certificate to the effect that, after such change, the Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the Adjusted Debt Service Requirements on all Outstanding Bonds in each such Fiscal Year.

The Bond Bank covenants and agrees that it will enforce or authorize the enforcement of all remedies available to owners or holders of Qualified Obligations, unless: (1) the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that, if such remedies are not enforced, the Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the Adjusted Debt Service Requirements on all Outstanding Bonds in each such Fiscal Year; and (2) the Trustee, having relied on an opinion of counsel, determines that failure to enforce such remedies will not adversely affect the interests of the Bondholders in any material way.

The Bond Bank covenants and agrees that it will not sell or dispose of any Qualified Obligations, unless the Bond Bank provides to the Trustee a Cash Flow Certificate to the effect that, after such sale, the Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, minus any proceeds of such sale to be transferred from any Fund or Account, will at least equal the Adjusted Debt Service Requirements on all Outstanding Bonds in each such Fiscal Year. Proceeds of such sales will be invested only in Federal Securities or in Qualified Obligations, which the Bond Bank is permitted to purchase under the Indenture or disbursed as provided in the provisions in the Indenture regarding the operation of the Redemption Account.

The Bond Bank covenants and agrees that it will, to the extent such action would not adversely affect the validity of the Qualified Obligations, pursue the applicable remedies set

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forth in the Act, including the commencement of an action in mandamus for the levy of a tax to pay the interest and principal on the Qualified Obligations.

Annual Budget. The Bond Bank will, at least 60 days prior to the beginning of each Fiscal Year (which commenced with the Fiscal Year beginning January 1, 2011), prepare and file in the office of the Trustee a preliminary budget covering its operations for the succeeding Fiscal Year which will be open to inspection by any holder of at least five percent of the Outstanding Bonds. The Trustee will have no duty to review or inspect such budget and will hold such budget solely as a repository for the Bondholders. The Bond Bank will also prepare a summary of such preliminary budget and at least 45 days before the beginning of each Fiscal Year mail a copy thereof to any Bondholder who will have filed its name and address with the Bond Bank for such purpose.

Monitoring Investments. The Bond Bank covenants and agrees to regularly review the investments held by the Trustee in the Funds and Accounts for the purpose of assuring that the Revenues derived from such investment are sufficient to provide, together with other anticipated Revenues, the Debt Service on Outstanding Bonds.

Cash Flow Certificates. At any time that the Indenture will require that a Cash Flow Certificate be prepared, such Certificate will set forth:

(1) The Revenues expected to be received on all Qualified Obligations purchased with proceeds of the Bonds or that otherwise becomes a part of the Trust Estate;

(2) All other Revenues, including the interest to be earned and other income to be derived from the investment of the Funds and Accounts and the rate or yields used in estimating such amounts;

(3) All moneys expected to be in the Funds and Accounts;

(4) The amount, if any, expected to be withdrawn from the Debt Service Reserve Fund, but only if the amount in the Debt Service Reserve Fund immediately after such withdrawal is expected to be at least equal to the Debt Service Reserve Requirement and such withdrawal is permitted by the Indenture; and

(5) The Adjusted Debt Service Requirements on all Bonds expected to be Outstanding during each Fiscal Year.

In making any Cash Flow Certificate, the accountant or firm of accountants may contemplate the payment or redemption of Bonds for the payment or redemption of which amounts have been set aside in the Redemption Account. The issuance of Bonds, the making of transfers from one Fund to another and the deposit of amounts in any Fund from any other source may be contemplated in a Cash Flow Certificate only to the extent that such issuance, deposit or transfer has occurred prior to or will occur substantially simultaneously with the delivery of such Cash Flow Certificate. The accountant or firm of accountants will also supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Funds, amounts to be applied to the redemption or payment of Bonds and amounts to be used to provide for Costs of Issuance, the Debt Service

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Reserve Fund and capitalized interest, if any. In the case of each annual Cash Flow Certificate, the amounts of existing Qualified Obligations, existing Qualified Investments and existing cash will be the amounts as of the last day of the preceding Fiscal Year. In the case of any other Cash Flow Certificate, such amounts will be the amounts as of the last day of the month preceding the month in which the Cash Flow Certificate is delivered, but will be adjusted to give effect to scheduled payments of principal of and interest on Qualified Obligations, actual payments or proceeds with respect to Qualified Investments and actual expenditures of cash expected by the Bond Bank through the end of the then current month.

Tax Covenants

To assure the continuing excludability of the interest on the Series 2025C Bonds from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, the Bond Bank covenants and agrees as follows:

(1) It will not take any action or fail to take any action with respect to the Series 2025C Bonds, that would result in the loss of the excludability of the interest on any of the Series 2025C Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, nor will the Bond Bank act in any other manner which would adversely affect such excludability, and it will not make any investment or do any other act or thing during the period that the Series 2025C Bonds are Outstanding which would cause any of the Series 2025C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, all as in effect on the date of delivery of the Series 2025C Bonds.

(2) These covenants are based solely on current law in effect and in existence on the date of delivery of the Series 2025C Bonds.

(3) It will not be an Event of Default under the Indenture if the interest on any Series 2025C Bonds is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of such Series 2025C Bonds.

(4) It will rebate any necessary amounts to the United States of America to the extent required by the Code, as provided in certain rebate provisions of the Indenture.

(5) Notwithstanding any other provision of the Indenture, the covenants and authorizations described in this paragraph (the "Tax Sections"), which are designed to preserve the continuing excludability of the interest on the Series 2025C Bonds from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, need not be complied with if the Bond Bank receives an opinion of Bond Counsel that any Tax Section is unnecessary for the Series 2025C Bonds to continue to be treated as Tax-Exempt Bonds. In making any determination regarding the covenants, the Bond Bank may rely on an opinion of Bond Counsel, which will be addressed to the Bond Bank and the Trustee.

With respect to each Series of Additional Bonds, the Bond Bank will make similar covenants with respect to such Series of Additional Bonds; provided, however, notwithstanding any provision of the Indenture to the contrary, the Bond Bank may elect to issue a Series of

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Bonds that are not issued as Tax-Exempt Bonds so long as such election does not adversely affect the treatment as Tax-Exempt Bonds of any other Series of Bonds which are issued as Tax-Exempt Bonds, by making such election on the date of delivery of such Series of Bonds. In such case, the tax covenants in the Indenture will not apply to such Series of Bonds.

Events of Default and Remedies

Defaults; Events of Default. If any of the following events occurs, it is defined as and declared to be and to constitute an "Event of Default" under the Indenture:

(1) Default in the due and punctual payment of any interest on any Bond; or

(2) Default in the due and punctual payment of the principal of any Bond whether at the stated maturity thereof or on any date fixed for mandatory sinking fund redemption; or

(3) Failure of the Bond Bank to remit to the Trustee within the time limits prescribed in the Indenture any moneys which are required by the Indenture to be so remitted; or

(4) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bond Bank contained in the Indenture or in the Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the provisions described under the subcaption "Notice of and Opportunity for the Bond Bank to Cure Certain Defaults" below; or

(5) Any warranty, representation or other statement by or on behalf of the Bond Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is found to be false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to the provisions described under the subcaption "Notice of and Opportunity for the Bond Bank to Cure Certain Defaults" below; or

(6) A petition is filed against the Bond Bank, to the extent such petition may be so filed under applicable law, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing; or

(7) The Bond Bank files a petition, to the extent such petition may be so filed under applicable law, in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(8) The Bond Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bond Bank or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than 60 days; or

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(9) Failure by the Bond Bank to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement within seven (7) months of the end of the Fiscal Year in which a deficiency occurs; or

(10) The Bond Bank for any reason will be rendered incapable of fulfilling its obligations under the Indenture.

Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee will notify the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies and will exercise such rights and remedies:

(1) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including enforcement of any rights of the Bond Bank or the Trustee under the Qualified Obligations.

(2) The Trustee may by action or suit in equity require the Bond Bank to account as if it were the trustee of an express trust for the holders of the Bonds and may take such action with respect to the Qualified Obligations as the Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the Qualified Obligations.

(3) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment will confer.

(4) If the Trustee certifies that there are sufficient moneys on deposit in the Funds and Accounts to pay principal of and accrued interest on all the Outstanding Bonds, the Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the Indenture and the Act, by notice to the Bond Bank and the Corporation Counsel of the City.

If an Event of Default will have occurred, if requested to do so by the owners of 25% or more in aggregate principal amount of all Bonds then Outstanding and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise such one or more of the rights, remedies and powers conferred by the provisions described under this subcaption as the Trustee, being advised by counsel, will deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other right or remedy, but each and every such right or remedy will be cumulative and will be in addition to any other right or remedy given to the Trustee or the Bondholders under the Indenture or now or hereafter existing at law, in equity or by statute. The assertion or employment of any right or remedy will not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default will impair any such right or remedy or will be construed to be a waiver of any such Event of

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Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or the Bondholders, will extend to or will affect any subsequent Event of Default or will impair any rights or remedies consequent thereon.

Right of Bondholders to Direct Proceedings. Anything in the Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds then Outstanding will have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction will not be otherwise than in accordance with the provisions of law and the Indenture.

Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment will confer.

Application of Moneys. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions described under this caption (including moneys received by virtue of action taken under the provisions of any Qualified Obligation) will, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees, expenses, liabilities and advances incurred or made by Trustee and any other moneys owed to the Trustee under the Indenture, be deposited in the General Account, and all moneys in the General Account will be applied as follows:

(1) Unless the principal of all the Bonds will have become due and payable, all such moneys will be applied:

FIRST--on a *pari passu* basis to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, including interest on any past due principal of any Bond at the rate borne by such Bond, in the order of the maturity of the installments of such interest and, if the amount available will not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege;

SECOND--To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which will have become due either at maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which other moneys are held pursuant to the Indenture), in the order of their due dates, and, if the amount available will not be sufficient to pay in full the principal of Bonds due on any particular date, together with

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such interest, then to such payment on the Bonds ratably, according to the amount due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD--To be held for the payment to the persons entitled thereto as the same will become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available will not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment will be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any discrimination or privilege.

(2) If the principal of all the Bonds will have become due or will have been declared due and payable, all such moneys will be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions described under this subcaption, such moneys will be applied at such times, and from time to time, as the Trustee will determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee will apply such funds, it will fix the date (which will be an Interest Payment Date, unless the Trustee will deem another date more suitable) upon which such application is to be made, and upon such date, interest on the amounts of principal to be paid on such dates will cease to accrue. The Trustee will establish a special record date for such payments and will mail, at least 15 days prior to such special record date, such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and will not be required to make payment of principal to the owner of any Bond, until such Bond will be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions described under this subcaption and all expenses and charges of the Trustee have been paid, any balance remaining in the General Fund will be paid as provided in the Indenture.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto, and any such suit or proceeding instituted by the Trustee will be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds. Any recovery of judgment will be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

Rights and Remedies of Bondholders. No owner of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture, for the execution of any trust of the Indenture or for the appointment of a receiver or any other remedy thereunder, unless (1) a default has occurred, (2) such default will have become an Event of Default and the owners of not less than 25% in aggregate principal amount of Bonds then

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Outstanding will have made written request to the Trustee and will have offered it reasonable opportunity either to proceed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name, (3) such owners of Bonds have offered to the Trustee indemnity as provided in the Indenture and (4) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed, to exercise the remedies granted in the Indenture, or to institute such action, suit or proceeding in its own name.

Such request and offer of indemnity are in every case at the option of Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy thereunder. No one or more owners of the Bonds will have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his, her or their action or to enforce any right thereunder, except in the manner therein provided, and all proceedings at law or in equity will be instituted, had and maintained in the manner therein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. However, nothing contained in the Indenture will affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Bonds to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

Waivers of Events of Defaults. The Trustee may at its discretion waive any Event of Default and its consequences and will do so upon the written request of the owners of (1) more than 66-2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (2) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there will not be waived (x) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (y) any Event of Default in the payment when due of the interest on any Outstanding Bond, unless, prior to such waiver, all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default will have been paid or provided for. In case of any such waiver or in case any proceeding taken by the Trustee on account of any such Event of Default will have been discontinued or abandoned or determined adversely, then and in every such case the Bond Bank, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture, but no such waiver or rescission will extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

Notice of and Opportunity for Bond Bank to Cure Certain Defaults. Anything in the Indenture to the contrary notwithstanding, no default under the provisions described in clauses (4) or (5) under the subcaption "Defaults; Events of Default" above will constitute an Event of Default until actual notice of such default by registered or certified mail will be given to the Bond Bank by the Trustee or the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding and the Bond Bank will have had 60 days after receipt of such notice to correct such default or cause such default to be corrected and will not have corrected such default or caused such default to be corrected within the applicable period; provided, however, if such default is such that it is correctable, but cannot be corrected within the applicable period, it

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will not constitute an Event of Default if corrective action is instituted by the Bond Bank within the applicable period and diligently pursued until such default is corrected. If a default is cured under the provisions described under this subcaption, then it will not constitute an Event of Default. With regard to any alleged default, concerning which notice is given to the Bond Bank under the provisions described under this subcaption, the Bond Bank grants to the Trustee full authority for the account of the Bond Bank to perform any covenant or obligation, the failure of the performance of which is alleged in such notice to constitute a default, in the name and stead of the Bond Bank with full power to do any and all things and acts to the same extent that the Bond Bank could do and perform any such things and acts and with power of substitution; provided that the Trustee will be under no obligation to perform any such covenant or obligation.

Discharge of Indenture

If the Bond Bank will pay or cause to be paid, or there will be otherwise paid, or provision will be made for the payment of, the principal of, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein, and if the Bond Bank will not then be in default under any of the other covenants and promises in the Bonds and the Indenture to be kept, performed and observed by it or on its part, and if the Bond Bank will pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture or the Bonds, then, except for the rights of the Trustee under certain provisions in the Indenture regarding the annual fees, charges and expenses of the Trustee, the interests in the Trust Estate and rights granted by the Indenture will cease, determine and be void, and the Trustee will take such actions, at the request of the Bond Bank, as may be necessary to evidence the cancellation and discharge of the lien of the Indenture.

A Bond will be deemed to be paid within the meaning of the provisions described under this caption and for all purposes of the Indenture when:

(1) payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), will have been provided to the Trustee by irrevocably depositing with the Trustee, in trust, and the Trustee will have irrevocably set aside exclusively for such payment, any combination of (a) funds sufficient to make such payment, and/or (b) Federal Securities not subject to redemption or prepayment and maturing as to principal and interest in such amounts and at such times as will, in the opinion of an independent certified public accountant delivered to the Trustee, provide sufficient moneys, without reinvestment of any matured amounts, to make such payment without reinvestment (and there will be no such reinvestment);

(2) the Trustee will have been given irrevocable written instructions to call such Bond for redemption on a date certain, if such Bond is to be called for redemption prior to maturity;

(3) the Trustee will have received a written opinion of Bond Counsel to the effect that such deposit (and the payment of the Series 2025C Bond therefrom) will not adversely affect the excludability of the interest on the Series 2025C Bonds from gross income for federal income tax purposes; and

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(4) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Bond will have been paid or the payment thereof provided for to the satisfaction of the Trustee.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Bond Owners. Subject to the terms and provisions described under the subcaptions "Limitation Upon Amendments and Supplements" and "Consent of Qualified Entity" below, the Bond Bank and the Trustee may, without the consent of, or notice to, any of the Bond Owners, enter into indentures supplemental to the Indenture for any one or more of the following purposes:

(1) to cure an ambiguity, formal defect or omission in the Indenture;

(2) to grant to or confer upon the Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bond Owners or the Trustee;

(3) to subject to the Indenture additional revenues, properties or collateral;

(4) to modify, amend or supplement the Indenture, or any indenture supplemental hereto, in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or any of the states of the United States of America, and, if the Bond Bank so determines, to add to the Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute;

(5) to add to the covenants and agreements of the Bond Bank, contained in the Indenture, other covenants and agreements thereafter to be observed for the protection of the Bond Owners or to surrender or limit any right, power or authority therein reserved to or conferred upon the Bond Bank;

(6) to provide that the Bonds may be secured by additional security not otherwise provided for in the Indenture;

(7) to modify, amend or supplement the Indenture, or any indenture supplemental thereto, in such manner as the Trustee and the Bond Bank deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to obligations of the type that includes the Bonds;

(8) to provide for the issuance of each Series of Additional Bonds permitted by the provisions described under the caption "Additional Bonds" above, other than the Series 2010 A Bonds;

(9) to provide for the refunding of all or a portion of the Bonds; and

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(10) to make any other change which does not, in the opinion of the Trustee, having relied on an opinion of Bond Counsel, have a material adverse effect on the interest of the Bondholders, provided, however, that the Bond Bank and the Trustee will make no amendment which would permit the purchase of the obligations of any other Qualified Entity or other than Additional Qualified Obligations.

Supplemental Indentures Requiring Consent of Bond Owners. Exclusive of Supplemental Indentures covered by the provisions described under the subcaption "Supplemental Indentures Not Requiring Consent of Bond Owners" above, the Indenture may be amended or supplemented only as provided the provisions described under this subcaption. Subject to the terms and provisions described under the subcaptions "Limitation Upon Amendments and Supplements" and "Consent of Qualified Entity Required" below, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding will have the right, from time to time, to approve the execution by the Bond Bank and the Trustee of any Supplemental Indenture as will be deemed necessary and desirable by the Bond Bank for the purposes of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or any Supplemental Indenture. If at any time the Bond Bank will request the Trustee to enter into any such Supplemental Indenture for any of the purposes described under this subcaption, the Trustee will, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by certified mail to the Bond Owners.

Such notice will briefly set forth the nature of the proposed Supplemental Indenture and will state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bond Owners. If within 60 days, or such longer period as will be prescribed by the Bond Bank following the mailing of such notice, the Owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture will have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond will have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bond Bank (subject to the provisions described under the subcaption "Consent of Qualified Entity Required" below) from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided under the provisions described under this subcaption and the subcaption "Consent of Qualified Entity Required" below, the Indenture will be and be deemed to be modified and amended in accordance therewith.

Limitation Upon Amendments and Supplements. Nothing contained in the provisions described under the subcaptions "Supplemental Indentures Not Requiring Consent of Bond Owners" and "Supplemental Indentures Requiring Consent of Bond Owners" above will permit, or be construed as permitting, without the consent of the Owners of all of the Bonds then Outstanding; (1) an extension of the maturity of the principal of, or the time for payment of any redemption premium or interest on, any Bond previously issued, or a reduction in the principal amount of any Bond previously issued, or the rate of interest or redemption premium thereon, or a reduction in the amount of, or extension of the time of any payment required by, any Bond

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previously issued; (2) a privilege or priority of any Bond over any other Bond (except as provided in the Indenture); (3) a reduction in the aggregate principal amount of the Bonds required for consent to such a Supplemental Indenture; (4) the deprivation of the Owner of any Bond then Outstanding of the lien created by the Indenture; or (5) the amendment of the provisions described under this subcaption. No amendment or supplement to the Indenture may be entered into without the Trustee and the Bond Bank first receiving an opinion of Bond Counsel to the effect that such amendment or supplement is authorized under the Indenture and the Act and will not adversely affect the excludability of the interest on the Series 2025C Bonds from gross income for federal income tax purposes.

Consent of Qualified Entity Required. Anything in the Indenture to the contrary notwithstanding, an amendment or Supplemental Indenture under the provisions described under this caption will not become effective unless and until the Qualified Entity will have consented in writing to the execution and delivery thereof; provided, however, that the consent of the Qualified Entity will not be required during any period that the Qualified Entity is in default under the Qualified Obligations.

THE AUTHORIZING INSTRUMENT AND THE SERIES 2025C QUALIFIED ENTITY PURCHASE AGREEMENT

The following is a brief description of certain provisions of the Authorizing Instrument and the Series 2025C Qualified Entity Purchase Agreement and does not purport to comprehensively describe those documents.

Source of Payment

The 2025C Qualified Obligations are, as to all the principal thereof, and as to all interest due thereon, general obligations of the Qualified Entity, payable from ad valorem property taxes on all taxable property within Marion County, Indiana, which is coterminous with the jurisdiction of the Qualified Entity, to the extent other revenues of the Qualified Entity are not sufficient for such purpose as described under the caption "Covenant to Levy Ad Valorem Property Taxes" below.

Authorized Principal Amount

The Qualified Entity is authorized to issue its 2025C Qualified Obligations in one or more series, in an original aggregate principal amount, not to exceed $150,000,000, for the purpose of (1) refunding all or any portion of the Series 2010A-2 Qualified Obligations (thereby effecting a current refunding of all or a portion of the Bond Bank's Refunded Series 2010A-2 Bonds); (2) if determined to be necessary or appropriate in accordance with the Authorizing Instrument, the establishment of a debt service reserve fund to be held pursuant to the Indenture, including paying the premium for a Reserve Fund Credit Facility; and (3) the payment of the costs of selling and issuing the 2025C Qualified Obligations.

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Establishment of Funds and Accounts

The Treasurer of the Qualified Entity is authorized and directed to establish and create all funds, accounts and subaccounts of the Qualified Entity, which the Treasurer deems necessary or desirable to fulfill the purposes and intents of the Authorizing Instrument.

Principal and Interest Account. The Principal and Interest Account (as defined in the Authorizing Instrument) has been created within the Sinking Fund pursuant to the Authorizing Instrument. If deemed necessary or appropriate by the Treasurer of the Qualified Entity, the Treasurer may establish one or more subaccounts in the Principal and Interest Account in connection with the issuance of each series of the Qualified Obligations. The Qualified Entity will deposit in the Principal and Interest Account: (1) any investment earnings from moneys on deposit in the Reserve Account pursuant to the Authorizing Instrument; (2) any revenues that the Qualified Entity deems appropriate and are legally available to pay the principal of and interest on the Qualified Obligations, when due; and (3) any ad valorem property taxes levied by the Qualified Entity for the payment of the principal of and interest on the Qualified Obligations pursuant to the provisions described under the caption "Covenant to Levy Ad Valorem Property Taxes" below. Money deposited into the Principal and Interest Account, together with investment earnings thereon, will be transferred to the Paying Agent (as defined in the Authorizing Instrument) and used by the Paying Agent (as defined in the Authorizing Instrument) to pay the principal of and interest on the Qualified Obligations, when due. All money in the Principal and Interest Account will be used solely to pay the principal of and interest on the Qualified Obligations, when due.

Other Funds and Accounts. Pursuant to the Authorizing Instrument, the Treasurer of the Qualified Entity has determined that it would be beneficial to the Qualified Entity to have the Indenture establish the Refunding Account, the Bond Issuance Expense Account and the Debt Service Reserve Fund, instead of establishing the Refunding Account, the Bond Issuance Expense Account or the Reserve Account (each as defined in the Authorizing Instrument), respectively, under the Authorizing Instrument. As a result, the provisions under the Authorizing Instrument with respect to such the Refunding Account, the Bond Issuance Expense Account or Reserve Account, respectively, will not apply to the extent necessary or appropriate to effectuate the remaining provisions of the Authorizing Instrument. The Qualified Entity acknowledges and agrees with the provisions in the Indenture regarding the Debt Service Reserve Requirement and the Refunding Account, the Bond Issuance Expense Account and the Debt Service Reserve Fund, including, without limitation, the amount of the proceeds of the Series 2025C Bonds to be deposited therein.

Payment of Principal of and Interest on 2025 C Qualified Obligations

The Qualified Entity will cause the Registrar and the Paying Agent (both as defined in the Authorizing Instrument) to transfer the principal and interest payments in cash on the 2025 C Qualified Obligations to the Trustee on the June 30 and the December 31 preceding each date such principal or interest is due, and with respect to the payment of principal, such payment will be made without surrender of the applicable 2025C Qualified Obligations.

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Covenant to Levy Ad Valorem Property Taxes

It is anticipated that the Bond Bank will acquire the Authority Bonds by issuing its bonds (the "Bond Bank Authority Bonds") pursuant to a bond indenture, between the Bond Bank and a trustee (the "Bond Bank Authority Bond Indenture"), and that, under the Bond Bank Authority Bond Indenture, there will be established a debt service reserve fund (the "Bond Bank Authority Bond Reserve Fund") securing one or more series of Bond Bank Authority Bonds. It is anticipated that the balance to be maintained in the Bond Bank Authority Bond Reserve Fund (the "Bond Bank Authority Bond Reserve Requirement") will be in an amount equal to the maximum annual principal and interest requirements on all outstanding Bond Bank Authority Bonds for the then current or any future Bond Year; provided, however, that if upon the issuance of any series of such Bonds, such amount would require moneys credited to the Bond Bank Authority Bond Reserve Fund from the proceeds of such series of Bonds in an amount in excess of the maximum amount permitted under the Code, the Bond Bank Authority Bond Reserve Requirement will then be the Bond Bank Authority Bond Reserve Requirement immediately preceding the issuance of such series of Bonds, plus the maximum amount permitted under the Code to be deposited from the proceeds of such series of Bonds, as certified by an Authorized Officer.

If, on the first business day in June of each year, the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement or the amount on deposit in the Bond Bank Authority Bond Reserve Fund is less than the Bond Bank Authority Bond Reserve Requirement (the aggregate of any such shortfalls therein on such date is hereinafter referred to as a "Deficit"), then, on such first business day in June or when the Qualified Entity prepares its budget for the immediately following year, if later, the Qualified Entity will estimate the amount of revenues expected to be collected during the remainder of that year and the subsequent year and through and including January 15 of the next succeeding year and that would be available to pay the principal of and interest on the Qualified Obligations and the rentals under the Lease when due during such period. To the extent that such revenues are not expected to be available on the dates on which the principal of and interest on the Qualified Obligations and rentals under the Lease are due during such period in amounts sufficient to make such payments on the dates such payments are due, the Qualified Entity will levy ad valorem property taxes in an amount sufficient, together with the other revenues expected to be available on the dates on which such payments are due during such period, to produce the necessary funds with which to make such payments on their due dates. In addition, the Qualified Entity will levy ad valorem property taxes in an amount equal to the Deficit for collection in the immediately following year.

Notwithstanding the provisions described in the preceding paragraph, the Qualified Entity will not levy ad valorem property taxes in an amount in excess of the aggregate of the principal of and interest on the Qualified Obligations due on July 15 in the immediately following year and on January 15 in the year thereafter and the rentals under the Lease due in the immediately following year. In the event the Qualified Entity is required to levy ad valorem property taxes pursuant to the provisions described in the preceding paragraph, the Qualified Entity will levy such ad valorem property taxes as debt service levies to be used to pay the principal of and interest on the Qualified Obligations and the rentals under the Lease. To the

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extent that any such levy is allocable to the payment of debt service on the Qualified Obligations in the manner to be determined necessary and appropriate by the Treasurer of the Qualified Entity, that portion of the ad valorem property taxes collected will be deposited in the Principal and Interest Account and the remainder will be used to pay the rentals under the Lease.

Investment of Funds and Accounts

All funds and accounts established under the Authorizing Instrument will be held, administered and invested in a manner which is permitted by, and consistent with, State law.

Defeasance

If, when all of the Qualified Obligations or any portion thereof will have become due and payable in accordance with their terms or will have been duly called for redemption or irrevocable instructions to call the Qualified Obligations or any portion thereof for redemption have been given, and the whole amount of the principal and the interest so due and payable upon such Qualified Obligations or any portion thereof then outstanding will be paid, or (1) cash, or (2) direct noncallable obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, the principal of and the interest on which when due without reinvestment, will provide sufficient money, or (3) any combination of the foregoing, will be held irrevocably in trust for such purpose, and provision will also be made for paying all fees and expenses in connection with such payment, then and in that case the Qualified Obligations or such designated portion thereof will no longer be deemed outstanding or secured by the Authorizing Instrument.

Tax Covenants

In order to preserve the excludability of the interest on the 2025C Qualified Obligations from gross income for federal income tax purposes, and as an inducement to the purchaser of the 2025C Qualified Obligations, the Qualified Entity represents, covenants and agrees that:

(1) No person or entity, other than the Qualified Entity or another state or local governmental unit, will: (a) use more than the lesser of 10% or $15,000,000 of the proceeds of the 2025C Qualified Obligations or property financed by more than the lesser of 10% or $15,000,000 of the proceeds of the 2025C Qualified Obligations other than as a member of the general public; or (b) own property financed by more than the lesser of 10% or $15,000,000 of the proceeds of the 2025C Qualified Obligations or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large (collectively, a "private business use"). With respect to any management or service contracts with respect to the Project or any portion thereof, the Qualified Entity will comply with IRS Revenue Procedure 97-13, as the same may be amended or superseded from time to time, to the extent needed to comply with the foregoing limitations.

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(2) No more than 5% of the proceeds of the 2025C Qualified Obligations will be used for any private business use that is not related to state or local governmental use of the proceeds of such series of the 2025C Qualified Obligations, or that is related to state or local governmental use of the proceeds of such series of the 2025C Qualified Obligations and is in excess of the amount of the proceeds of such series of the 2025C Qualified Obligations used for such related governmental use, other than the related private business use.

(3) No more than the lesser of 5% or $5,000,000 of the proceeds of the 2025C Qualified Obligations will be loaned to any entity or person other than a governmental unit. No more than the lesser of 5% or $5,000,000 of the proceeds of the 2025C Qualified Obligations will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of more than the lesser of 5% or $5,000,000 of the proceeds of the 2025C Qualified Obligations.

(4) The Qualified Entity will not take any action or fail to take any action with respect to the 2025C Qualified Obligations that would result in the loss of the excludability of the interest on the 2025C Qualified Obligations from gross income for federal income tax purposes pursuant to Section 103 of the Code and the regulations thereunder, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on the proceeds of the 2025C Qualified Obligations or other monies treated as the proceeds of the 2025C Qualified Obligations to the federal government as provided in Section 148 of the Code.

(5) In connection with the issuance of the 2025C Qualified Obligations, the Qualified Entity will file or cause to be filed an information report on Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(6) The Qualified Entity will not make any investment or do any other act or thing during the period that any Series 2025C Qualified Obligation is outstanding which would cause any Series 2025C Qualified Obligation or Series 2025C Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as applicable to either series of the 2025C Qualified Obligations or the Series 2025C Bonds.

Notwithstanding any other provisions of the Authorizing Instrument, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the excludability of the interest on the 2025C Qualified Obligations from gross income for federal income tax purposes (the "Tax Exemption") need not be complied with if the Qualified Entity receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Amendments

Subject to the terms and provisions described under this caption, the owners of not less than a majority in aggregate principal amount of the Qualified Obligations then outstanding will have the right, from time to time, anything contained in the Authorizing Instrument to the contrary notwithstanding, to consent to and approve the adoption by the Qualified Entity of such resolution or resolutions supplemental thereto as will be deemed necessary or desirable by the

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Qualified Entity for the purpose of amending in any particular any of the terms or provisions contained in the Authorizing Instrument or in any supplemental resolution; provided, however, that nothing therein contained will permit or be construed as permitting without the consent of all affected owners of the Qualified Obligations:

(1) An extension of the maturity of the principal of or interest on any Qualified Obligation without the consent of the holder of each Qualified Obligation so affected; or

(2) A reduction in the principal amount of any Qualified Obligation or the rate of interest thereon or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Qualified Obligation so affected; or

(3) A preference or priority of any Qualified Obligation over any other Qualified Obligation, without the consent of the holders of all Qualified Obligations then outstanding; or

(4) A reduction in the aggregate principal amount of the Qualified Obligations required for consent to such supplemental resolution, without the consent of the holders of all Qualified Obligations then outstanding.

Notwithstanding anything contained in the Authorizing Instrument, the rights, duties and obligations of the Qualified Entity and of the owners of the Qualified Obligations and the terms and provisions of the Qualified Obligations and the Authorizing Instrument or any supplemental resolution may be modified or amended in any respect with the consent of the Qualified Entity and the consent of the owners of all the Qualified Obligations then outstanding.

Without notice to or consent of the owners of the Qualified Obligations, the Qualified Entity may, from time to time and at any time, adopt such resolutions supplemental to the Authorizing Instrument as will not be inconsistent with the terms and provisions thereof (which supplemental resolutions will thereafter form a part thereof):

(1) to cure any ambiguity or formal defect or omission in the Authorizing Instrument or in any supplemental resolution; or

(2) to grant to or confer upon the owners of the Qualified Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Qualified Obligations; or

(3) to procure a rating on the Qualified Obligations from a nationally recognized securities rating agency designated in such supplemental resolution, if such supplemental resolution will not adversely affect the owners of the Qualified Obligations; or

(4) to provide for the refunding or advance refunding of the Qualified Obligations; or

(5) to make any other change which, in the determination of the Board of the Trustees of the Qualified Entity, in its sole discretion, is not to the prejudice of the owners of the Qualified Obligations.

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DEFINITIONS

The following definitions apply throughout this Official Statement.

"Account" means any of the accounts established or authorized under the Indenture.

"Act" means Indiana Code 5-1.4, as from time to time supplemented and amended.

"Additional Bonds" means Bonds issued pursuant to the provisions described under "THE INDENTURE - Additional Bonds" and any Supplemental Indenture and includes Refunding Bonds.

"Additional Qualified Obligation" means any Qualified Obligation issued in addition to the 2025C Qualified Obligations pursuant to the Authorizing Instrument and includes any Refunding Qualified Obligation.

"Adjusted Debt Service Requirements" for the Bonds means, for any period, as of any date of calculation, the aggregate Debt Service Requirements on Outstanding Bonds for such period taking into account the following adjustments:

(a) The aggregate Debt Service Requirements on the Bonds will be deemed to include all periodic Bond Related Costs; and

(b) The aggregate Debt Service Requirements for any period on any Bonds will not include the amount of Debt Service Requirements on Bonds to be paid from amounts in the Debt Service Reserve Fund at the time of such computation for the period in question, but only if any such amount is available and is to be applied to make interest payments on such Bonds when due.

"Authorized Construction Officer" means the Chairperson of the Board of Trustees of the Qualified Entity, the Executive Director of the Qualified Entity, the Treasurer of the Qualified Entity or any other person designated as such by a resolution of the Board of Trustees of the Qualified Entity.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"Authorized Officer" means the Chairman or the Vice Chairman of the Board of Directors or the Executive Director of the Bond Bank, or such other person or persons who are duly authorized to act on behalf of the Bond Bank.

"Authorizing Instrument" means Resolution No. 2-2025, adopted by the Board of Trustees of the Qualified Entity on June 17, 2025, authorizing the issuance of the Qualified Obligations, as supplemented and amended from time to time.

"Beneficial Owner" means the purchasers of beneficial interests in the Bonds.

"Bond" or "Bonds" means (unless the context will otherwise require) any Bond or Bonds, or all the Bonds, as the case may be, including the Series 2025C Bonds and any

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Additional Bonds, as the case may be, authenticated and delivered under the Indenture. If the Bonds are held in a book-entry only system, any reference to the Bonds will, if it is appropriate in the context in which the term is used, be a reference to the beneficial ownership interests in the Bonds.

"Bond Bank" means The Indianapolis Local Public Improvement Bond Bank, an entity created pursuant to the Act by, but separate from, the City in its corporate capacity, or any successor to its functions.

"Bond Bank Resolution" means the resolution adopted by the Board of Directors of the Bond Bank on August 18, 2025, authorizing the issuance, execution, delivery and sale of the Series 2025C Bonds.

"Bond Counsel" means a firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Bond Bank and not objected to by the Trustee.

"Bondholder," "bondholder", Bond Owner," "Bondowner," "Owner," "owner," "holder," "owner of the Bonds" or "Registered Owner," when used with respect to a Bond, means the person or entity in whose name such Bond will be registered on the Registration Books.

"Bond Interest Account" means the Account by that name authorized pursuant to the Indenture.

"Bond Issuance Expense Account" means the Account by that name authorized pursuant to the Indenture.

"Bond Related Costs" means (a) initial and acceptance fees of any Fiduciary together with any fees of attorneys, feasibility consultants, engineers, financial advisors, rebate consultants, accountants and other advisors retained by the Bond Bank or the Qualified Entity in connection with the Bonds and (b) any other fees, charges and expenses that may be lawfully incurred by the Bond Bank or the Qualified Entity relating to the Bonds.

"Bond Service Charges" means, for any applicable time period or date, the scheduled principal of and premium, if any, and interest and the fees, expenses and costs of the Trustee on any of the Bonds accruing for that period or due and payable on that date. In determining Bond Service Charges accruing for any period or due and payable on any date, mandatory sinking fund requirements accruing for that period or due on that date will be included, together with any amount required to be paid for the replenishment of any reserve.

"Bond Year" means the twelve-month period beginning January 16 and ending January 15.

"Business Day" or *"business day"* means a day other than Saturday, Sunday or day on which banking institutions in the city in which the principal corporate trust office of the Trustee is located are required or authorized by law to close or on which the New York Stock Exchange is closed.

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"Cash Flow Certificate" means a certificate prepared by an accountant or firm of accountants in accordance with the provisions described under "INDENTURE - General Covenants of Bond Bank - Cash Flow Certificates" concerning anticipated Revenues and payments.

"City" means the Consolidated City of Indianapolis, Indiana.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor sections of a subsequent income tax statute or code, including the regulations, rulings and proclamations promulgated and proposed thereunder or under the predecessor code.

"Construction Account" means the Account by that name authorized pursuant to the Indenture.

"Costs of Issuance" means: (a) payment of all reasonable costs incurred by the Bond Bank in connection with the issuance of the Bonds and by the Qualified Entity in connection with the issuance of the Qualified Obligations, including, but not limited to, legal and accounting fees and expenses, printing expenses, financial consultants' fees, financing charges (including underwriting fees and discounts), printing and engraving costs, the fees and expenses of the Rating Agencies, preparation of the financing statements, preparation of any disclosure document and any other documents necessary for the issuance of the Bonds; (b) payment of the fees and expenses of the Trustee, the Registrar, the Paying Agent or any Registrar or Paying Agent (both as defined in the Authorizing Instrument) appointed pursuant to the Authorizing Instrument, and the reasonable expenses of their counsel properly incurred under or in connection with the Indenture, the Authorizing Instrument and the transactions contemplated by the Indenture.

"Debt Service" means principal, redemption premiums, if any, and interest on the Bonds.

"Debt Service Requirements" means, during the applicable period and as of any date of calculation with respect to Outstanding Bonds, the aggregate of the Bond Service Charges on the Bonds.

"Debt Service Reserve Fund" means the Fund by that name authorized by the Indenture.

"*Debt Service Reserve Fund Credit Agreement*" means any reimbursement agreement or similar instrument between the Bond Bank or the Qualified Entity (and, if so drafted, the Trustee) and a Debt Service Reserve Fund Credit Facility Provider with respect to a Debt Service Reserve Fund Credit Facility.

"*Debt Service Reserve Fund Credit Facility*" means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Debt Service Reserve Fund Credit Facility Provider with respect to all or a specific portion of one or more Series of Bonds or Qualified Obligations to satisfy in whole or in part the Bond Bank's or the Qualified Entity's obligation to maintain a reserve requirement with respect thereto or to secure the payment of debt service (which may include the premium due on payment of a Bond or a Qualified Obligation) on Bonds or Qualified Obligations of a specified Series, or a specific portion thereof, but only if the debt obligations of such Debt Service Reserve Fund Credit

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Facility Provider are rated at the time of issuance thereof in one of the two highest Rating Categories by S&P, Moody's, or Fitch.

"*Debt Service Reserve Fund Credit Facility Provider*" means the bank, insurance company, financial institution or other entity providing a Debt Service Reserve Fund Credit Facility pursuant to a Debt Service Reserve Fund Credit Agreement.

"*Debt Service Reserve Requirement*" means an amount equal to the maximum annual principal and interest requirements on all Outstanding Bonds for the then current or any future Bond Year; provided, however, that if upon the issuance of any Series of Bonds, such amount would require moneys credited to the Debt Service Reserve Fund from the proceeds of such Series of Bonds in an amount in excess of the maximum amount permitted under the Code, the Debt Service Reserve Requirement will then be the Debt Service Reserve Requirement immediately preceding the issuance of such Series of Bonds, plus the maximum amount permitted under the Code to be deposited from the proceeds of such Series of Bonds, as certified by an Authorized Officer. On the date of issuance of the Series 2025C Bonds, the Debt Service Reserve Requirement will be $_____.

"Disclosure Agreement" means the Continuing Disclosure Agreement, dated _____, 2025 executed by the Bond Bank, and acknowledge by the Qualified Entity, for the benefit of the Beneficial Owners.

"Escrow Trustee" means The Bank of New York Mellon Trust Company, N.A., as escrow trustee.

"Escrow Account" means the irrevocable escrow account created and established under the Escrow Agreement to refund and defease the Refunded Series 2010A-2 Bonds.

"Escrow Agreement" means the Escrow Agreement, dated as of November 1, 2025, among the Bond Bank and the Escrow Trustee.

"Event of Default" used with respect to the Indenture means any event specified in the provisions described under "THE INDENTURE - Events of Default and Remedies - Defaults; Events of Default."

"*Favorable Opinion of Bond Counsel"* means, collectively, (a) an opinion from Bond Counsel to the effect that a designated action or event would not cause interest on the Tax-Exempt Bonds to become included in gross income for federal income tax purposes and (b) an opinion from a counsel approved by the Bond Bank that such action or event would not violate applicable state law.

"Federal Securities" means (i) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or (ii) obligations the timely payment of principal and interest on which are unconditionally guaranteed by the United States of America.

"Fees and Charges" means fees and charges established by the Bond Bank from time to time pursuant to the Act, which are payable by the Qualified Entity.

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"Fiduciary" means any bank or other organization acting in a fiduciary capacity with respect to any Bonds, whether as trustee, paying agent, bond registrar, tender agent or escrow agent, or in a similar function.

"Fiscal Year" means the twelve-month period from January 1 through the following December 31.

"Fitch" means Fitch Ratings, or any successor thereof which qualifies as a Rating Agency under the Indenture.

"Fund" means any of the funds established or authorized under the Indenture.

"General Account" means the Account by that name authorized pursuant to the Indenture.

"General Fund" means the Fund by that name authorized pursuant to the Indenture.

"Health and Hospital Corporation" means The Health and Hospital Corporation of Marion County, Indiana, a Qualified Entity under the Act, or any successor thereto.

"Indenture" means the Original Indenture, as amended and supplemented by the 2025C Supplemental Indenture, and all supplements and amendments thereto entered into pursuant to Article VIII of the Original Indenture, as amended and supplemented by the 2025C Supplemental Indenture.

"Interest Payment Date" means each January 15 and July 15, commencing, with respect to the Series 2025C Bonds, January 15, 2026.

"Investment Earnings" means earnings and profits (after consideration of any accrued interest paid and/or amortization of premiums or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture, except the Rebate Fund.

"Moody's" means Moody's Investors Service, Inc., or any successor thereof which qualifies as a Rating Agency under the Indenture.

"Net Proceeds" means, with respect to any Series of Bonds, the amount of proceeds received from the sale of such Series of Bonds, including amounts used to pay underwriter's discount and accrued interest.

"Opinion of Counsel" means a written legal opinion from a firm of attorneys experienced in matters to be covered in the opinion.

"Original Indenture" means the Trust Indenture, dated as of February 1, 2010, between the Bond Bank and the Trustee.

"Outstanding," or "Bonds outstanding" at the time in question, means, with respect to any Series of Bonds, all Bonds that have been executed and delivered by the Bond Bank and authenticated by the Trustee under the Indenture, except:

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(i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Bonds paid or deemed to be paid pursuant to the provisions described under "THE INDENTURE - Discharge of Indenture"; and

(iii) Bonds in lieu of or in exchange for which other Bonds will have been executed and delivered by the Bond Bank and authenticated by the Trustee pursuant to certain provisions in the Indenture.

"Paying Agent" means initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, or any successor thereto.

"Prepayment" or "prepayment," when used with respect to the Qualified Obligations, means the payment of all or a portion of the principal of the Qualified Obligations prior to maturity, except for a payment made in advance of the scheduled due date thereof that is not to be applied against the outstanding principal balance of the Qualified Obligations until such due date.

"Principal Payment Date" means the maturity date or the mandatory redemption date of any Bond.

"Program" means the program for the purchase of Qualified Obligations by the Bond Bank pursuant to the Act and the Indenture.

"Program Expenses" means all of the Bond Bank's expenses in carrying out and administering the Program pursuant to the Indenture and will include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, credit enhancement fees, liquidity facility fees, remarketing fees, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Trustee, the Registrar and the Paying Agent, costs of verifications required under the Indenture, Costs of Issuance not paid from the proceeds of Bonds, travel, payments for pension, retirement, health and hospitalization, life and disability insurance benefits, any other costs permitted under the Act, and rebates, if any, which in the opinion of Bond Counsel are required to be made under the Code in order to preserve or protect the excludability of the interest on the Series 2025C Bonds from gross income for federal income tax purposes, all to the extent properly allocable to the Program.

"Project" means the Eskenazi Hospital Project (formerly known as the Wishard Hospital project, as defined in the Authorizing Instrument).

"Purchase Agreement" means any Qualified Entity Purchase Agreement, including the Series 2025C Qualified Entity Purchase Agreement, entered into by and between the Bond Bank and the Qualified Entity with respect to any Qualified Obligations purchased by the Bond Bank and pledged under the Indenture.

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"Qualified Entity" means an entity defined in Indiana Code 5-1.4-1-10, as amended from time to time, and, specifically, the Health and Hospital Corporation.

"Qualified Investments" means investments in:

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation certificates

6. Government National Mortgage Association (GNMA or "Ginnie Mae")
   GNMA - guaranteed mortgage-backed bonds
   GNMA - guaranteed pass-through obligations

7. U.S. Maritime Administration
   Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes
   Local Authority Bonds
   New Communities Debentures - U.S. government guaranteed debentures
   U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
   Senior debt obligations

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2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, and having a rating by S&P of "AAAm-G", "AAA-m" or "AA-m" and if rated by Moody's rated "Aaa", "Aa1" or "Aa2", including without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such fund, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, (i) rated at least "AA" by S&P and "Aa" by Moody's or (ii) insured by the Federal Deposit Insurance Corporation.

(f) Investment Agreements, including Guaranteed Investment Contracts, Forward Purchase Agreements and Reserve Fund Put Agreements.

(g) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(h) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(i) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

(j) Repurchase agreements for 30 days or less, which meet the following criteria:

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(1) Repurchase agreements must be between the municipal entity and a dealer bank or securities firm:

(a) Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

(b) Banks rated "A" or above by S&P and Moody's.

(2) The written repurchase contract must include the following:

(a) Securities which are acceptable for transfer are:

(A) Direct U.S. government obligations, or

(B) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(b) The term of the repurchase agreement may be up to 30 days.

(c) The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(d) Valuation of collateral:

The securities must be valued weekly, marked-to-market at current market price, plus accrued interest.

The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreement, plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) Legal opinion which must be delivered to the municipal entity:

(a) Repurchase agreement meets guidelines under state law for legal investment of public funds.

"Qualified Obligation" or *"Qualified Obligations"* means (unless the context will otherwise require) any Qualified Obligation or Qualified Obligations, or all the Qualified Obligations, as the case may be, including the 2025C Qualified Obligations and any Additional Qualified Obligations, as the case may be, authenticated and delivered under the Authorizing

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Instrument, which has been acquired by the Bond Bank pursuant to the Indenture and each of which is a Security (as that term is defined in the Act).

"Qualified Obligation Interest Payment" means that portion of a Qualified Obligation Payment made or required to be made by the Qualified Entity to the Bond Bank which represents the interest due or to become due on the Qualified Entity's Qualified Obligation.

"Qualified Obligation Payment" means the amounts paid or required to be paid, from time to time, for principal and interest by the Qualified Entity to the Bond Bank on the Qualified Entity's Qualified Obligation and any Fees and Charges required to be paid by any Qualified Entity to the Bond Bank under the provisions of any agreement for the purchase and sale of Securities.

"Qualified Obligation Principal Payment" means that portion of a Qualified Obligation Payment made or required to be made by the Qualified Entity to the Bond Bank, which represents the principal due or to become due on the Qualified Entity's Qualified Obligation.

"Rating Agency" or *"Rating Agencies"* means Fitch, S&P or Moody's, according to which of such rating agencies then rates a Bond; and provided that, if none of such rating agencies then rates a Bond, the term "Rating Agency" or "Rating Agencies" will refer to any national rating agency (if any) that provides such rating.

"Rating Category" means one of the generic rating categories of the applicable Rating Agency, without regard to any refinements or gradations of such generic rating category by numerical or other modifier.

"Rebate Fund" means the Fund by that name authorized pursuant to the Indenture.

"Record Date" means the Trustee's close of business on the first day of the calendar month of an Interest Payment Date.

"Redemption Account" means the Account by that name authorized pursuant to the Indenture.

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

"Refunded Series 2010A-2 Bonds" means the Series 2010A-2 Bonds maturing on or after January 15, 2026.

"Refunding Bonds" means Bonds issued pursuant to the provisions described under "THE INDENTURE - Additional Bonds" and any Supplemental Indenture.

"Refunding Qualified Obligation" means any Qualified Obligation issued to refund any of the 2025C Qualified Obligations or other Additional Qualified Obligation.

"Registrar" means the Trustee.

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"Registration Books" means the registration records of the Bond Bank, maintained by the Trustee, as the Registrar for the Bonds.

"Representation Letter" or "Letter of Representations" means the Bond Bank's Blanket Letter of Representations, dated July 19, 1996, between the Bond Bank and The Depository Trust Company, New York, New York, including all amendments thereof and supplements thereto.

"Revenues" means the income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture, including, without limitation, all Qualified Obligation Payments and Investment Earnings, but excluding amounts required to be deposited and maintained in the Rebate Fund.

"S&P" means Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc., or any successor thereto which qualifies as a Rating Agency under the Indenture.

"Series of Bonds," "Bonds of a Series," "Series" or words of similar meaning means any Series of Bonds authorized by the Indenture or by a Supplemental Indenture.

"Series 2010A-2 Bonds" means The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2010A-2 (Build America Bonds - Direct Payment - Federally Taxable), dated February 17, 2010, issued by the Bond Bank in the aggregate principal amount of $154,200,000.

"Series 2010A-2 Qualified Obligations" means the General Obligation Bonds (Wishard Hospital Project), Series 2010A-2, dated February 17, 2010, issued by the Qualified Entity in the aggregate principal amount of $154,200,000.

"Series 2025C Bonds" means The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2025C, to be issued by the Bond Bank pursuant to the Indenture.

"Series 2025C Bond Issuance Expense Subaccount" means the Series 2025C Bond Issuance Expense Subaccount created and established as part of the Bond Issuance Expense Account pursuant to the Indenture.

"Series 2025C Bond Purchase Agreement" means the Bond Purchase Agreement among the Bond Bank, the Health and Hospital Corporation and the Series 2025C Underwriters, dated _____, 2025, including all amendments thereof and supplements thereto.

"Series 2025C Closing Date" or *"Closing Date"* means _____ __, 2025, which is the date the Series 2025C Bonds are delivered to the Series 2025C Underwriters against payment therefor pursuant to the Series 2025C Bond Purchase Agreement.

"Series 2025C Debt Service Reserve Fund Credit Facility" or "*Series 2025C Reserve Fund Credit Instrument*" means the municipal bond insurance debt service reserve fund surety policy to be issued by the Series 2025C Debt Service Reserve Fund Credit Facility Provider.

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"*Series 2025C Debt Service Reserve Fund Credit Facility Provider*" or "*Series 2025C Reserve Fund Insurer*" means Build America Mutual Assurance Company.

"Series 2025C Qualified Entity Purchase Agreement" means the Qualified Entity Purchase Agreement, dated _____ __, 2025, by and between the Bond Bank and the Health and Hospital Corporation, authorizing the Bond Bank's purchase of the 2025C Qualified Obligations.

"Series 2025C Rebate Account" means the Account by that name authorized pursuant to the Indenture.

"Series 2025C Refunding Account" means the Series 2025C Refunding Account created and established as part of the General Fund pursuant to the Indenture.

"Series 2025C Tax Certificate" means the Tax Representation Certificate, dated the Series 2025C Closing Date, and delivered by the Bond Bank with respect to certain tax matters relating to the Series 2025C Bonds.

"Series 2025C Underwriters" means, collectively, Stifel, Nicolaus and Company, Incorporated, as representative of itself and the other underwriters of the Series 2025C Bonds identified in the Series 2025C Bond Purchase Agreement.

"State" means the State of Indiana.

"Supplemental Indenture" means an instrument supplemental to or amendatory of the Indenture, executed by the Bond Bank and the Trustee in accordance with the provisions described under "THE INDENTURE - Supplemental Indentures".

"Tax-Exempt Bonds" means Bonds issued pursuant to the Indenture for which the Bond Bank receives, on the date such Bonds are issued, an opinion of Bond Counsel to the effect that interest on such Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a national banking association with a corporate trust office in Indianapolis, Indiana, not in its individual capacity, but solely as trustee under the Indenture, or any successor Trustee or co-trustee serving as such under the Indenture.

"2025C Qualified Obligations" means the General Obligation Refunding Bonds (Eskenazi Hospital Project), Series 2025C, to be issued by the Qualified Entity pursuant to Indiana Code 16-22-8, as amended.

"2025C Supplemental Indenture" means the First Supplemental Indenture, dated as of November 1, 2025, between the Bond Bank and the Trustee.

[End of Appendix C]

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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Upon the delivery of the Series 2025C Bonds, Barnes & Thornburg LLP, Indianapolis, Indiana, as bond counsel, proposes to deliver an opinion in substantially the following form:

_____, 2025

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank
Refunding Bonds, Series 2025 C

Ladies and Gentlemen:

We have acted as bond counsel to The Indianapolis Local Public Improvement Bond Bank (the "Issuer"), in connection with the issuance of its Refunding Bonds, Series 2025 C, dated _____, 2025 (the "Series 2025 C Bonds"), in the aggregate principal amount of $_____, pursuant to Indiana Code 5-1.4 and Indiana Code 5-1-5, each as amended, a resolution adopted by the Board of Directors of the Issuer on August 18, 2025, and the Trust Indenture, dated as of February 1, 2010 (the "Original Indenture"), as supplemented and amended by the First Supplemental Trust Indenture, dated as of November 1, 2025 (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"), each between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer contained in the Indenture, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, The Health and Hospital Corporation of Marion County, Indiana, (the "Health and Hospital Corporation") and others, including, without limitation, certifications contained in the tax and arbitrage certificates of the Issuer and the Health and Hospital Corporation, both dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Joseph Glass, general counsel to the Issuer, Indianapolis, Indiana, dated the date hereof, as to the matters stated therein. We have relied upon the reports of Crowe LLP, Indianapolis, Indiana, independent certified public accountants, and Causey Public Finance, LLC, Denver, Colorado, independent certified public accountants, each dated the date hereof, as to the matters stated therein.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a body corporate and politic, validly existing under the laws of the State of Indiana (the "State"), with the corporate power to enter into the First Supplemental Indenture and perform its obligations under the Indenture and to issue the Series 2025 C Bonds.

2. The Series 2025 C Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special and limited obligations of the Issuer, enforceable in accordance with their terms. The Series 2025 C Bonds are payable solely from the Trust Estate (as defined in the Indenture).

3. The First Supplemental Indenture has been duly authorized, executed and delivered by the Issuer, and the Indenture is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the Series 2025 C Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Health and Hospital Corporation comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2025 C Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income

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tax purposes. The Issuer and the Health and Hospital Corporation have covenanted or represented that they will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2025 C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 C Bonds.

5. The interest on the Series 2025 C Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax.

6. The interest on the Series 2025 C Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement, dated _____, 2025, or any other offering material relating to the Series 2025 C Bonds.

We express no opinion regarding any tax consequences arising with respect to the Series 2025 C Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Our engagement as bond counsel with respect to the Series 2025 C Bonds has concluded on this date.

Very truly yours,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

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CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (this "Agreement") is made this __ day of November, 2025, by THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA (the "Health and Hospital Corporation"), in favor of THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK (the "Promisor"), for the benefit of EACH BONDHOLDER (as hereinafter defined) (each, a "Promisee") and for the purpose of permitting the underwriters listed in the Bond Purchase Agreement, dated _____, 2025, between the Promisor and Stifel, Nicolaus & Company, Incorporated, on behalf of itself and as representative of the other underwriters (the "Underwriters"), to purchase The Indianapolis Local Public Improvement Bond Bank Refunding Bonds, Series 2025C, in the aggregate principal amount of $_____ (the "Bonds"), issued pursuant to the Trust Indenture, dated as of February 1, 2010, as supplemented and amended (the "Indenture"), between the Promisor and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in compliance with Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended.

WITNESSETH THAT:

WHEREAS, the Underwriters are, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Promisor, purchasing the Bonds from the Promisor and selling the Bonds to certain purchasers; and

WHEREAS, pursuant to the Qualified Entity Purchase Agreement, dated _____, 2025 (the "Purchase Agreement"), between the Promisor and the Health and Hospital Corporation, the Health and Hospital Corporation has sold its General Obligation Refunding Bonds (Eskenazi Hospital Project), Series 2025C (the "Qualified Obligations"), to the Promisor, and the Qualified Obligations shall secure the payment of the Bonds; and

WHEREAS, the Rule provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule), unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Health and Hospital Corporation is an obligated person (as defined in the Rule), because the payments due under the Qualified Obligations are the only source of funds (other than funds held under the Indenture) pledged to pay the principal and interest due on the Bonds; and

WHEREAS, the Health and Hospital Corporation is the only obligated person (as defined in the Rule) with respect to the Bonds;

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WHEREAS, the Promisor desires to enter into this Agreement and the Health and Hospital Corporation desires to acknowledge this Agreement in order to assist the Underwriters in complying with the Rule; and

WHEREAS, any Promisee shall, by its payment for and acceptance of any Bond, accept and assent to this Agreement and the exchange of such payment and acceptance for the promises of the Promisor and the Health and Hospital Corporation contained herein;

NOW, THEREFORE, in consideration of the Underwriters' and any Promisee's payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Health and Hospital Corporation and the Promisor hereby agree as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section, shall have the meanings herein specified, unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule, unless the context or use clearly indicates another or different meaning or intent.

(a) "Bond" shall mean any of the Bonds.

(b) "Bondholder" shall mean any registered or beneficial owner or holder of any Bond.

(c) "Dissemination Agent" initially means the Promisor and thereafter any dissemination agent designated in writing by the Promisor, including any indenture trustee, registrar or other designated agent, and which has filed with the Promisor a written acceptance of such designation.

(d) "EMMA" means the Electronic Municipal Market Access system operated by the MSRB, accessible at http://emma.msrb.org/default.aspx.

(e) "Final Official Statement" shall mean the Official Statement, dated _____, 2025, relating to the Bonds, including any document included therein by specific reference, which is available to the public on EMMA or filed with the Commission.

(f) "Financial Obligation" shall mean (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of either clause (i) or (ii); provided, however, "Financial Obligation" shall not include any municipal securities (as defined in the Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(g) "Fiscal Year" of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.

(h) "Health and Hospital Corporation" shall mean The Health and Hospital Corporation of Marion County, Indiana.

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(i) "MSRB" shall mean the Municipal Securities Rulemaking Board.

(j) "Obligated Person" shall mean any person who is either generally or through an enterprise, fund or account of such person committed by agreement or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Final Official Statement.

(k) "State" shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Promisor to the Underwriters and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture.

Section 3. Obligated Person. The Promisor hereby represents and warrants that, as of the date hereof:

(a) The Promisor is the issuer of the Bonds, and the only Obligated Person with respect to the Bonds is the Health and Hospital Corporation; and

(b) Except as may be disclosed in the Official Statement, there have been no instances in the five (5) years prior to the date of the Final Official Statement, in which the Promisor, with respect to the Health and Hospital Corporation, failed to comply, in all material respects, with any previous undertakings in a written Agreement or agreement specified in paragraph (b)(5)(i) of the Rule.

Section 4. Undertaking to Provide Information.

(a) The Promisor hereby undertakes to provide, for and on behalf of itself and the Health and Hospital Corporation, the following to the MSRB in an electronic format as prescribed by the MSRB, either directly or indirectly through a Dissemination Agent, as follows:

(i) When and if available, the audited annual comprehensive financial report of the Health and Hospital Corporation for each twelve (12) month period ending December 31, beginning with the twelve (12) month period ending December 31, 2025, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the certified public accountants;

(ii) Within 210 days of each December 31, beginning with the calendar year ending December 31, 2025, unaudited annual financial information for the Health and Hospital Corporation for such calendar year (the "Annual Financial Information"), including: (A) unaudited financial information of the Health and Hospital Corporation, if audited financial statements are not available; and (B) the financial information and operating data with respect to the Health and Hospital Corporation of the type included in the following tables or subsections to "GENERAL INFORMATION REGADING HHC AND PROPERTY TAXES" in Appendix A to the Financial Official Statement:

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- "UTILIZATION STATISTICS (FISCAL YEAR ENDED DECEMBER 31),"

- "ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,"

- "PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS,"

- "PROPERTY TAX LEVIES AND COLLECTIONS,"

- "PRINCIPAL PROPERTY TAXPAYERS,"

- "STATEMENT OF NET ASSETS,"

- "STATEMENT OF ACTIVITIES,"

- "SCHEDULE OF DIRECT AND OVERLAPPING DEBT AND BONDED DEBT LIMIT," and

- "LEGAL DEBT MARGIN CALCULATION,"

(b) Within ten (10) business days after the occurrence thereof, notice of any of the following events with respect to the Bonds, if material (which determination of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws):

(i) Non-payment related defaults;

(ii) Modifications to rights of Bondholders;

(iii) Bond calls (other than mandatory, scheduled redemptions, not otherwise contingent upon the occurrence of an event, the terms of which redemptions are set forth in detail in the Final Official Statement);

(iv) Release, substitution or sale of property securing repayment of the Bonds;

(v) The consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing;

(vi) Appointment of a successor or additional trustee or the change of name of a trustee; and

(vii) The incurrence of a Financial Obligation of the Health and Hospital Corporation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Health and Hospital Corporation, any of which affect security holders;

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(c) Within ten (10) business days of the occurrence thereof, notice of any of the following events with respect to the Bonds, regardless of materiality:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(vi) Defeasances;

(vii) Rating changes;

(viii) The issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;

(ix) Tender offers;

(x) Bankruptcy, insolvency, receivership or similar events of the Health and Hospital Corporation; and

(xi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Health and Hospital Corporation, any of which reflect financial difficulties; and

(d) In a timely manner, notice of a failure of the Promisor to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Agreement. The Promisor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Promisor, such other event is material with respect to the Bonds and should be disclosed, but the Promisor does not commit to provide any such notice of the occurrence of any event except those events set forth above.

(e) The Promisor agrees to make a good faith effort to obtain the information described in Section 4(a)(i) and Section 4(a)(ii) hereof; however, failure to provide the audited ACFR of the Heath and Hospital Corporation or Annual Financial Information because it is not available to the Promisor or the Health and Hospital Corporation shall not be deemed to be a breach of this Agreement. The Promisor further agrees to supplement the Annual Financial Information filing when such data is available.

(f) Any financial statements of the Health and Hospital Corporation provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting

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principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.

(g) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on EMMA or filed with the Commission. If the document is a final official statement (as defined in the Rule), it must be available from the MSRB through EMMA.

(h) If any Annual Financial Information otherwise required by subsection (a)(i) of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect filed with the MSRB through EMMA, shall be deemed to satisfy the requirements of such subsection.

(i) All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Use of Agent. The Promisor may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Promisor shall be the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement and any dissemination agreement entered into by the Promisor and the Dissemination Agent, and the Promisor agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise of performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Promisor under this Section shall survive removal of the Dissemination Agent and payment of the Bonds.

Section 6. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to the Health and Hospital Corporation, if and when the Health and Hospital Corporation no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 7. Promisees. Each Promisee is an intended beneficiary of the obligations of the Promisor and the Health and Hospital Corporation under this Agreement, such obligations create a duty in the Promisor and the Health and Hospital Corporation to each Promisee to perform such obligations, and each Promisee shall have the right to enforce such duty.

Section 8. Limitation of Rights. Nothing expressed or implied in this Agreement is intended to give, or shall give, to the Underwriters, the Commission, any broker or dealer, or any other person, other then the Promisor, the Health and Hospital Corporation and each Promisee, any legal or equitable right, remedy or claim under or with respect to this Agreement or any rights or obligations hereunder. This Agreement and the rights and obligations hereunder are intended

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to be, and shall be, for the sole and exclusive benefit of the Promisor, the Health and Hospital Corporation and each Promisee.

Section 9. Remedies.

(a) The sole and exclusive remedy for any breach or violation by the Health and Hospital Corporation or the Promisor of any obligation of the Health and Hospital Corporation or the Promisor under this Agreement shall be the remedy of specific performance by the Health and Hospital Corporation or the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Health and Hospital Corporation or the Promisor of any obligation of the Health and Hospital Corporation or the Promisor under this Agreement, except the remedy of specific performance by the Health and Hospital Corporation or the Promisor of such obligation.

(b) No breach or violation by the Health and Hospital Corporation or the Promisor of any obligation of the Health and Hospital Corporation or the Promisor under this Agreement shall constitute a breach or violation of or default under the Bonds, the Indenture, the Qualified Obligations, the Purchase Agreement or any other agreement to which the Health and Hospital Corporation or the Promisor is a party.

(c) Any action, suit or other proceeding for any breach or violation by the Health and Hospital Corporation or the Promisor of any obligation of the Health and Hospital Corporation or the Promisor under this Agreement shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Marion County in the State.

Section 10. Waiver. Any failure by any Promisee to institute any suit, action or other proceeding for any breach or violation by the Promisor or the Health and Hospital Corporation of any obligation of the Promisor or the Health and Hospital Corporation under this Agreement, within three hundred sixty (360) days after the date such Promisee first has knowledge of such breach or violation, shall constitute a waiver by such Promisee of such breach or violation and, after such waiver, no remedy shall be available to such Promisee for such breach or violation.

Section 11. Limitation of Liability. The obligations of the Promisor and the Health and Hospital Corporation under this Agreement are special and limited obligations of the Promisor and the Health and Hospital Corporation, payable solely from the trust estate under the Indenture. The obligations of the Promisor and the Health and Hospital Corporation under this Agreement are not and shall never constitute a general obligation, debt or liability of the Promisor, the Health and Hospital Corporation or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor, the Health and Hospital Corporation or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor, the Health and Hospital Corporation or the State, or any political subdivision thereof.

Section 12. Immunity of Officers, Directors, Trustees, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Agreement against any past, present or future officer, director, trustee, member, employee or agent of the

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Promisor or the Health and Hospital Corporation, as such, either directly or through the Promisor or the Health and Hospital Corporation, under any rule of law or equity, statute or constitution.

Section 13. Amendment of Obligations. The Promisor and the Counterparty may, from time to time, amend any obligation of the Promisor or the Counterparty under this Agreement, without notice to or consent from any Promisee, if: (a)(i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Health and Hospital Corporation, or type of business conducted, (ii) this Agreement, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Promisee, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor or the Health and Hospital Corporation (such as the Trustee) or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Indenture at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 14. Assignment and Delegation. Neither the Counterparty nor any Promisee may, without the prior written consent of the Promisor, assign any of its rights under this Agreement to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Agreement to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets, or (b) which agrees in writing for the benefit of the Promisees to assume such rights or obligations.

Section 15. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Health and Hospital Corporation or the Promisor, shall be provided, delivered on otherwise given to the Health and Hospital Corporation or the Promisor at the following addresses:

If to the Promisor:	The Indianapolis Local Public Improvement Bond Bank 200 East Washington Street City-County Building, Room 2260 Indianapolis, Indiana 46204 Attention: Executive Director
If to the Health and Hospital Corporation:	The Health and Hospital Corporation of Marion County, Indiana 3838 North Rural Street Indianapolis, IN 46205 Attention: CFO and Treasurer

(or at such other address as the Health and Hospital Corporation or the Promisor may, by notice to the MSRB through EMMA, provide), or, if such other person is not the City, shall be provided,

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delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Agreement, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, statement, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 16. Knowledge. For purposes of this Agreement, each Promisee shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor or the Counterparty to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee was a Promisee at the time such information, datum, statement or notice was so provided.

Section 17. Performance Due on other than Business Days. If the last day for taking any action under this Agreement is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Agreement.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Agreement by each Promisee is hereby waived.

Section 19. Governing Law. This Agreement and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Agreement shall not be affected, then this Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Agreement is intended to be an agreement or contract in which the Promisor and the Health and Hospital Corporation have undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Agreement is not such an agreement or contract, this Agreement shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Agreement to be such an agreement or contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words “hereof,” “herein,” “hereby” and “hereunder,” or words of similar import, refer to this Agreement as a whole and not to any particular section, subsection, clause or other portion of this Agreement.

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Section 23. Captions. The captions appearing in this Agreement are included herein for convenience of reference only and shall not be deemed to define, limit or extend the scope or intent of any rights or obligations under this Agreement.

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IN WITNESS WHEREOF, the Promisor has caused this Agreement to be executed on the date first above written.

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK, as Promisor

By:_____
Norm Gurwitz, Chair

Attest:

By: _____
Joseph Glass, Executive Director

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IN WITNESS WHEREOF, the undersigned Health and Hospital Corporation hereby acknowledges the terms and conditions of the Agreement and agrees to provide, in a timely manner to the Promisor, any and all information required by the Promisor on an ongoing basis as required by the terms of the Agreement.

THE HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY, INDIANA

By: _____
Robert W. Lazard, Chair
Board of Trustees

Attest:

By: _____
Paul T. Babcock, Secretary
Board of Trustees

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APPENDIX F

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

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MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

Effective Date: _____

BONDS: [Bonds]

Termination Date: The earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date]

MAXIMUM POLICY LIMIT: $_____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

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The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof,

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except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

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In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

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Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

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NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

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