Capital Improvement Board of Managers
(of Marion County, Indiana)

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

Indianapolis

INDIANA CONVENTION CENTER & LUCAS OIL STADIUM

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2009

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2009
Capital Improvement Board of Managers
(of Marion County, Indiana) - a Component
Unit of the Consolidated City of Indianapolis-
Marion County
Indianapolis, Indiana

Prepared by:

Finance Department

Ann Lathrop, Treasurer

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
December 31, 2009

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INDIANA CONVENTION CENTER & LUCAS OIL STADIUM®

June 30, 2010

Capital Improvement Board of Managers
(of Marion County, Indiana)
Indianapolis, Indiana

We are pleased to present the Comprehensive Annual Financial Report of the Capital Improvement Board of Managers (of Marion County, Indiana) ("CIB"), for the fiscal year ended December 31, 2009.

The financial statements of the CIB are prepared in accordance with accounting principles generally accepted in the United States of America, and we believe they present the CIB's financial affairs in a manner designed to fairly set forth the financial position and results of operations of the CIB. We also believe that all disclosures necessary to enable the reader to gain an understanding of the CIB's financial affairs have been included. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the CIB. The financial statements have been audited by the Indiana State Board of Accounts and the independent auditor's report has been included in this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the CIB

Structure and Reporting Entity: The CIB is a municipal body of Marion County created pursuant to the provisions of Indiana Code (IC) 36-10-9. The CIB has no stockholders or equity holders and all revenues and other receipts must be deposited and disbursed in accordance with provisions of such statute. The board is composed of nine members. Six of the nine board members are appointed by the Mayor of the City of Indianapolis, one is appointed by the Marion County Board of Commissioners, one is appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County, a unified form of government commonly referred to as "Unigov" ("City-County Council") and one is appointed jointly by majority vote of a body consisting of one member of the board of the county commissioners of each county in which a food and beverage tax is in effect under IC 6-9-35 on January 1 of the appointment. The board of county commissioners that has the greatest population of all counties in which a food and beverage tax is in effect under IC 6-9-35 on January 1 of the year of the appointment shall convene the meeting to make the joint appointment. Each county in which a food and beverage tax is in effect under IC 6-9-35 on January 1 of the year of the appointment is entitled to be represented at the meeting by one member of the county's board of county commissioner, who shall be selected by that county's board of county commissioners. One of the members appointed by the executive must be engaged in the hotel or motel business in the county. Not more than four of the members appointed by the executive may be affiliated with the same political party.

The CIB is authorized by the statute to finance, construct, equip, operate and maintain any capital facilities or improvements of general public benefit or welfare which would tend to promote convention, cultural, entertainment and recreational activities and thereby positively impact the wider public and civic well-being of the community. While the CIB receives certain excise tax revenue, the CIB has no taxing power. The exercise of any taxing power requires the action of the Indiana General Assembly and, in certain instances when so authorized by the Indiana General Assembly, the enactment by ordinance of the City-County Council. Additionally, certain of these taxes are statutorily restricted to limited purposes. The CIB operates facilities used in convention, cultural, entertainment and recreational activities in downtown Indianapolis. Such activities are maintained, for accounting and reporting purposes, in a single enterprise fund. Based upon the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the CIB has determined that it is a component unit of the Consolidated City of Indianapolis-Marion County as further explained in the notes to the financial statements.

CIB Operating Model: As an operating model, the CIB's public purposes are achieved by operating capital facilities, which are an important driver to underlying the economic vitality of historically strong and growing convention, cultural, entertainment and recreational businesses (public and private) serving the public and civic interests and well-being of the State of Indiana and particularly the central Indiana region. The public and civic interests and well-being are directly and indirectly served by the investment and activity of the CIB and its growth fostering effect on the larger economy, including most directly the MSA Indianapolis public and private sector hospitality industry. Additionally, the broader private and public sector is benefited by leisure, amenity and employment opportunities. The hospitality industry is an important element and has played a central role in stabilizing the core of the City of Indianapolis, thereby generally transmitting a rippling benefit throughout the region and the State. This model, ever expanding since its inception in 1965, has become an important element to the success story that is the central Indiana region.

At the core of this operating model is an understanding that the CIB's activities work in tandem with the private sector to foster diverse economic growth. The CIB's assets, activities and ancillary amenities allow a larger private hospitality industry to operate. In turn, the hospitality industry mutually develops and services the region's significant convention, cultural, entertainment and recreational activity and amenities. This understanding of the hospitality industry, as a significant driver allowing the region to enjoy amenities and activities beyond the means of the region to be supported by just its citizens, supports viewing it as an element that fosters non-hospitality economic growth and quality of life in the region. Viewed in this context, an operating model that permits the generation of non-operating revenue (from both the industry's customers as well as regional users and beneficiaries of these activities and amenities) to support and subsidize the CIB's capital and operating costs can be seen as thoughtful and balanced taxation policy. Tax policy impacting the CIB is managed by the Indiana General Assembly and the City-County Council. No portion of the CIB's activities are supported by local property taxes. Working in harmony, this operating model has allowed the region to benefit from a thriving downtown Indianapolis and allows the State to enjoy the fruits of a growing tax base which extends past the borders of Indiana. Ultimately, the CIB operations serve to protect and support a region that has thrived and competes well in comparison to other similar cities in the nation.

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

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

Budget: The CIB maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual approved budget. The Department Directors, in conjunction with the Administrative staff, develop budgets for the individual departments.

(1) Using these departmental budgets, the Chief Financial Officer/Controller prepares the budget for review and approval by the members of the governing board of the CIB.

(2) The budget is advertised in two local newspapers.

(3) The CIB's board approves and submits the budget to the City-County Council for its review.

(4) The Municipal Corporations Committee of the Council holds public hearings on the budget of the CIB and forwards it for approval to the City-County Council.

(5) The budget of the CIB is reviewed and approved by the City-County Council.

(6) The overall adopted budget of the City (of which the CIB's budget is a part) is reviewed by the County Tax Adjustment Board ("CTAB") at a public meeting. The CTAB can reduce the City budget but not increase the operating expenses included in it and must complete its review by November 1.

(7) The Indiana Department of Local Government Finance ("DLGF") makes the final review of the City's budget. It can revise, reduce or restore, on appeal, funds and tax rates removed by the CTAB. It may not increase a budget above the level originally advertised. The DLGF is expected to certify the City's budget by January 15. The CIB's budget is reviewed in the context of the larger City budget and, accordingly, the City's budget review includes the review by the CTAB and DLGF; however, because the CIB's budget is not funded with property tax revenue, the CIB's Act only requires review and approval by the City-County Council, not the review or approval of the CTAB and DLGF.

CIB Facilities: Among the facilities managed by the CIB are the multi-purpose Indiana Convention Center (ICC), and the state-of-the-art Lucas Oil Stadium ("LOS"). When the current expansion of the Convention Center is completed in early 2011, the newly expanded structure will cover a 6 city block area in downtown Indianapolis. The LOS site covers a 6 ½ city block area just south of the expanded Convention Center, which upon completion of the expansion, will be connected by internal and covered structures, allowing combined use opportunities.

The Indiana Convention Center currently contains 308,700 square feet of clear span convention and exhibition space, 36 meeting rooms and three ballrooms. The seven exhibit halls range in size from 29,500 square feet to 52,000 square feet. The Sagamore Ballroom, with 33,335 square feet, can be divided into seven different sections. The 500 Ballroom has 13,536 square feet and an adjoining reception room. The 10,202 square foot Wabash Ballroom features a 24' ceiling and may be divided into three separate sections. Since opening in 1972, the Indiana Convention Center has had three major expansions and a fourth is scheduled for completion in early 2011. The former domed stadium was demolished in December of 2008, which followed the opening of LOS in August 2008 and provides the necessary space for the expansion of the Convention Center. The expansion will increase capacity to 566,600 square feet of contiguous exhibit space, 11 exhibit halls ranging from 36,300 square feet to 88,900 square feet, 48 loading docks and 71 meeting rooms totaling 113,090 square feet.

LOS, as a new, state-of-the-art structure, opened to rave reviews. Directing the project was the Indiana Stadium and Convention Building Authority (ISCBA). LOS features a retractable roof, offering spectacular views of the Indianapolis skyline. In addition, LOS has an infill playing surface, 7 locker rooms, exhibit space, meeting rooms, operable north window, dual two-level club lounges, 137 suites, retractable sideline seating, house reduction curtains, two large video boards, ribbon boards, spacious concourses, interior and exterior plaza space, 11 indoor docks and 2 vehicle ramps to the event level. In early 2011, LOS will be connected to the newly expanded Convention Center and several hotels and entertainment options by a new pedestrian connector. Tradeshows can take advantage of an indoor 30,000 square foot loading dock with 11 bays, retractable seating and operable walls to utilize up to 183,000 contiguous square feet of space. Football games can be played indoors or outdoors using the retractable roof and operable north window. The house reduction curtain system covers the entire Terrace Level seating, reducing capacity from 63,000 to approximately 41,000. Basketball and other mini-stadium events have the option of playing in the round for up to 71,000 fans or in a much smaller configuration with a house reduction curtain system. Concerts may be played indoors or outdoors in full stadium or reduced house configurations. Seating configurations range in size from 15,000 to 71,000.

In addition to managing the Indiana Convention Center & Lucas Oil Stadium, the CIB also maintains Victory Field and Conseco Fieldhouse.

Victory Field, home to the Indianapolis Indians AAA baseball team, has often been referred to as, *"the most beautiful AAA ball park in the country,"* by those who have enjoyed seeing a baseball game from this magnificent spot. It is constructed on a 13-acre site in White River State Park, which is subleased to, and operated by, the Indianapolis Indians franchise. Located on the southwest corner of West and Maryland streets, the ballpark is in close proximity to the Indiana Convention Center & Lucas Oil Stadium. Victory Field seats approximately 14,500 people, which includes an open-air stadium seating area and the very popular grassy berms in the outfield areas, which offer inviting, lawn seating. This grassy area, around the outfield wall, can accommodate up to 2,000 people. The park's main deck of seats wraps from behind home plate to the foul poles in left and right field. When fans enter the ballpark, they can walk down the steps to their seats in a lower seating bowl, or up to their seats in the upper bowl. There are 12,500 seats with back and arm rests. The ballpark also features many modern-day amenities, such as 29 luxury suites and cup holders at most seats.

Conseco Fieldhouse, widely acknowledged as one of the finest sports and civic arena in the country, is home to the National Basketball Association's Indiana Pacers and the Women's National Basketball Association's Indiana Fever. With a basketball-seating capacity of 18,165 that includes 71 suites and 2,667 club seats, Conseco Fieldhouse occupies approximately 750,000 square feet between Delaware and Pennsylvania Streets at Georgia Street in the warehouse district of downtown Indianapolis. The first retro-styled facility in the NBA, Conseco Fieldhouse has three seating levels: Lower Level, Krieg DeVault Club Level and Balcony Level; and the concourses on each level evoke memories of a traditional Indiana basketball Fieldhouse, complemented by state-of-the art amenities. Highlighting the inner bowl of the Fieldhouse are the windows that support the 14-story (140 foot), exposed steel roof. Throughout the day, and during select events, the curtains to these windows are lowered; giving fans not only a view to the outside, but a beautiful view of downtown Indianapolis. The window theme is continued on both the Pennsylvania and Delaware Street sides of the Clarian Health Entry Pavilion, home to the 18 ticket windows and retro-styled ticker board announcing the upcoming events. A true tribute to the game of basketball in Indiana, the sightlines were designed for the best viewing of a basketball game; but also give patrons a great view for the many other events held at the Fieldhouse. From concerts, hockey, high school and college sports to the circus and even the World Swimming Championship, the Fieldhouse is also highly acclaimed for both the number and variety of non-basketball events it holds each year. Its many meeting rooms, restaurants and multi-use spaces also make the Fieldhouse ideal for the smaller corporate gatherings and ceremonies held daily. Located in the heart of downtown Indianapolis, the Fieldhouse is located within walking distance of Circle Centre Mall, the Indiana Convention Center, Lucas Oil Stadium, Victory Field, the State Capitol Building and the City-County Building.

Additional information regarding the CIB's facilities and capital asset program can be found in the management's discussion and analysis for the 2009 financial statements.

Economic Condition

State and Local Economy: Intellectual capital, public support, academic partnerships, workforce excellence and business and industry collaborations are the driving force behind Indiana's life sciences industry. For more than a century, Indiana has been a center of innovations in the life sciences, pharmaceutical and medical device industries. Today, Indiana boasts the second highest concentration of biopharmaceutical jobs in the nation and the fifth largest pharmaceutical industry in the country, in terms of sales, shipments, receipts and revenues. According to the Indiana Business Research Center, Kelley School of Business, at Indiana University, and the Indiana Economic Development Corporation, the growth of the life sciences is emblematic of Indiana's restructuring economy. As many traditional manufacturing sectors contract, Indiana's manufacturing base has shifted toward producing other types of goods. Life sciences is an important part of that shift, with business activities including manufacturing, wholesale, distribution and research and development. About 18 percent, or $69 billion, of Indiana's economic output is tied to the life sciences industry. More than 578,000 Indiana jobs—one in nine of all jobs in the state—are directly or indirectly tied to the life sciences and health care industry. Central Indiana alone is home to a $13.6 billion global life sciences sector. Pharmaceutical and medical device industry leaders like Eli Lilly and Company, Zimmer, Biomet and DePuy Orthopedics are based in Indiana. The state is also home to WellPoint, a health insurance underwriter, Roche Diagnostics, the top medical diagnostics company in the world, Cook Group, a leading medical device company, the Indiana Health Information Exchange, which helps improve patient safety and healthcare efficiency by developing medical information, and the Regenstrief Institute, which is the world's largest database of electronic records.

Motorsports companies have also developed a clear industry cluster in the region. After all, no other place on the globe can boast the number and variety of major racing events that are held in Indianapolis and other parts of the state, annually. Commonly referred to as the "Racing Capital of the World", the Indianapolis Motor Speedway is celebrating 100 Years of Legends. Beginning in 2009, the Indianapolis Motor Speedway celebrated its Centennial Era, commemorating the 100th anniversary of the facility, and in 2011, it will celebrate the 100th anniversary of the 500 mile race, which was first run in 1911, and broadcast live on the radio, in its entirety, by the Indianapolis Motor Speedway Radio Network since 1953. Fast forwarding to today, beginning in 2007, this wonderful event was first broadcast in HD. Indianapolis hosts the two largest single-day sporting events in the world ~ the Indianapolis 500, often referred to as the "Greatest Spectacle in Racing," which will be run on Sunday, May 30th, and the Allstate 400 at the Brickyard, which will take place on Sunday, July 25th. And, on Sunday, August 29th, the IMS will host the Red Bull Indianapolis GP. The motorsports industry attracts a highly skilled and mobile workforce and, among other benefits, is an important asset in Indiana's effort to retain and attract college graduates and other creative and skilled individuals.

There are a number of other notable players in the Indiana economy, among which is the Indianapolis Airport Authority. In 2009, the Indianapolis International Airport (IND) served 7.46 million domestic and international passengers. IND is the eighth largest cargo facility in the nation, and internationally it ranks 21st largest in the world. In 2009, 987 tons of cargo were transported from this facility. On average, there are 155 daily departures to 35 nonstop locations, which fly from Indianapolis to 39 destination airports.

The passenger terminal is approximately 1.2 million square feet, with two concourses, each having 20 gates. Two gates are for international arrivals and lead to a dedicated federal inspection area and baggage claim. This beautiful state-of-the-art facility is an important contributor to central Indiana's growing economy. As a part of the Airport's economic impact, and based upon the most recent data available from the Aviation Association of Indiana, IND's annual economic impact is $3.34 billion dollars. Key business partners include 11 commercial airlines, FFS, TSA, US Customs & Border Patrol, 50 concessionaires (rental car, retail and other service providers), and tenants including FedEx Express, AAR, Comlux, Hawker Beechcraft Services and Signature Flight Support. About 10,000 people work at the airport each day. No property taxes were or are used to operate and manage IND.

Indiana benefits from its proximity to major markets and population centers - both nationally and internationally. Through Indiana's three ports, businesses can access markets and population centers in the north, through Lake Michigan and the Great Lakes - St. Lawrence Seaway; and to the south, through the Ohio and Mississippi rivers. Sometimes referred to as, "the Crossroads of America," Indianapolis is at the center of America's heartland, with more interstates converging in Indianapolis than in any other city in the United States. More than 50% of the population in the U.S. lives within a one day's drive of Indianapolis.

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

The hallmarks of the Indianapolis economy have long been its diversity and steady growth, which is part of the foundation of Indy's strong performance during the past several years. Indianapolis can boast of diverse strengths in the manufacturing, distribution, retail and service sectors. Economic diversity keeps Indianapolis on a steady growth track. Additionally, Indiana's real estate availability affords a wide selection of available land, existing office space and industrial parks. Finally, many of the city's accomplishments, such as Victory Field, Conseco Fieldhouse, Circle Centre Mall and the new Lucas Oil Stadium were all the result of successful partnerships between 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 Allstate 400 at the Brickyard, the Red Bull Indianapolis GP, the NFL's Indianapolis Colts, the NBA's Indiana Pacers, the WNBA's Indiana Fever and the AAA Indianapolis Indians baseball team are among the city's prominent sporting attractions, not to mention countless amateur sporting events, including the NCAA® Men's and Women's Final Four Basketball Championship. And, in 2012, Indianapolis will host the NFL Super Bowl®. Circle Centre Mall, White River State Park, the NCAA Headquarters and Hall of Champions, the Indianapolis Zoo, the Indianapolis Motor Speedway Museum, the Indiana State Museum, the Indianapolis Children's Museum, the Indianapolis Museum of Art, the Eiteljorg Museum of American Indian and Western Art, the American Cabaret Theatre, the Indiana Repertory Theatre, the Indianapolis Symphony Orchestra and the White River State Park have also become popular attractions, along with many outstanding downtown restaurants and sports bars.

The Indianapolis Convention & Visitors Association ("ICVA") introduced a new brand strategy in the spring of 2009 for the tourism and hospitality industry of Indianapolis. The strategy based on the competitive spirit found in the people of Indiana offers a brand position that lives within the people of our great state. Around the world, Indianapolis' name is synonymous with the very spirit of competition. With every structure we build, every event we stage, and every attraction we display, we set new national standards: always planning ahead for our next big opportunity – and consistently raising the game. In the development of this new brand strategy, the ICVA has been speaking in terms of certain primary factors which come into play. The first has to do with the restless dissatisfaction that describes the Hoosier spirit of never resting on its laurels and past successes. This is evident with the Col. H. Weir Cook Terminal at the new Indianapolis International Airport, Lucas Oil Stadium, Indiana Convention Center expansion and the new JW Marriott Place project. The dynamic convention and meetings market and a vibrant tourism and hospitality industry are at the core of all of this exciting growth. Our industry is powered by over 66,000 dedicated service employees who help deliver an annual economic impact to Indianapolis MSA, which is estimated to be $3.56 billion. Significant growth will take place in the future for the convention and meetings market along with steady growth in leisure business to our city and region. In ICVA parlance, here's to a bright future and additional guests visiting our great city in the years ahead.

Long-Term Financial Planning: During 2009, the CIB took several steps to modify its course to be more fiscally sustainable and to continue to meet its important public mission. First, the CIB instituted substantial spending cuts (both related to operational and capital expenditures) that approximated $30 million. Such reduced spending levels have also been incorporated into the CIB's 2010 budget, which has been approved at approximately $63 million compared to the 2009 budget of approximately $78 million. Additionally, pursuant to legislation enacted in June 2009, the following new funding sources ("2009 New Funding Sources") have been made available to the CIB: (1) an expanded tax allocation area has been created to annually capture up to an additional $8 million of sales and income taxes (which is the capped amount to be received in any calendar year); (2) a new additional 1% innkeepers tax was enacted (which was anticipated to generate about $3 to $4 million annually); and (3) the Treasurer of the State of Indiana was authorized to make up to three $9 million loans with ten-year terms to the CIB (in 2009, 2010 and 2011, respectively, and each a "State Treasurer Loan") with no repayments anticipated to be made before 2013. The CIB completed an initial State Treasurer Loan in December 2009. The CIB anticipates requesting loans for 2010 and 2011 from the State Treasurer, however, no assurance is given that any such future loan will be made. The CIB's 2010 budget includes a second State Treasurer Loan, which would augment budgeted funds available to meet budgeted 2010 expenditures. The 2009 New Funding Sources are restricted to meet operating needs and are not pledged to meet debt obligations.

The CIB's 2010 budget anticipates meeting 2010 expenditures with budgeted resources. If such resources actually available in 2010 are materially less than as budgeted, the CIB would be required to consider other cost reduction and operational options (and/or seek to identify and establish new operating or non-operating revenue sources) to meet such needs of the CIB.

Major Initiatives of the CIB: The Indiana Convention Center & Lucas Oil Stadium are excellent venues that have hosted very diverse groups - NCAA® Men's and Women's Final Four® Basketball Championships, North American Christian Annual Convention, Drum Corp International World Championship and VFW Annual National Convention. Groups leading the Top 20 Conventions, based on direct visitor spending for 2009, include Fire Department Instructors Conference, National FFA Organization, Gen Con LLC "The Best Four Days in Gaming," and Dealer Expo.

The CIB's primary objective, aside from the management and maintenance of its various facilities, is to build on the momentum of its convention and trade show business and continue to attract national and international sporting and other events to its facilities. A breakdown of current year events hosted and future events scheduled follows:

Current Year Events

Archery Trade Association Annual Trade Show, JAMfest Cheer Super Nationals, 2009 Dealernews International Powersports Dealer Expo, Fire Department Instructors Conference, National Concrete Masonry Association's ICON Expo 2009, NFL Scouting Combine, Mizuno Hoosier Mideast Qualifier Volleyball, Indiana High School Athletic Association Girls State Basketball Championships, 2009 NCAA® Division I Men's Basketball Regionals, H.T. Hackney Company Annual Convenience Expo, 2009 M-PACT Show, Archdiocese of Indianapolis 175th Anniversary, IAHE Convention 2009, 500 Festival Mini-Marathon Expo, Do it Best Corporation May and October Markets, NBM Show, Million Dollar Round Table Annual Meeting, ASM Heat Treating Conference and Expo, Hanley-Wood Exhibitions CONSTRUCT2009, Benny Hinn Ministries, Fire Conference & Miracle Service, Christian Church Disciples of Christ General Assembly, U.S. Department of Energy Weatherization Training, Gen Con LLC "The Best Four Days in Gaming," National Middle School Association Annual Conference, Hanley-Wood Exhibitions The Remodeling Show & Deck Expo, National Alliance of Black School Educators Annual Conference, IUPUI Commencement, Indiana Black Expo 2009 Summer Celebration, National FFA Convention 2009, DCI Drum & Bugle Corps Solo & Ensemble Competition, Percussive Arts Society International Convention, DCI World Championships, International Motorsports Industry Show, Music For All Regional and Grand National Championships, Circle City Classic, ISSMA State Band Finals, Minor League Baseball Winter Meeting, Indianapolis Monumental Marathon Registration/Expo, Indianapolis 2009 Auto Show, IHSAA State Football Championships, and Indianapolis Colts Football.

Major Events Scheduled for 2010

JAMfest Cheer Super Nationals, 2010 IMEA Annual State Convention, 2010 Dealernews International Powersports Dealer Expo, IAHE Convention 2010, Fire Department Instructors Conference, NFL Scouting Combine, American Alliance for Health, Physical Education, Recreation and Dance Annual Conference, Hotrod 2010, the NBM Show, 72nd Annual NCAA® Division I Men's Basketball Championship, National Basketball Coaches Association Convention, NCAA Bracket Town Interactive Events, Mizuno Hoosier Mideast Qualifier Volleyball, 2010 M-PACT Show, IUPUI Commencement, Indiana Black Expo 2010 Summer Celebration, National FFA Convention 2010, 500 Festival Mini-Marathon Expo, Do it Best Corporation May and October Markets, Gen Con LLC "The Best Four Days in Gaming," Revive Our Hearts TRUE WOMAN Conference, Veterans of Foreign Wars Annual National Convention, NAI Coating, American Organization of Nurse Executives Annual Meeting, Daughters of the Nile Annual Convention, North American Christian Annual Convention, Percussive Arts Society International Convention, DCI World Championships, International Motorsports Industry Show, Music For All Regional and Grand National Championships, ISSMA State Band Finals, Circle City Classic, Indianapolis Monumental Marathon Registration/Expo, and Indianapolis Colts Football.

Major Events Scheduled for 2011

JAMFest Super Nationals, Archery Trade Association Annual Trade Show, National Truck Equipment Association National Convention & Expo, 2011 Dealernews International Powersports Dealer Expo, Fire Department Instructors Conference, Mizuno Hoosier Mideast Qualifier Volleyball, NFL Scouting Combine, Hotrod 2011, NCAA® Division I Women's Basketball Championship, Women's Basketball Coaches Association Convention, NCAA Bracket Town Interactive Events, M-PACT 2011, IUPUI Commencement, Indiana Black Expo 2011 Summer Celebration, National FFA Convention 2011, Hotrod 2011, National Council of Teachers of Mathematics Annual Convention, 500 Festival Mini-Marathon Expo, Do it Best Corporation May and October Markets, Association for Iron & Steel Technology (AISTECH) 2011, Gen Con LLC "The Best Four Days in Gaming," National Baptist Congress on Education, BBI 2011 International Fuel Ethanol Workshop & Expo, Kappa Alpha Psi Fraternity 80th Grand Chapter, CEDIA Expo 2011, COMFORTECH, National Federation for Catholic Youth Ministry, Percussive Arts Society International Convention, DCI World Championships, International Motorsports Industry Show, Music For All Regional and Grand National Championships, Circle City Classic, and Indianapolis Colts Football.

Awards and Acknowledgements

Independent Audit: The CIB has an annual audit of its financial statements performed for 2009 by the Indiana State Board of Accounts and for 2008 by BKD LLP, Certified Public Accountants. The independent auditor's report on the CIB's financial statements is included in the financial section of this report.

Awards: The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the CIB for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the 24th consecutive year that the CIB has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements: This report could not have been prepared without the assistance of numerous staff members, the Indiana State Board of Accounts and BKD LLP.

Sincerely,

Augustus B. Levengood

Ann Lathrop, Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Improvement Board of Managers of Marion County Indiana

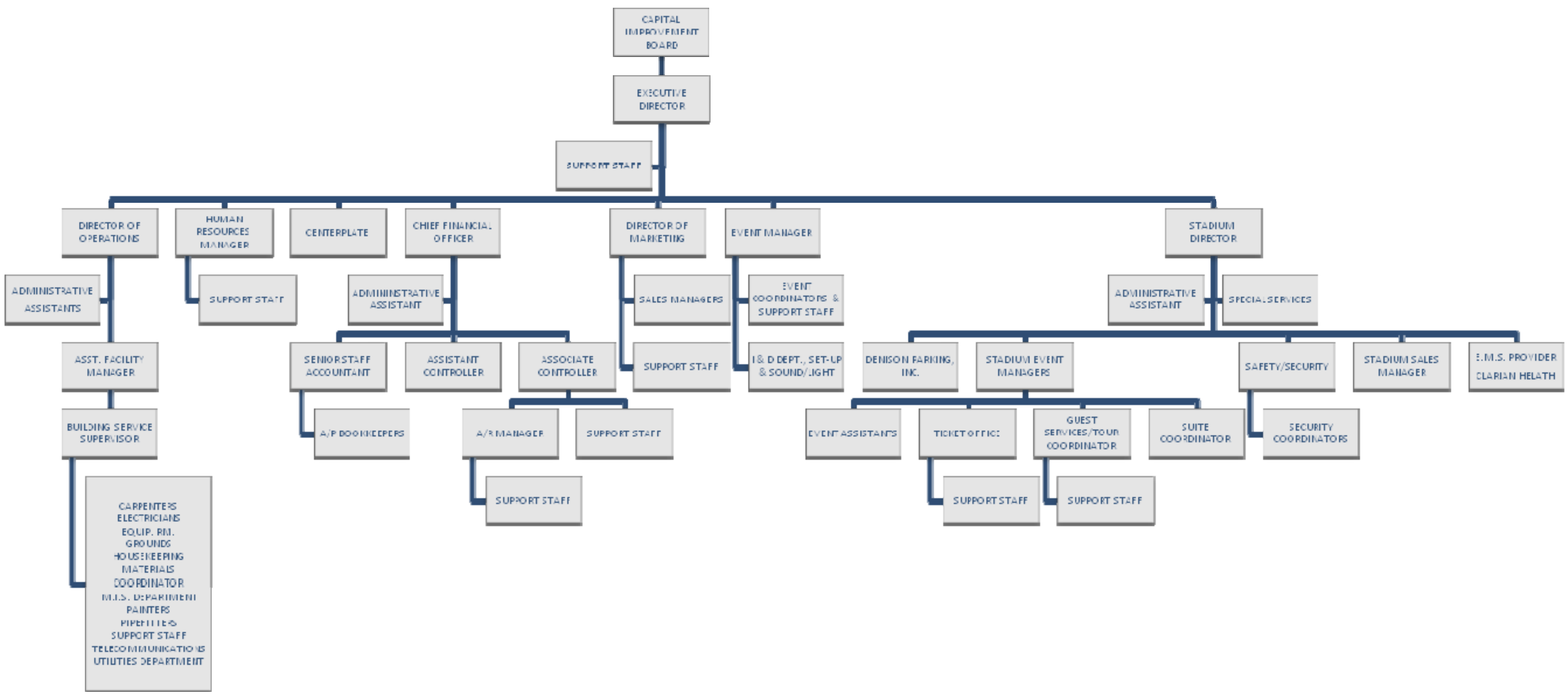
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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

President

Executive Director

Capital Improvement Board of Managers
of Marion County, Indiana
Organizational Table



Capital Improvement Board of Managers
(of Marion County, Indiana)
Principal Officers and Management

Mayor, City of Indianapolis — The Honorable Gregory A. Ballard

Board Members (during 2009)

Name	Title	Term Ending	Years of Service	Occupation
Robert T. Grand	President	January 14, 2011	2	Managing Partner, Barnes & Thornburg LLP
Patrick J. Early	Vice President	January 15, 2010	18	President, Somerset CPAs, PC
Douglas R. Brown	Secretary	December 31, 2009	9	Attorney, Stewart & Irwin, P.C.
Ann Lathrop	Treasurer	January 14, 2010	2	CPA, Crowe Horwath, LLP
Robert E. Cockrum	Member	January 15, 2010	2	President, Indianapolis City-County Council
Craig Huse	Member	January 14, 2009	1	President & Owner St. Elmo/Harry & Izzy's
Dorothy A. Henry	Member	January 14, 2011	2	Vice President & Chief Operating Officer, Indiana Health Care Assn.
Jay K. Potesta	Member	January 14, 2011	9	Business Manager/Financial Secretary/Treasurer, Sheet Metal Workers Local No. 20
John D. Short	Member	January 14, 2011	9	Assistant Vice-Chancellor, Indiana University-Purdue University Indianapolis

*As a result of IC 36-10-9, all board members terms were to expire on January 15, 2010 and the board was to be re-constituted.

Capital Improvement Board of Managers
(of Marion County, Indiana)
Principal Officers and Management

Administrative Personnel

Name	Position	Years of Service
Barney Levengood	Executive Director	19
Linda G. Addaman	Director of Marketing	14
Jeffrey A. Billig	Chief Financial Officer	See Below**
Dixie L. Gough	Controller	37*
Major E. Gardner	Event Manager	29
Michael A. Fox	Stadium Director	25
Thomas L. Boyle	Director of Operations	15

Counsel to the Board

Bingham McHale, LLP
Indianapolis, Indiana

* Dixie L. Gough employed January 1, 2009 - October 2, 2009.
** Jeffrey A. Billig employed November 1, 2009 - December 31, 2009.

Financial Section

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AN EQUAL OPPORTUNITY EMPLOYER

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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

TO: THE OFFICIALS OF THE CAPITAL IMPROVEMENT BOARD OF MANAGERS, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the Capital Improvement Board of Managers of Marion County, Indiana (CIB), a component unit of the consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2009, which collectively comprise the CIB's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the CIB's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the CIB as of and for the year ended December 31, 2008, were audited by other auditors whose report dated May 21, 2009, except for note 18 for which the date is September 17, 2009, expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CIB as of December 31, 2009, and the respective changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

State Board of Accounts
STATE BOARD OF ACCOUNTS

April 26, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Introduction

The management of Capital Improvement Board of Managers of Marion County, Indiana (CIB), which is a component unit of the Consolidated City of Indianapolis-Marion County (City) and conducts its business in the City, offers readers of the CIB's financial statements this narrative overview and analysis of the financial activities of the CIB for the fiscal year ended on December 31, 2009. This Management's Discussion and Analysis is being presented to provide additional information regarding the activities of the CIB in connection with its financial statements and to meet the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The CIB is organized and operated to acquire, construct, finance, lease, operate, promote and publicize capital improvements and thereby serve the convention and visitor industry and the commercial, industrial and cultural interests of Indiana and its citizens. This presently occurs principally through its operation of the Indiana Convention Center & Lucas Oil Stadium, and its use arrangements related to Victory Field and Conseco Fieldhouse.

Financial Highlights

The following are some highlights from the CIB's financial statements for the year ended December 31, 2009:

- The CIB experienced an increase in *Total assets* of about $115.7 million, or 9.0%, in 2009. *Capital assets* increased by about $102.3 million because of the Lucas Oil Stadium (LOS) and Convention Center projects and *Current assets - restricted* increased by about $13.0 million primarily due to an increase in investments restricted for the LOS and Convention Center expansion projects. *Current assets - unrestricted* increased about $0.4 million due to an increase in investments largely due to the receipt of $9 million in loan proceeds from the Treasurer of the State of Indiana, offset by unrestricted funds used for operating expenses, all of which net to the approximate $115.7 million increase in total assets.

- *Total liabilities* increased by about $105.0 million, or 9.6%, in 2009. *Current liabilities* decreased about $15.5 million in 2009 primarily due to the approximate $16.4 million retirement of short-term debt incurred in 2008 related to the below described swap termination fee (the "2008 Note"), while *Noncurrent liabilities* increased about $120.5 million primarily due to additional expenditures made in connection with the Convention Center project.

- *Net assets* increased by about $10.6 million, or 5.4%, in 2009 primarily due to an increase in investments restricted for the expansion project, as well as a decrease in certain unrestricted debt.

- *Operating revenues* increased by about $1.4 million, or 7.3% in 2009, due to increases in rental and parking rates and a transfer of escrowed food service funds.

- *Nonoperating revenues* decreased by about $7.4 million, or 6.8%. *Investment income* decreased by about $1.7 million due to lower interest rates. *State and local taxe*s decreased by about $5.4 million due to fluctuations in the underlying activities from which such tax revenues are derived.

- *Operating expenses* decreased by about $7.1 million, or 9.8% due primarily to the CIB instituting substantial reductions in operational and maintenance expenditures. Most notable were hiring freezes, furloughs, staff reductions and deferring maintenance and repairs.

- *Nonoperating expenses* decreased by about $25.8 million, or 35.0%, due to a reduction in other nonoperating expenses relating to grants paid to other organizations, as well as, the final amortization of the Colts lease termination fee in 2008. The 2008 additional rental payment to fund a portion of a swap termination fee having occurred for the Marion County Convention and Recreational Facilities Authority (MCCRFA) is basically offset by the first full year of interest expense in 2009 related to the LOS capital lease.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2009 and 2008:

- Balance Sheets
- Statements of Revenues, Expenses and Changes in Net Assets
- Statements of Cash Flows

Also included are notes to the financial statements that provide more detailed data. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America promulgated by GASB.

The net assets of the CIB are comprised of three categories:

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

- *Restricted net assets* - this represents resources that are subject to external restrictions (which principally relate to trust agreements under which capital lease obligations and bonded indebtedness were incurred) on how they may be used.

- *Unrestricted net assets* - this represents resources that may be used to meet the CIB's ongoing obligations to the public and creditors.

Net Assets

The Balance Sheets reflect the assets and liabilities of the CIB using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The CIB's net assets - the difference between total assets and total liabilities - represent one way to measure the CIB's financial health. In a general way, changes in net assets that occur over time may also serve as an indicator of whether the financial position of the CIB is strengthening or softening. However, to assess the overall fiscal health of the CIB, readers of the CIB's financial statements should consider additional non-financial factors such as the ability of the CIB to retain and attract conventions, trade shows, tourism, sporting and cultural events and other activities that utilize the capital assets of the CIB; the general economic health and outlook in Indianapolis-Marion County in the hotel and motel, retail food and beverage and rental car industries, which are subject to certain local taxes that are committed to and financially support the CIB; and the general economic health and outlook locally (that is, Indianapolis-Marion County and the surrounding region) as well as nationally with regard to consumer appetite for scheduling, attending and supporting the events and activities at the facilities of the CIB.

2009 to 2008 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2009 and 2008:

	December 31		
	2009	2008	$ Variance
Assets			
Current assets - unrestricted	$ 52,770	$ 52,353	$ 417
Current assets - restricted	71,760	58,783	12,977
Capital assets, net	1,277,982	1,175,715	102,267
Other assets	203	201	2
Total assets	$ 1,402,715	$ 1,287,052	$ 115,663
Liabilities			
Current liabilities payable from unrestricted assets	$ 4,778	$ 23,816	$ (19,038)
Current liabilities payable from restricted assets	28,671	25,109	3,562
Noncurrent liabilities	1,161,294	1,040,799	120,495
Total liabilities	1,194,743	1,089,724	105,019
Net Assets			
Invested in capital assets, net of related debt	134,282	147,020	(12,738)
Restricted	69,704	56,831	12,873
Unrestricted	3,986	(6,523)	10,509
Total net assets	207,972	197,328	10,644
Total liabilities and net assets	$ 1,402,715	$ 1,287,052	$ 115,663

Note: Dollars are in thousands.

- The 2009 increase in *Current assets - unrestricted*, about $0.4 million, or 0.8%, from the prior year is reflective of changes in the CIB's cash reserves. Cash decreased during 2009 to cover operating expenses and increased a similar amount due to the $9 million proceeds from the Loan from the Treasurer of the State of Indiana.

- *Current assets - restricted* increased by about $13.0 million, or 22.1%, from the prior year, due primarily to an increase in restricted balances held to pay and secure the CIB's lease obligations for the LOS and Convention Center expansion projects.

- *Capital assets* increased by about $102.3 million, or 8.7%, from the prior year. In 2009, this increase is due to the continuation of LOS and Convention Center expansion projects.

- *Current liabilities payable from unrestricted assets* decreased about $19.0 million, or 79.9%, from the prior year. Accounts payable decreased by about $1.8 million, or 33.2%, from the prior year. Short-term debt, the 2008 Note, decreased by approximately $16.4 million.

- *Current liabilities payable from restricted assets* increased about $3.6 million, or 14.2%, from the prior year. The real estate rentals payable decreased $1.5 million, and the current portion of long-term debt increased about $5.0 million.

- *Noncurrent liabilities* increased about $120.5 million, or 11.6%, over the prior year. This change was primarily due to an approximate $118 million increase in the Due to State of Indiana liability relating to the Convention Center project, net of scheduled reductions for the capital lease obligations.

- Invested in *Capital assets, net of related debt* decreased about $12.7 million, or 8.7%, in 2009, as a result of capital asset and related debt activity in connection with the LOS and Convention Center projects. *Restricted net assets* increased about $12.9 million in 2009 as a result of an increase in restricted balances held to pay and secure the CIB's lease obligations for the LOS and Convention Center expansion projects. The approximate $10.5 million increase in *Unrestricted net assets* is primarily the effect of a decrease in certain unrestricted debt.

2008 to 2007 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2008 and 2007:

	December 31		
	2008	**2007**	**$ Variance**
Assets			
Current assets - unrestricted	$ 52,353	$ 62,410	$ (10,057)
Current assets - restricted	58,783	53,612	5,171
Capital assets, net	1,175,715	922,533	253,182
Other assets	201	18,949	(18,748)
Total assets	$ 1,287,052	$ 1,057,504	$ 229,548
Liabilities			
Current liabilities payable from unrestricted assets	$ 23,816	$ 8,863	$ 14,953
Current liabilities payable from restricted assets	25,109	67,056	(41,947)
Noncurrent liabilities	1,040,799	870,702	170,097
Total liabilities	1,089,724	946,621	143,103
Net Assets			
Invested in capital assets, net of related debt	147,020	24,602	122,418
Restricted	56,831	52,270	4,561
Unrestricted	(6,523)	34,011	(40,534)
Total net assets	197,328	110,883	86,445
Total liabilities and net assets	$ 1,287,052	$ 1,057,504	$ 229,548

Note: Dollars are in thousands.

- The 2008 decrease in *Current assets - unrestricted*, about $10.1 million, or 16.1%, from the prior year, is reflective of changes in the CIB's cash reserves. This decrease, among other factors, results from lower food service and concession commissions and higher operating expenses due to the opening of LOS. Effective June 2, 2008, the CIB ceased receiving commission on food revenues and receives net profits from Convention Center events and Non-Colts events only at LOS.

- *Current assets - restricted* increased by about $5.2 million, or 9.6%, from the prior year, due primarily to a larger year-end accrual for state and local taxes in 2008.

- *Capital assets* increased by about $253.2 million, or 27.4%, from the prior year. In 2008, Lucas Oil Stadium was completed and the portion of the Due to State of Indiana balance relating to the Stadium Project was reclassified and appears in the Balance Sheet in *Capital assets*. Also, capital contributions of about $103.3 million were included in 2008 *Capital assets*.

- *Other assets* decreased by about $18.7 million, or 98.9%, from the prior year, due primarily to accelerated amortization of deferred portions of a $48 million lease termination fee (which was paid in 2005) and other deferred payments (which were paid in earlier periods). Each are related to the Colts and were fully amortized at the end of 2008.

- *Current liabilities payable from unrestricted assets* increased about $15.0 million, or 168.7%, from the prior year. Accounts payable decreased by about $2.5 million, or 31.3%, from the prior year. This was entirely offset by an increase in short-term debt of approximately $16.4 million.

- *Current liabilities payable from restricted assets* decreased about $41.9 million, or 62.6%, from the prior year. Unearned capital contributions from the Colts in relation to LOS of about $35.4 million were recognized as earned contributions. The real estate rentals payable decreased $10.5 million. The current portion of long-term debt increased about $3.2 million.

- *Noncurrent liabilities* increased about $170.1 million, or 19.5%, over the prior year. This change was due to an approximate $177.2 million increase in the Due to State of Indiana relating to LOS, which was then reclassified to capital leases payable upon placing LOS in service.

- Invested in *capital assets, net of related debt* increased about $122.4 million, or 497.6%, in 2008, primarily the result of capital asset activity in connection with the Lucas Oil Stadium Project. *Restricted net assets* increased about $4.6 million in 2008 as a result of the receipt or accrual of additional state and local tax assistance. The $40.5 million decrease in *Unrestricted net assets* is primarily the effect of the decrease in cash reserves and the increased deferred asset amortization (including the deferred lease termination fee in conjunction with the construction of LOS and other Colts related payments) and the $16.4 million due on the 2008 Note.

2009 to 2008 Comparative Statements of Revenues, Expenses and Changes in Net Assets

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended December 31, 2009 and 2008:

	December 31			
	2009	2008	$ Variance	% Variance
Operating Revenues				
Rental income	$ 6,792	$ 6,326	$ 466	7.4%
Food service and concession commissions	4,532	3,678	854	23.2
Parking lot income	1,314	665	649	97.6
Labor reimbursements	7,892	8,558	(666)	(7.8)
Other operating income	747	603	144	23.9
Total operating revenues	21,277	19,830	1,447	7.3
Nonoperating Revenues				
Investment income	407	2,107	(1,700)	(80.7)
State and local taxes and fees	101,435	106,868	(5,433)	(5.1)
Other	72	336	(264)	(78.6)
Total nonoperating revenues	101,914	109,311	(7,397)	(6.8)
Total revenues	123,191	129,141	(5,950)	(4.6)
Operating Expenses				
Salaries and wages	11,379	13,297	(1,918)	(14.4)
Fringe benefits	3,152	3,247	(95)	(2.9)
Utilities	5,442	5,278	164	3.1
Repairs and maintenance	617	698	(81)	(11.6)
Insurance	1,256	1,282	(26)	(2.0)
Security	2,784	3,217	(433)	(13.5)
Operating parts and supplies	741	1,251	(510)	(40.8)
Other	4,252	6,202	(1,950)	(31.4)
Depreciation and amortization	35,796	38,024	(2,228)	(5.9)
Total operating expenses	65,419	72,496	(7,077)	(9.8)
Nonoperating Expenses				
Interest expense	34,130	19,354	14,776	76.3
Additional rental payment for swap termination	-	16,371	(16,371)	100.0
Compensation to Indianapolis Convention & Visitors Association	7,780	7,970	(190)	(2.4)
Colts inducements/Revenue Sharing and Day-of-Games expenses	5,314	6,484	(1,170)	(18.0)
Colts Training Facility expenses	-	1,311	(1,311)	(100.0)
Other	526	22,022	(21,496)	(97.6)
Net nonoperating expenses	47,750	73,512	(25,762)	(35.0)
Total expenses	113,169	146,008	(32,839)	(22.5)
Income (Loss) Before Capital Contributions	10,022	(16,867)	26,889	(159.4)
Capital Contributions	622	103,312	(102,690)	(99.4)
Increase in Net Assets	10,644	86,445	(75,801)	(87.7)
Net Assets, Beginning of Year	197,328	110,883	86,445	78.0
Net Assets, End of Year	$ 207,972	$ 197,328	$ 10,644	5.4

Note: Dollars are in thousands.

Total operating revenues increased about $1.4 million, or 7.3%. Rental income increased about $0.47 million, or 7.4% due to a scheduled rental rate increase plus increased interest and tours of LOS during its inaugural year. Food service and concession income increased about $0.85 million, or 23.2%, due primarily to a transfer of escrowed food service funds from Centerplate to CIB to free up additional cash for operations. Parking lot income increased about $0.65 million, or 97.6%, primarily due to rate increases, reductions in hours of operation, staffing and utility costs. Labor reimbursements decreased about $0.67 million, or 7.8%, due to reduced demand and cost containment efforts by users of the facilities. Other operating income increased about $0.14 million, or 23.9%, due mostly to the popularity of the CIB's LOS Tour program.

Total nonoperating revenues decreased about $7.4 million, or 6.8%. Investment income decreased about $1.7 million, or 80.7%, due to lower interest rates. State and local taxes and fees decreased about $5.4 million, or 5.1%, as a result of two elements. First, state and local taxes decreased about $9.8 million in 2009 compared to the prior year. Second, 2009 was the first partial year for the new 2009 Marion County Innkeeper's Tax and the new 2009 PSDA Revenue (these taxes amounted to nonoperating revenue in 2009 of about $4.4 million). Other revenues decreased about $0.26 million, or 78.3%, due to contribution revenue received in prior years, not received in 2009.

Total operating expenses decreased about $7.1 million, or 9.8%. Salaries and wages decreased about $1.9 million, or 14.4%, and fringe benefits decreased about $0.1 million, or 2.9%, due to a hiring freeze, furloughs and workforce reduction. Utilities increased about $0.16 million, or 3.1%, due to the first full year of operating LOS. Repairs and maintenance costs decreased, about $0.1 million, or 11.6%, due to deferral of facilities' maintenance and repairs. Insurance costs decreased about $26 thousand, or 2.0%, due to a competitive insurance market. Security costs decreased about $0.43 million, or 13.5%. Operating parts and supplies decreased about $0.5 million, or 40.8%. Other expenses decreased by about $2.0 million, or 31.4%, due to overall reductions in advertising, travel, promotions, legal, accounting, contractual labor and parking expenses. Depreciation and amortization decreased about $2.2 million, or 5.9%, due to the CIB's former domed stadium facility and related assets being depreciated on an accelerated basis in 2008 prior to the opening of LOS and demolition of the former stadium. Also, certain assets at Conseco Fieldhouse became fully depreciated during 2009.

Total nonoperating expenses decreased about $25.8 million, or 35.0%. Interest expense decreased about $14.8 million, or 76.3%, due to the combination of two elements. First, 2008 included interest expense of $16.4 million for an additional rental payment to fund a portion of the swap termination fee for MCCRFA. Second, 2009 interest expense unrelated to the additional rental payment to fund the swap termination fee increased about $14.8 million primarily due to the first payment under the capital lease obligation for LOS. Compensation to the Indianapolis Convention & Visitors Association, which is based on a percentage of the Innkeeper's excise tax revenues, decreased about $0.2 million, or 2.4%, in 2009. Colts inducements and Day-of-Game expenses decreased about $1.2 million, or 18.0%. This was due to a change from the prior agreement with the Colts that ended in 2008. 2008 included an inducement payment (about $4.9 million, compared to $0.3 million in 2009), whereas the new agreement requires a $3.5 million payment to the Colts each year for annual revenue from non-Colts events held at LOS. In 2008, about $1.3 million was recorded for the remaining balance due to the Colts for certain training facility maintenance expenses. Other nonoperating expenses decreased about $21.5 million, or 97.6%, due to grants to other organizations in 2008 (which were not similarly made in 2009), as well as 2008 being the final year of amortization expense relating to the fee for the lease termination agreement with the Colts.

Capital contributions of about $0.62 million were received in 2009, while $103.3 million was received in 2008. About $101.8 million of this amount from 2008 was from the Colts for their contribution to the construction of LOS.

2008 to 2007 Comparative Statements of Revenues, Expenses and Changes in Net Assets

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended December 31, 2008 and 2007:

	December 31			
	2008	2007	$ Variance	% Variance
Operating Revenues				
Rental income	$ 6,326	$ 6,355	$ (29)	-0.5%
Food service and concession commissions	3,678	6,676	(2,998)	(44.9)
Parking lot income	665	412	253	61.4
Labor reimbursements	8,558	6,034	2,524	41.8
Advertising income	-	1,300	(1,300)	(100.0)
Other operating income	603	1,047	(444)	(42.4)
Total operating revenues	19,830	21,824	(1,994)	(9.1)
Nonoperating Revenues				
Investment income	2,107	4,270	(2,163)	(50.7)
State and local taxes and fees	106,868	98,782	8,086	8.2
Other	336	1,206	(870)	(72.1)
Total nonoperating revenues	109,311	104,258	5,053	4.8
Total revenues	129,141	126,082	3,059	2.4
Operating Expenses				
Salaries and wages	13,297	11,231	2,066	18.4
Fringe benefits	3,247	2,618	629	24.0
Utilities	5,278	4,260	1,018	23.9
Repairs and maintenance	698	808	(110)	(13.7)
Insurance	1,282	1,107	175	15.8
Security	3,217	1,174	2,043	174.0
Operating parts and supplies	1,251	1,110	141	12.7
Other	6,202	5,395	807	15.0
Depreciation and amortization	38,024	29,845	8,179	27.4
Total operating expenses	72,496	57,548	14,948	26.0
Nonoperating Expenses				
Interest expense	19,354	20,198	(844)	(4.2)
Additional rental payment for swap termination	16,371	-	16,371	100.0
Compensation to Indianapolis Convention & Visitors Association	7,970	7,737	233	3.0
Colts inducements/Revenue Sharing and Day-of-Games expenses	6,484	6,351	133	2.1
Colts Training Facility expenses	1,311	4,189	(2,878)	(68.7)
Other	22,022	21,557	465	2.2
Net nonoperating expenses	73,512	60,032	13,480	22.5
Total expenses	146,008	117,580	28,428	24.2
Income (Loss) Before Capital Contributions	(16,867)	8,502	(25,369)	(298.4)
Capital Contributions	103,312	-	103,312	100.0
Increase in Net Assets	86,445	8,502	77,943	916.8
Net Assets, Beginning of Year	110,883	102,381	8,502	8.3
Net Assets, End of Year	$ 197,328	$ 110,883	$ 86,445	78.0

Note: Dollars are in thousands.

Total operating revenues decreased about $2.0 million, or 9.1%. Rental income decreased slightly, about $29 thousand, or 0.5%, due to the period when the CIB's former domed stadium facility was closed and LOS was not completed for occupancy. Food service and concession income decreased, about $3.0 million, or 44.9%, due to the provisions in the Colts lease, whereby the Colts receive all food service income from Colts events in LOS. Parking lot income increased about $.3 million, or 61.4%, primarily due to the reopening of lots that were closed or had little usage during construction of LOS. Labor reimbursements increased about $2.5 million, or 41.8%, due to the Colts lease that requires the CIB to pay all game day security costs and, in turn, be reimbursed by the Colts. Advertising income of $1.3 million ceased in 2008 when the former domed stadium facility was demolished and the naming rights for LOS went to the Colts. Other operating income decreased about $.4 million, or 42.4%, due to the Colts lease, whereby the Colts elected to sell their own novelties and keep this income.

Total nonoperating revenues increased about $5.0 million, or 4.8%. Investment income decreased about $2.2 million, or 50.7%, due to lower interest rates and less cash reserves to invest. State and local taxes and fees increased about $8.1 million, or 8.2%, primarily due to increased PSDA distributions from the expanded 2005 PSDA Revenue. Other revenues decreased about $.9 million, or 72.1%, due to a grant contribution received in prior years and not received in 2008.

Total operating expenses increased about $14.9 million, or 26.0%, due to the opening of LOS. Salaries and wages increased about $2.1 million, or 18.4%, and fringe benefits increased about $.6 million, or 24.0%, due to the staffing requirements of a separate venue and the provisions in the Colts lease that require the CIB to pay all game day security costs of LOS. Utilities increased about $1.0 million, or 23.9%, due to the size of the stadium. Repairs and maintenance costs decreased about $.1 million, or 13.7%, due primarily to the new facility with warranties not requiring maintenance costs. Insurance costs increased about $.2 million, or 15.8% for insuring the new facility and increased insurance requirements in the Colts lease. Security costs increased about $2.0 million, or 174.0%, due to the Colts lease, effective with the opening of LOS that requires the CIB to pay all security costs including game day security costs that were previously paid by the Colts. Operating parts and supplies increased about $.1 million, or 12.8%, due to the size of the stadium and the need for more cleaning and maintenance supplies. Other expenses increased about $.8 million, or 15.0%, due primarily to the increased costs of opening LOS, such as advertising and promotion, telephone, legal and consultant fees, and set-up and installation and dismantling labor fees. Depreciation and amortization increased about $8.2 million, or 27.4%, due to the 2008 depreciation on LOS.

Total nonoperating expenses increased about $13.5 million, or 22.5%. Interest expense increased about $15.5 million, or 76.9%, due to the additional rental payment to fund a portion of the swap termination fee for MCCRFA. Compensation to the Indianapolis Convention & Visitors Association, which is based on a percentage of the Innkeeper's excise tax revenues, increased about $.2 million, or 3.0%, in 2008. Colts inducements and Day-of-Game expenses increased about $.1 million, or 2.1%, due to additional game-day concession revenues paid to the Colts. In 2007, a payable of approximately $4.2 million was recorded to reimburse the Colts for certain training facility maintenance expenses. In 2008, the balance of the $5,500,000 payable, about $1.3 million, was recorded which accounts for the $2.9 million, or 68.7% decrease. Other nonoperating expenses increased about $.5 million, or 2.2%, due to additional grants to other organizations in 2008.

Capital contributions of about $103.3 million were received in 2008. About $101.8 million of this figure was from the Colts ($100 million plus $1.8 million interest) for their contribution to the construction of LOS and $1.5 million was a federal grant for security equipment for LOS.

Overall Financial Analysis

While maintaining the CIB's core mission in 2009, much was done to stabilize the CIB's financial position. Spending cuts were instituted, capital expenditures were deferred and facility revenues were maximized wherever possible. These changes were necessary to meet the CIB's projected 2009 budget shortfall. The deficit was due in large part to shrinking local tax receipts as a result of the economy faltering. Also, the CIB's additional responsibility for operating Lucas Oil Stadium caused a strain on limited resources. However, with the assistance of the State Legislature, the Indianapolis City-County Council, the Governor, the State Treasurer and our Mayor, the CIB was able to secure new funding sources ("2009 New Funding Sources"). The combination of these New Funding Sources and the aforementioned spending cuts, allowed the CIB to end 2009 with a relatively small, but important positive net cash flow. The CIB's 2010 budget anticipates meeting 2010 expenditures with budgeted resources. If resources actually available in 2010 are materially less than budgeted, then the CIB will consider other cost reducing options (and/or seek to identify and establish new operating or non-operating revenue sources) to meet such needs of the CIB.

Capital Asset and Debt Administration

Capital Assets

As discussed, the CIB is organized and operated to acquire, construct, lease, finance, operate, promote and publicize capital improvements and thereby serve the convention and visitor industry and the commercial, industrial and cultural interests of Indiana and its citizens. Because these assets are leased from the other governments and ownership of the assets ultimately reverts to the CIB upon expiration or termination of these leases, they are accounted for as property owned under capital leases and are depreciated along with other assets owned by the CIB. Readers are referred to footnotes 4 and 6 to the financial statements for more detailed information on capital asset activity. These capital improvements (capital assets) consist primarily of the following:

Indiana Convention Center & Lucas Oil Stadium

Among the facilities managed by the CIB is a multi-purpose sports and convention facility, the Indiana Convention Center & Lucas Oil Stadium. Over the years, the Indiana Convention Center has been expanded to meet the ever-growing demand for convention space in Indianapolis, the Capitol City of Indiana. As the lure of the City's many tourist, cultural and sports attractions grows around the country, so grows the appeal of Indianapolis for convention and trade show organizers. The Indiana Convention Center hosts numerous state and national conventions, trade shows, cultural and sporting events each year, bringing millions of visitors to Indianapolis and central Indiana.

The Indiana Convention Center & Lucas Oil Stadium was constructed, expanded and improved using a mix of private and public funds, including the proceeds from a number of tax-exempt and taxable bond offerings by MCCRFA and the Indiana Finance Authority (IFA). Lease agreements relating to the Indiana Convention Center & Lucas Oil Stadium secure the related bonds, along with certain state and local taxes which are used by the CIB to pay lease rentals. Such state and local taxes also secure certain bond and note indebtedness of the CIB and other lease obligations of the CIB related to other facilities.

In 2005, the CIB entered into a lease and other agreements with the Colts extending their relationship and commitment with the City of Indianapolis and setting forth the terms of their use of the CIB's facilities. The Colts will play their home NFL games in Indianapolis through their 2034 season. A new multi-use stadium was constructed to replace the former domed stadium facility (formerly known as the RCA Dome and Hoosier Dome). This new facility is known as Lucas Oil Stadium and is located on property south of the former domed stadium facility. The use of Lucas Oil Stadium started with the 2008 Colts season. The former domed stadium facility was demolished in 2008 to make room for an expansion of the Indiana Convention Center.

The CIB is obligated to operate, maintain and insure the Indiana Convention Center & Lucas Oil Stadium at its expense.

The CIB has not adopted any planned actions that would significantly impact the planned use or life of the Indiana Convention Center & Lucas Oil Stadium.

Conseco Fieldhouse

Conseco Fieldhouse (including a connected parking facility) was completed in 1999 and is used for a variety of sporting events, concerts and other special events. The Pacers Basketball LLC's, a National Basketball Association franchise (the Pacers), is the exclusive operator of the facility, which operation and use occurs under its operating and financial agreements with the CIB. Other frequent users include the Indiana Fever (a Women's National Basketball Association basketball franchise).

Conseco Fieldhouse was built using a mix of private and public funds, including the proceeds from a 1997 tax-exempt and taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Conseco Fieldhouse secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals. In 2008, a planned partial refunding of the foregoing 1997 bonds was abandoned and a related interest rate swap option agreement entered into in 2005 was terminated, with a portion of such termination cost provided from a CIB lease rental payment. The CIB is obligated to cause certain on-going capital maintenance and repair items to be undertaken, if necessary, to maintain the condition of Conseco Fieldhouse. No significant additional capital improvements were made to Conseco Fieldhouse in the current year and there are currently no commitments for additional significant construction.

The CIB has not adopted any planned actions that would significantly impact the planned use or life of Conseco Fieldhouse.

Victory Field

MCCRFA completed construction of Victory Field in 1995. Victory Field is home to the Indianapolis Indians, a AAA minor league baseball franchise affiliated with the Pittsburgh Pirates organization (Indians).

Victory Field was built using a mix of public and private funds, including the proceeds from a taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Victory Field also secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals. The CIB is obligated to cause Victory Field to be operated, maintained and insured; those obligations are undertaken by the Indians. The novelty/gift shop area at Victory Field was renovated in the current year. All renovation costs were paid for by the Indians. There are currently no commitments for additional significant construction.

The CIB has not adopted any planned actions that would significantly impact the planned use or life of Victory Field.

Long-Term Debt

The CIB's long-term debt is comprised of capital lease obligations, bond indebtedness and note indebtedness.

The CIB has acquired certain of its existing capital assets (namely the previously existing Convention Center, Conseco Fieldhouse and Victory Field) through capital leasing arrangements with a local leasing arrangement existing since 1985 (involving MCCRFA) and, in 2005, began acquiring other capital assets (namely Lucas Oil Stadium and an expansion of the Indiana Convention Center) through capital leasing arrangements involving the Indiana Office of Management and Budget (IOMB), the Indiana Stadium and Convention Building Authority (ISCBA), and the IFA (collectively and individually their interests being referred to in this discussion as the State Leasing Entities).

MCCRFA's revenue bonds are payable solely from the respective trust estates under which they were issued and rely upon the receipt of debt service lease rentals to provide for their payment. The CIB's lease payments to MCCRFA are funded and secured by a pledge of certain state and local tax revenues that varies depending on which debt is involved. More specific information concerning these financing and security arrangements related to CIB's facilities can be found in footnotes 5, 6 and 10 to the financial statements.

The IFA's revenue obligations are payable from and secured by ISCBA obligations that are supported by the ISCBA's leases with IOMB, as lessee, who in turn receives rent under subleases with the CIB, as sublessee. The CIB's lease payments to IOMB are funded and secured by a pledge of certain state and local tax revenues. More specific information concerning these financing and security arrangements related to CIB's facilities can be found in footnotes 5, 6 and 10 to the financial statements.

In addition to its lease obligations, the CIB has direct outstanding revenue bonds and note indebtedness of its own. Such borrowings were undertaken for a variety of purposes, including making certain capital improvements, meeting certain contractual commitments with recurring users of its facilities and providing working capital. Like its lease obligations, these indebtedness obligations are payable from, and secured by, certain state and local tax revenues, which pledges vary depending on which debt is involved.

While the CIB has contractually agreed to certain debt-related limitations in connection with its capital lease obligations and bond indebtedness, certain provisions of Indiana law also limit the amount of bond and note indebtedness that it may incur. MCCRFA's and CIB's revenue bonds are presently insured as to their payment pursuant to municipal bond insurance policies with MBIA Insurance Corporation (MBIA) and AMBAC Assurance Corporation (AMBAC) and it is these policies that initially formed the basis by which they are rated by certain national credit rating agencies.

2008 evidenced the commencement of events that significantly changed finance and related credit matters. This included the publication of multiple downgrades by the national rating agencies of the credit rating of certain bond insurers, including MBIA and AMBAC. Such actions have affected the credit ratings of the CIB's and MCCRFA's bonds. Further ongoing operating, reinsurance and restructuring activities of such insurers may continue to affect their ratings and/or their insurance and surety policies. In 2008, faced with similar credit issues, including its bond insurer, the IFA (in relation to the CIB's capital leases), remarketed its then outstanding debt and issued new debt, under a revised structure reflecting its credit and certain standby bond purchase agreements. Such actions by the IFA affected (and was reflected in) the credit ratings of its debt.

Readers are referred to footnotes 8 and 9 to the financial statements for more detailed information on long-term debt activity.

Economic Factors and Other Matters

Under its agreements with the Pacers Basketball, LLC, the CIB anticipates the need for renewed negotiations surrounding the funding of the operating costs for Conseco Fieldhouse. While not certain, it is believed that it will be necessary for the CIB to accept greater financial responsibility for such costs in the future and that such costs may amount to approximately $15,000,000 annually. This figure approximates the expense to the CIB to run the building if the Pacers were no longer the marquee tenant.

Indianapolis' tourism and convention business was relatively stable in 2009 and currently remains so into 2010. As a convention and tourism business, the CIB is charged with the public purpose of promoting and publicizing Indianapolis and the central Indiana region. It continues to pursue this core purpose. The CIB's focus for the business of the Indiana Convention Center & Lucas Oil Stadium in 2010 includes maximizing the use of the facilities by concentrating on hosting large trade show events, consideration of its available rentable space (and amenities) to meet demand (and effectively compete with other national offerings) and minimizing the wear and tear on facilities (by proactively and continuously undertaking maintenance and repairs).

2010 bookings remain on target with projections. There are no events scheduled for CIB facilities that have been cancelled for 2010 that would adversely affect operations. The CIB anticipates that its regular operations in 2010 could be similar in performance to 2009 and the CIB would pursue continuing efforts involving the CIB's marketing relationships with the Indianapolis Convention & Visitors Association to attract new and recurring conventions, trade shows, sports, tourism, cultural events and other activities to its facilities and in the Central Indiana region.

Requests for Information

This financial report is designed to provide a general overview of the CIB's finances and to demonstrate the CIB's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, your inquiries should be directed to:

Finance Department
Capital Improvement Board of Managers
of Marion County, Indiana
100 South Capitol Avenue
Indianapolis, Indiana 46225-1071

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Balance Sheets
December 31, 2009 and 2008

	2009	2008
Assets		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 23,383,372	$ 45,169,263
Investments	23,810,000	-
Interest receivable	12,365	72,373
Accounts receivable	4,961,931	5,893,348
Inventories	217,526	366,407
Prepaid expenses	385,040	851,415
Total unrestricted assets	52,770,234	52,352,806
Restricted Assets		
Cash and cash equivalents	50,759,795	35,195,122
Interest receivable	736	115,940
Receivable from State of Indiana	20,999,193	23,471,491
Total restricted assets	71,759,724	58,782,553
Total current assets	124,529,958	111,135,359
Noncurrent Assets		
Deferred debt issuance costs	202,739	200,941
Non-depreciable capital assets	311,157,794	185,211,977
Depreciable capital assets, net	966,824,246	990,503,681
Total noncurrent assets	1,278,184,779	1,175,916,599
Total assets	$ 1,402,714,737	$ 1,287,051,958

	2009	2008
Liabilities and Net Assets		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 3,652,613	$ 5,470,860
Unearned revenue	186,438	217,215
Accrued expenses and withholdings	869,402	939,624
Accrued interest payable	69,988	817,340
Short-term debt	-	16,371,000
Total current liabilities payable from unrestricted assets	4,778,441	23,816,039
Payable From Restricted Assets		
Funds held for others - box office	1,213,908	1,097,711
Rental deposits	841,895	847,949
Unearned contribution revenue	-	5,444
Real estate rental payable	3,000,000	4,500,000
Accrued interest payable	1,449,566	1,502,068
Current portion of long-term debt	22,165,728	17,155,798
Total current liabilities payable from restricted assets	28,671,097	25,108,970
Total current liabilities	33,449,538	48,925,009
Noncurrent Liabilities		
Unearned contribution revenue	5,371,517	-
Due to State of Indiana	185,038,966	66,946,403
Bonds and notes payable	64,401,579	56,829,944
Capital leases payable	906,481,470	917,022,932
Total noncurrent liabilities	1,161,293,532	1,040,799,279
Total liabilities	1,194,743,070	1,089,724,288
Net Assets		
Invested in capital assets, net of related debt	134,281,780	147,019,581
Restricted		
For debt service	26,091,001	30,496,001
For capital projects	41,751,892	25,517,568
For other	1,861,029	817,880
Unrestricted	3,985,965	(6,523,360)
Total net assets	207,971,667	197,327,670
Total liabilities and net assets	$ 1,402,714,737	$ 1,287,051,958

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended December 31, 2009 and 2008

	2009	2008
Operating Revenues		
Rental income	$ 6,791,593	$ 6,326,285
Food service and concession commissions	4,532,348	3,677,833
Parking lot income	1,313,711	664,680
Labor reimbursements	7,892,040	8,557,650
Other operating income	746,845	603,098
	21,276,537	19,829,546
Operating Expenses		
Salaries and wages	11,378,810	13,297,083
Fringe benefits	3,151,893	3,247,412
Utilities	5,441,608	5,278,056
Repairs and maintenance	616,564	697,904
Insurance	1,255,953	1,281,698
Security	2,784,096	3,216,882
Operating parts and supplies	740,692	1,251,031
Other	4,253,411	6,202,122
Depreciation and amortization	35,795,575	38,023,853
	65,418,602	72,496,041
Operating Loss	(44,142,065)	(52,666,495)
Nonoperating Revenues (Expenses)		
Investment income	407,443	2,106,780
State and local taxes and fees	101,434,649	106,867,838
Contribution revenue	5,444	244,793
Interest expense	(34,129,715)	(19,353,144)
Additional rental payment for swap termination	-	(16,371,000)
Compensation to Indianapolis Convention & Visitors Association	(7,780,503)	(7,970,491)
Inducements/Revenue Sharing to Indianapolis Colts	(3,813,734)	(4,984,001)
Indianapolis Colts' Training Facility expenses	-	(1,311,421)
Indianapolis Colts' Day-of-Game expenses	(1,500,000)	(1,500,000)
Grants to other organizations	(526,947)	(3,479,845)
Amortization expense (Indianapolis Colts)	-	(18,542,245)
Gain on sale of capital assets	-	17,598
Other	67,330	74,377
	54,163,967	35,799,239
Increase (Decrease) in Net Assets Before Capital Contributions	10,021,902	(16,867,256)
Capital Contributions	622,095	103,312,031
Increase in Net Assets	10,643,997	86,444,775
Net Assets, Beginning of Year	197,327,670	110,882,895
Net Assets, End of Year	$ 207,971,667	$ 197,327,670

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Cash Flows
Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Receipts from customers and users	$ 22,273,341	$ 19,402,944
Payments to suppliers and others	(16,090,083)	(20,883,721)
Payments to employees	(14,600,925)	(16,251,164)
Net cash used in operating activities	(8,417,667)	(17,731,941)
Cash Flows From Noncapital Financing Activities		
Payments to Indianapolis Convention & Visitors Association	(7,780,503)	(7,970,491)
State and local taxes and fees received	27,620,957	20,557,031
Proceeds from State Treasurer Loan	9,000,000	-
Proceeds from issuance of 2008 junior subordinate note	-	16,371,000
Additional rental payment for swap termination	-	(16,371,000)
Grants paid to other organizations	(154,852)	(3,479,607)
Contributions received from other organizations	250,000	250,000
Payments to Indianapolis Colts	(5,313,734)	(7,795,422)
Net cash provided by noncapital financing activities	23,621,868	1,561,511
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(33,583,075)	(13,847,758)
Interest paid on long-term liabilities	(35,048,948)	(18,460,563)
Acquisition of capital assets	(5,919,371)	(45,836,807)
State and local taxes and fees received	76,285,990	81,839,299
Baseball Park Capital Improvement Fund rental payments received	67,330	74,380
Net cash provided by capital and related financing activities	1,801,926	3,768,551
Cash Flows From Investing Activities		
Purchase of investment securities	(26,210,000)	(53,640,000)
Proceeds from sales and maturities of investment securities	2,400,000	67,225,000
Interest received on investment securities and cash equivalents	582,655	2,368,228
Net cash provided by (used in) investing activities	(23,227,345)	15,953,228
Net Increase (Decrease) in Cash and Cash Equivalents	(6,221,218)	3,551,349
Cash and Cash Equivalents, Beginning of Year	80,364,385	76,813,036
Cash and Cash Equivalents, End of Year	$ 74,143,167	$ 80,364,385

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Cash Flows (Continued)
Years Ended December 31, 2009 and 2008

	2009	2008
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	$ 191,253	$ -
Additions to capital assets due to Stadium and Convention Center Expansion Projects	136,213,848	271,948,778
Increase in capital lease obligation	10,369,759	594,556,884
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (44,142,065)	$ (52,666,495)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	35,795,575	38,023,853
Change in assets and liabilities		
Accounts receivable	931,417	(952,782)
Inventories	148,881	(73,449)
Prepaid expenses	466,375	(156,108)
Accounts payable	(1,626,994)	(2,781,216)
Unearned revenue	(30,777)	(23,011)
Accrued expenses and withholdings	(70,222)	293,331
Funds held for others - box office	116,197	473,397
Rental deposits	(6,054)	130,539
Net cash used in operating activities	$ (8,417,667)	$ (17,731,941)

Note 1: Summary of Significant Accounting Policies

The Capital Improvement Board of Managers (of Marion County, Indiana) (CIB) is a municipal body created under Indiana Code (IC) 36-10-9 and is governed by a nine-member board. Six of the nine board members are appointed by the Mayor of the City of Indianapolis, one is appointed by the Marion County Board of Commissioners, one is appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County, a unified form of government commonly referred to as "Unigov" ("City-County Council") and one is appointed jointly by majority vote of a body consisting of one member of the board of the county commissioners of each county in which a food and beverage tax is in effect under IC 6-9-35 on January 1 of the appointment. The governments of the City of Indianapolis and Marion County, Indiana have been consolidated and operate under one elected City-County Council. The CIB has no stockholders or equity holders and all revenues and other receipts must be deposited and disbursed in accordance with provisions of this statute. The CIB is authorized to finance, construct, equip, operate and maintain any capital facilities or improvements of general public benefit or welfare which would tend to promote cultural, recreational, public or civic well-being of the community. Facilities used in sports, recreation and convention activities are leased and/or operated by the CIB in downtown Indianapolis.

Reporting Entity

The CIB is considered to be a component unit of the Consolidated City of Indianapolis-Marion County. The CIB has based this determination upon the fact that Unigov is financially accountable for the CIB and its operations. Financial accountability is evidenced by the following:

a. The Mayor of Indianapolis, acting in his capacity as the executive of both the City and the County, appoints a voting majority of the CIB's governing body;
b. Unigov, through its elected City-County Council, is able to impose its will upon the CIB since it approves the CIB's budget and may, at its discretion, choose to modify it;
c. The CIB is fiscally dependent upon Unigov in that it may not issue revenue bond or general obligation bond debt without approval by the Mayor of Indianapolis or the Marion County Board of Commissioners, respectively, and the City-County Council.

Measurement Focus and Basis of Accounting and Financial Reporting

The CIB is a business-type activity that prepares its financial statements on the accrual basis and economic resources measurement focus in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The CIB applies all applicable GASB pronouncements. In addition, the CIB follows all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the CIB considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Inventories

Inventories consist of maintenance and operating supplies and are valued at the lower of cost or market. Cost is determined on the first-in, first-out (FIFO) method.

Receivable From State of Indiana

The receivable from the State of Indiana represents certain derived tax revenues and fees accrued in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This balance is comprised of the following at December 31:

	2009	2008
State and local taxes	$ 20,572,594	$ 23,059,631
Speciality license plate fees	426,599	411,860
	$ 20,999,193	$ 23,471,491

Capital Assets

Capitalization thresholds used by the CIB are an initial individual cost of more than $500 for computers and office equipment and $1,000 for all other items. Purchased capital assets are stated at cost. Donated capital assets are stated at estimated fair value at the date of donation. Depreciation is charged as an expense of operations using the straight-line method. The cost of minor repairs and replacements is expensed as incurred. Major repairs and replacements are capitalized. Estimated useful lives used to compute depreciation are as follows:

	Years
Buildings and improvements	10-50
Parking garage	30
Equipment, furniture and fixtures and other	3-25

The CIB capitalized interest as a component of construction in progress, based on interest costs of borrowings specifically for the project. Total interest capitalized for 2009 and 2008 was $1,308,395 and $16,497,193.

Deferred Debt Issuance Costs

Deferred debt issuance costs are being amortized over the life of the lease or debt using the bonds-outstanding method.

Compensated Absences

Employees earn vacation time based on the calendar year. Certain employees are allowed to carry over from the previous year any accrued unused vacation days. No employee may have more than thirty unused vacation days on December 31 of any year. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the CIB has recorded a current liability of $338,991 and $292,095 for accrued vacation and related benefits at December 31, 2009 and 2008, respectively. No accrual for employees' sick pay is recorded since employees are not paid for unused sick leave upon termination of employment.

Unearned Revenue

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the CIB has received certain capital contributions, which it has recorded as unearned revenue until such time as the related assets are placed in service. Such amounts are then recorded as contribution income.

Original Issue Discounts and Premiums

Original issue discounts and premiums on bonds are amortized using the interest method over the life of the bonds to which they relate.

Revenue and Expense and Net Assets Recognition

Operating revenues and expenses of the CIB are derived primarily from convention, trade show, sporting and other special events held at the Indiana Convention Center & Lucas Oil Stadium. Operating revenues consist mainly of rental income, food service and concession commissions and labor reimbursements. All expenses that relate to operating the Indiana Convention Center & Lucas Oil Stadium facilities are considered to be operating expenses of the CIB. However, certain expenses incurred by the CIB on behalf of the Indianapolis Colts (Colts) are excluded from operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

When both restricted and unrestricted net assets are available for use, it is the CIB’s policy to use restricted net assets first, then unrestricted net assets as they are needed.

Restricted Assets

Pursuant to Indiana statutes and the provisions of the CIB’s Amended and Restated Capital Improvement Bond Fund Revenue Deposit Agreement and Amended and Restated Stadium and Convention Special Fund Revenue Deposit Agreement, certain tax revenues (state and local) and fees are allocated to the CIB and are pledged to secure and pay installments of rent under certain lease and sublease agreements and other obligations of the CIB discussed later in the notes.

Annual Budget

The CIB may not make operating expenditures except as provided in the approved annual budget. The CIB is required by law to adopt an operating expense budget, which cannot be increased by the CIB without the approval of the City-County Council. While the CIB also budgets for certain capital improvement costs and debt service costs, such expenditures do not require City-County Council approval and may be amended by CIB Board approval. The CIB prepares its annual budget on the modified accrual basis, while the accompanying financial statements are on the accrual basis.

Reclassifications

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Cash, Cash Equivalents and Investments

Deposits

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

One or more of the financial institutions holding the CIB's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under the program, through June 30, 2010, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or for interest-bearing cash accounts, the FDIC's insurance limits increased to $250,000, effective October 3, 2008. The increase in federally insured limits is currently set to expire December 31, 2013.

Any cash deposits in excess of the $250,000 FDIC limits are insured by the Indiana Public Deposits Insurance Fund. The Indiana Public Deposits Insurance Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12.1.

Investments

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

At December 31, 2009 and 2008, the CIB had the following investment securities, all of which mature within one year:

	2009	2008
Repurchase agreements	$ -	$ 5,922,982
Money market mutual funds	50,681,914	31,807,021
	$ 50,681,914	$ 37,730,003

Interest Rate Risk **-** As a means of limiting its exposure to fair value losses arising from rising interest rates, the CIB is limited to investing in securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code. The CIB's investment policy for interest rate risk requires compliance with the provisions of Indiana statutes. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk **-** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The CIB's investment policy for credit risk requires compliance with the provisions of Indiana statutes, which stipulate that the CIB only invest in securities that are rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service. At December 31, 2009 and 2008, the CIB's investments in money market mutual funds were rated AAA by Standard & Poor's.

Custodial Credit Risk **-** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CIB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2008, all of the CIB's investments in overnight repurchase agreements (which are secured by U.S. Government and U.S. Government agency obligations) were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent in the CIB's name. The CIB's investment in money market mutual funds was not subject to custodial credit risk at December 31, 2009 and 2008, as their existence is not evidenced by securities that exist in physical or book entry form. The CIB's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

Concentration of Credit Risk **-** The CIB places no limit on the amount that may be invested in any one issuer. At December 31, 2008, the CIB's investments in overnight repurchase agreements of PNC Bank constituted 16% of the total investments held at PNC Bank.

Foreign Currency Risk **-** This risk relates to adverse affects on the fair value of an investment from changes in exchange rates. The CIB's investment policy prohibits foreign investments.

Summary of Carrying Values

Deposits and investment securities included in the balance sheets are classified as follows:

	2009	2008
Carrying value		
Deposits	$ 47,271,253	$ 42,634,382
Investments	50,681,914	37,730,003
	$ 97,953,167	$ 80,364,385
Cash and cash equivalents and investment securities		
Current - unrestricted	$ 47,193,372	$ 45,169,263
Current - restricted	50,759,795	35,195,122
	$ 97,953,167	$ 80,364,385

Investment Income

Investment income for the years ended December 31, 2009 and 2008, consisted of:

	2009	2008
Interest and dividend income	$ 407,443	$ 2,106,780

Cash, cash equivalents and investment securities are restricted as follows:

	2009	2008
Operating reserve - rental deposits	$ 841,895	$ 847,949
Bond fund	6,807,827	6,908,570
Renewal and replacement	1,648,196	5,000,000
Stadium sublease account	39,722,616	20,190,879
Cultural development fund	144,273	823,324
Box office	1,213,908	1,097,711
Baseball capital improvement fund	381,080	326,689
	$ 50,759,795	$ 35,195,122

Note 3: Stadium and Convention Center Expansion Projects

In May 2004, the CIB set as priorities, expanding the Indiana Convention Center, expanding the regular hosting of National Collegiate Athletic Association (NCAA) events in Indianapolis and keeping the Colts in Indianapolis. Ultimately, the CIB determined that its best opportunity for achieving these three priorities was through expanding the Indiana Convention Center on the site of a former domed stadium facility (formerly known as the RCA Dome), and replacing the domed stadium facility with a new state-of-the-art, multi-purpose venue, which will be used for various sporting events, conventions and trade shows and other uses and events.

During 2005, the CIB moved forward with its plans to expand the Indiana Convention Center and to construct a new stadium (the Stadium and Convention Center Expansion Projects). In connection therewith, 2005 legislation was passed by the State of Indiana which generally increased the percentages and, in some cases, expanded the areas of application for certain existing excise taxes, increased the amount of revenues to be captured within the existing Professional Sports Development Area (PSDA) and established certain new fees. This 2005 legislation is further explained later in these notes. Additionally, a new State entity, the Indiana Stadium and Convention Building Authority (ISCBA), was created in 2005. The purposes of the ISCBA as set forth in its enabling statute are to acquire, construct, equip, own, lease and finance facilities for lease to or for the benefit of a capital improvement board.

Governmental Agreements

Pursuant to the passage of this 2005 legislation, the CIB was required to relinquish its control over, and responsibility for financing, designing and constructing the Stadium and Convention Center Expansion Projects to the ISCBA. Effective September 1, 2005 and December 1, 2005, the CIB and the ISCBA entered into two separate Governmental Agreements, which provide the framework for financing, designing and constructing each Project and which outline certain commitments of the two parties. These agreements also govern the reimbursement to the CIB of certain costs and advances made to the ISCBA in conjunction with the Projects, the ownership and transfer of all Project-related design and construction documents, and the conveyance of land upon which the Projects are to be built from the CIB to the ISCBA.

Development Agreements

Concurrent with the execution of the September 1, 2005 Governmental Agreement, the CIB entered into a Development Agreement with the ISCBA and the Colts in relation to the Stadium Project. A separate Development Agreement between the CIB and the ISCBA was executed in January 2007, for the Convention Center Expansion Project. Generally, the Development Agreements outline the commitments and responsibilities of the respective parties pertaining to the design, development and construction of the Projects. More specifically, the Development Agreements define and establish the respective responsibilities and obligations of the CIB, the Colts and/or the ISCBA, as applicable, to resolve defects, deficiencies, damages and changes in costs associated with the Projects during and after construction.

The Stadium Development Agreement includes a commitment from the Colts to contribute $100 million (the Club Contribution) towards the hard construction costs of the Stadium. Upon the opening of Lucas Oil Stadium in August 2008, the CIB recognized as contribution revenue approximately $101.8 million in Club Contributions towards the Stadium Project. The Convention Center Expansion Development Agreement includes certain provisions, as does the related Convention Center Sublease Agreement described later in these notes, which provide for the conveyance of certain land from the CIB to the ISCBA so that the Convention Center Expansion Project can be completed. Accordingly, during 2008, certain land was conveyed by the CIB to the ISCBA. All such land returns to the CIB upon expiration or termination of the Sublease Agreement.

Note 4: Capital Assets

A summary of changes to capital assets for the years ended December 31, 2009 and 2008 follows:

	2009			
	Beginning Balance, January 1, 2009	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2009
Capital assets, not being depreciated:				
Land and land improvements	$ 113,765,574	$ 121,728	$ (20,000)	$ 113,867,302
Construction in progress	71,446,403	125,844,089	-	197,290,492
Total capital assets, not being depreciated	185,211,977	125,965,817	(20,000)	311,157,794
Capital assets, being depreciated:				
Buildings and improvements	1,017,102,731	9,880,095	-	1,026,982,826
Equipment, furniture and fixtures and other	131,666,507	2,236,045	-	133,902,552
Total capital assets, being depreciated	1,148,769,238	12,116,140	-	1,160,885,378
Less accumulated depreciation for:				
Buildings and improvements	(110,911,929)	(25,482,601)	-	(136,394,530)
Equipment, furniture and fixtures and other	(47,353,628)	(10,312,974)	-	(57,666,602)
Total accumulated depreciation	(158,265,557)	(35,795,575)	-	(194,061,132)
Total capital assets, being depreciated, net	990,503,681	(23,679,435)	-	966,824,246
Capital assets, net	$ 1,175,715,658	$ 102,286,382	$ (20,000)	$ 1,277,982,040

	2008			
	Beginning Balance, January 1, 2008	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2008
Capital assets, not being depreciated:				
Land and land improvements	$ 28,216,473	$ 85,549,101	$ -	$ 113,765,574
Construction in progress	594,990,602	288,445,971	(811,990,170)	71,446,403
Total capital assets, not being depreciated	623,207,075	373,995,072	(811,990,170)	185,211,977
Capital assets, being depreciated:				
Buildings and improvements	480,072,830	652,325,553	(115,295,652)	1,017,102,731
Equipment, furniture and fixtures and other	65,141,731	76,922,733	(10,397,957)	131,666,507
Total capital assets, being depreciated	545,214,561	729,248,286	(125,693,609)	1,148,769,238
Less accumulated depreciation for:				
Buildings and improvements	(195,625,873)	(30,590,820)	115,304,764	(110,911,929)
Equipment, furniture and fixtures and other	(50,262,971)	(7,433,033)	10,342,376	(47,353,628)
Total accumulated depreciation	(245,888,844)	(38,023,853)	125,647,140	(158,265,557)
Total capital assets, being depreciated, net	299,325,717	691,224,433	(46,469)	990,503,681
Capital assets, net	$ 922,532,792	$ 1,065,219,505	$ (812,036,639)	$ 1,175,715,658

In August 2008, Lucas Oil Stadium was placed in service and, accordingly, asset balances were transferred from construction in progress to their appropriate capital asset categories and depreciation of the facilities commenced.

Accumulated depreciation includes amortization of property and equipment acquired under capital lease obligations.

Note 5: Due to State of Indiana

Pursuant to a Loan Agreement, originally dated October 1, 2005 and later amended, the ISCBA has received loans of proceeds from the Indiana Finance Authority (IFA), in connection with the issuance by the IFA of approximately $666.5 million in Lease Appropriation Bonds (Series 2005A, 2007A and 2008A) for purposes of financing the costs of the Stadium Project. Additionally, the ISCBA has received a loan of proceeds in connection with the issuance of approximately $329.2 million Lease Appropriation Bonds (Series 2008A, 2009A and 2009B) in relation to the Convention Center Expansion Project. During 2008, the IFA also refinanced certain of its existing bond indebtedness relating to the Stadium Project, which had previously been comprised entirely of auction rate securities. Additional contributions toward the Stadium Project costs have come from the Colts, as noted previously, and from the CIB, as hereafter noted.

In accordance with the plan of finance, the ISCBA will lease the Stadium and Convention Center Expansion Projects through December 31, 2040 under separate Lease Agreements (Stadium Lease and Convention Center Lease Agreements) to the Indiana Office of Management and Budget (IOMB). The IOMB will, in turn, sublease the Projects under separate Sublease Agreements (Stadium Sublease and Convention Center Sublease Agreements) to the CIB. Sublease rentals are payable solely from, and are secured exclusively by a pledge of, the 2005 New Excise Tax Revenues, the 2005 PSDA Revenues and certain fees as later described in these notes, and starting in 2028 (following retirement of the previously outstanding lease and bond obligations of the CIB), certain of the CIB's existing state and local tax assistance revenues. Such amounts are pledged in accordance with an Amended and Restated Stadium and Convention Special Fund Revenue Deposit Agreement between the CIB, IOMB, the ISCBA, the IFA, the Indiana State Budget Director and the Deposit Trustee. Payment by the Deposit Trustee to the Stadium Bond or Convention Center Bond Trustee for the purpose of paying sublease rental payments under the Subleases will constitute lease rentals under the Leases and payment of amounts due under the Loan Agreements. Under both Sublease Agreements, the CIB has the option to purchase the leased facilities at a price equal to the amount required to enable the IOMB to exercise its right to purchase the same facilities from the ISCBA and thereby provide for payment or redemption of all related outstanding obligations of the IFA. Also, the CIB is obligated to pay the expenses of the IOMB, as well as the costs to operate, insure and maintain the leased facilities.

As financing proceeds are spent on costs of the Projects, the CIB is recording such activity as capital assets (primarily, construction in progress) with an offsetting entry to the Due to State of Indiana balance reflected in the Balance Sheets. Such amounts accumulate, along with capitalized interest on the Projects, until the New Stadium Rentals and the Convention Center Expansion Rentals begin, at which time the respective portions of the Due to State of Indiana balance are reclassified as capital lease obligations. During 2008, the portion of the Due to State of Indiana balance relating to the Stadium Project was appropriately reclassified to Capital Leases Payable in the Balance Sheet.

During construction of the Projects, the CIB is obligated under each respective Sublease to make certain initial real estate rental payments. At December 31, 2009 and 2008, the CIB owed $3,000,000 and $4,500,000, respectively, in real estate rental payments under the Sublease Agreements. Additionally, any excess pledged revenue not used to fund such rentals under the Stadium Sublease must be contributed by the CIB to the ISCBA to fund the Stadium Project costs. The approximate amount of such restricted revenue that has been contributed by the CIB directly to the Stadium Project is $62.8 million.

Note 6: Capital Leases Payable

Financing for a substantial portion of the CIB's capital projects has been obtained from the IFA and the Marion County Convention and Recreational Facilities Authority (MCCRFA). MCCRFA was created pursuant to Indiana Code 36-10-9.1 and is authorized thereunder to acquire one or more capital improvements from the CIB or other local governments, by purchase or lease and to fund or refund indebtedness incurred on account of such capital improvements to enable the respective government to make a savings on its debt service obligations.

Pursuant to its Master Lease Agreement with MCCRFA, the CIB is leasing the Indiana Convention Center and a baseball facility (Victory Field) located adjacent thereto. Under a separate Master Lease Agreement II, the CIB is leasing Conseco Fieldhouse (a multi-purpose arena) and an adjacent parking garage. As described previously in these notes, the CIB also is a party to two Sublease Agreements (Stadium Sublease and Convention Center Sublease) relating to the Lucas Oil Stadium and Convention Center Expansion Projects.

Under each of the Master Lease and Sublease Agreements, the CIB has the option to purchase the leased facilities at a price equal to the amount required to provide for payment or redemption of all related outstanding debt obligations. Also, the CIB is obligated to pay certain expenses and all costs to operate, insure and maintain the leased facilities. The CIB's lease and sublease payment obligations are payable from and secured by a pledge of certain state and local taxes to be received by the CIB, which are described later in these notes. Certain lease obligations have specific or senior liens on some of the state and local taxes.

Assets held under these capital leases include land and substantially all of the CIB's depreciable capital assets.

Future minimum lease payments at December 31, 2009, together with the present value of the net minimum lease payments, are as follows:

2010	$ 68,945,240
2011	70,119,508
2012	70,163,537
2013	70,161,485
2014	70,161,457
2015 - 2019	350,753,579
2020 - 2024	350,632,032
2025 - 2029	280,510,782
2030 - 2034	210,438,282
2035 - 2037	105,219,141
	1,647,105,043
Amount representing interest	(721,055,758)
Present value of net minimum lease payments	926,049,285
Deferred gain on refunding	1,152,913
Current portion of capital lease obligations	(20,720,728)
Total long-term portion of capital lease obligations	$ 906,481,470

During 2003, the CIB recorded a deferred accounting gain of $2,445,312 on the restructuring of its Master Lease Agreement with MCCRFA, which is being amortized into income over the period ending in 2021.

In April 2005, MCCRFA entered into a swap option ("swaption"), which provided a synthetic refunding of certain of its outstanding bonds. In connection with entering into the swaption, MCCRFA amended its Master Lease Agreement Number II, to provide for, among other things, the payment of additional rentals from the CIB to MCCRFA in the event a termination payment became due under the swaption. During 2007, the swaption was exercised. However, because of market disruption and related issues in 2008, MCCRFA abandoned its planned refunding of certain associated revenue bond debt and terminated the swap in 2008. In connection therewith, the CIB made an additional rental payment to MCCRFA of $16,371,000 during 2008 to fund a portion of the approximately $21 million termination payment.

Note 7: Short-Term Debt

Short-term debt of the CIB at December 31, 2008 consisted of a one-year note issued to evidence amounts loaned by the Indiana Board for Depositories. This note, in the amount of $16,371,000, provided financing to cover the additional rentals paid to MCCRFA to satisfy a portion of the termination payment under the swap agreement. The note was issued in August 2008 and was paid in full in April 2009 prior to its June 30, 2009 due date. Interest was payable at 3.92%.

Note 8: Long-Term Debt

Long-term debt of the CIB (excluding capital lease obligations) consists of the following:

Junior Subordinate Notes

Under a borrowing arrangement executed in 1998, certain civic-minded local businesses (Junior Lenders) began lending to the CIB pursuant to junior notes certain funds paid to them from Circle Center Limited Partnership (an activity and investment that had civic origins and was unrelated to the CIB) for the purpose of assisting with the financing of Conseco Fieldhouse and other CIB activities. The Junior Lenders lent certain income and other proceeds that they received from their respective interests in Circle Centre Partners Limited Partnership. These notes were issued as junior obligations with a payment right similar to MCCRFA's bondholders except they are, in all respects, subordinate.

The original borrowing agreement provided that the initial notes would mature on December 31, 2007, with interest at a per annum rate equal to 3%. On December 31, 2007, the Board entered into an arrangement to refinance the original notes, including accrued and unpaid interest, with replacement notes that will mature on December 31, 2017, with interest at a per annum rate equal to rolling monthly average of the yield on 13-week United States Treasury Bills. Interest is payable annually beginning January 15, 2009. The notes can be prepaid at the CIB's option at any time without penalty.

During 2008 and 2009, no additional borrowing under such loans occurred. The aggregate balance of these loans at December 31, 2009 and 2008 is $33,759,000. Accrued and unpaid interest on these notes at December 31, 2009 and 2008 amounted to $50,301 and $562,425, respectively.

Series 1999A Bonds and Refunding Notes

Under its prior lease agreement (which was terminated in 2008) with the Colts, the CIB agreed to assist the Colts in securing $22 million in financing from various local banks. Such prior lease agreement required the CIB to make semi-annual Amortization Payments of $1,231,250 related to this loan. The Colts organization assigned its right to receive these Amortization Payments to the lender banks. Accordingly, the CIB recorded a loan payable and an offsetting deferred asset in the balance sheets. The deferred asset has been amortized to expense on a straight-line basis over the remaining adjusted term of the original Colts lease (through 2008). During 1999, the CIB issued $25,805,000 of Excise Taxes Revenue Subordinate Bonds, Series 1999A, and $23,800,000 of Excise Taxes Revenue Subordinate Refunding Notes, Series 1999A (collectively, the 1999 Subordinate Bonds). A portion of the proceeds from these debt issues was used to finance certain renovations and improvements to the Indiana Convention Center and the CIB's former domed stadium facility, while the remaining proceeds were used to prepay the above mentioned loan to the Colts, effectively refinancing the CIB's semi-annual amortization payments.

Information regarding the Series 1999 Subordinate Bonds at December 31, 2009 and 2008 follows:

	2009	2008
Excise Taxes Revenue Subordinate Bonds, Series 1999A		
Serial bonds, maturing June 1, 2004 to December 1, 2013. Interest at 3.35% to 5.00%, due semiannually on June 1 and December 1	$ 6,190,000	$ 7,570,000
Term bonds, maturing June 1, 2015 to June 1, 2021. Interest at 5.00%, due semiannually on June 1 and December 1	17,000,000	17,000,000
	23,190,000	24,570,000
Unamortized discount	(102,421)	(119,056)
Total Series 1999A	$ 23,087,579	$ 24,450,944

The debt service requirements to maturity for long-term debt of the CIB (excluding capital lease obligations) are as follows at December 31, 2009:

	Principal	Interest	Total
2010	$ 1,445,000	$ 1,161,173	$ 2,606,173
2011	1,510,000	1,091,895	2,601,895
2012	1,580,000	1,018,508	2,598,508
2013	1,655,000	1,476,728	3,131,728
2014	1,740,000	1,392,887	3,132,887
2015 - 2019	52,844,000	6,985,556	59,829,556
2020 - 2021	5,175,000	271,625	5,446,625
	$ 65,949,000	$ 13,398,372	$ 79,347,372

The CIB entered into a Note Purchase Agreement with the Treasurer of the State of Indiana permitting the CIB to receive from the State Treasurer up to three $9 million loans in 2009, 2010 and 2011 with ten-year maturities from the date made (each a “State Treasurer Loan”) with no interest payments required to be made before 2013. On December 15, 2009, the CIB completed an initial State Treasurer Loan which was outstanding at December 31, 2009 in the amount of $9,000,000. In connection with such 2009 loan, the CIB issued a note (2009 Note) bearing interest at a per annum rate of 5.25% with a maturity date of December 15, 2019. Interest payments on the 2009 Note commence June 1, 2013, and are required to be made annually thereafter on each June 1. The CIB may request loans for 2010 and 2011 from the State Treasurer; however, no assurance is given that any such future loan will be made as any such loan is subject to certain conditions in the Note Purchase Agreement.

Certain of the CIB’s and MCCRFA’s revenue bond debt is subject to debt service reserve requirements, which were previously satisfied through the use of surety policies issued by MBIA Insurance Corporation (MBIA) and AMBAC Assurance Corporation (AMBAC). Since such policies were issued, such insurers may have undertaken operating, reinsurance and other restructuring activities without the involvement of the CIB or MCCRFA. At December 31, 2008, these policies amounted to approximately $26,300,000. In September 2008, the trustee under the CIB and MCCRFA bond indentures gave notice that the existing MBIA and AMBAC surety policies failed to meet indenture requirements for a debt service reserve fund credit facility because the ratings of MBIA and AMBAC had fallen below the AA/Aa category and, pursuant to such indentures, directed that cash or a substitute facility meeting such requirements (an “Additional Credit Facility”) be deposited with the trustee within one year.

In September 2009, the CIB used approximately $1 million of cash balances to make a reserve deposit related to MCCRFA's AMBAC surety policy, thereby satisfying such requirement. Regarding the remaining funding need of approximately $25.3 million related to MBIA surety policies, the CIB concurrently entered into two Debt Service Reserve Fund Replenishment Agreements ("New Reserve Facilities") with the IFA (and in regards to one of the agreements also with MCCRFA). Pursuant to these agreements, the IFA has agreed to lend such amounts for deposit in such reserves in the event there is an insufficiency in such reserves to meet required bond payments following unfulfilled requests having been made to MBIA under the respective MBIA surety policies and to The Indianapolis Local Public Improvement Bond Bank (Bond Bank) under its related agreement. The CIB and MCCRFA have found that such New Reserve Facilities have met the requirements of an Additional Credit Facility. Such New Reserve Facilities are subject to various terms and conditions, which could result in the agreements being terminated prior to the final maturity of the bonds secured by the debt service reserve funds.

Note 9: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2009 and 2008:

	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	24,570,000	-	(1,380,000)	23,190,000	1,445,000
Treasurer of State Junior Subordinate Notes, Series 2009A	-	9,000,000	-	9,000,000	-
Due to State of Indiana	66,946,403	118,092,563	-	185,038,966	-
Capital leases	931,455,268	10,369,759	(15,775,742)	926,049,285	20,720,728
(Discount)/premium	(119,056)	-	16,635	(102,421)	-
Gain (loss) on refunding	1,343,462	-	(190,549)	1,152,913	-
	$ 1,057,955,077	$ 137,462,322	$ (17,329,656)	$ 1,178,087,743	$ 22,165,728

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	24,960,000	-	(390,000)	24,570,000	1,380,000
Excise Taxes Revenue Subordinate Notes, Series 1999A	3,235,000	-	(3,235,000)	-	-
Due to State of Indiana	474,121,857	187,381,430	(594,556,884)	66,946,403	-
Capital leases	347,064,809	594,556,884	(10,166,425)	931,455,268	15,775,798
(Discount)/premium	(136,681)	-	17,625	(119,056)	-
Gain (loss) on refunding	1,489,283	-	(145,821)	1,343,462	-
	$ 884,493,268	$ 781,938,314	$ (608,476,505)	$ 1,057,955,077	$ 17,155,798

Note 10: State and Local Tax and Fees

A summary of the various sources of state and local tax assistance and fees received by the CIB follows. These include certain Excise Taxes, PSDA Revenues, Ticket Fees and Specialty License Plate Fees.

Excise Taxes consist of the Marion County Innkeeper's Tax, the Marion County Food and Beverage Tax, the Marion County Admissions Tax, the Marion County Supplemental Auto Rental Excise Tax, the Regional County Food and Beverage Tax and the Indiana Cigarette Tax, all of which are described in greater detail below.

Marion County Innkeeper's Tax

Since 1997, a 6% Marion County Innkeeper's Tax (the Original Marion County Innkeeper's Tax) has been levied on every person engaged in the business of renting or furnishing, for periods of less than 30 days, any lodgings in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which lodgings are regularly furnished for a consideration. This tax is applied in addition to the Indiana Gross Retail and Use Taxes imposed under these circumstances. In accordance with IC 6-9-8 (as amended), one-sixth of the Innkeeper's Tax of 6% is to be used solely to fund lease rental payments (Senior or Subordinate) or other obligations related to convention center expansion projects.

The Marion County Innkeeper's Tax was increased in 2005 by an additional 3% (the 2005 Marion County Innkeeper's Tax) and again in 2009 (effective September 1, 2009) by an additional 1% (the 2009 Marion County Innkeeper's Tax).

Marion County Food and Beverage Tax

Since 1981, a 1% Marion County Food and Beverage Tax (the Original Marion County Food and Beverage Tax) has been imposed on the gross retail income received by a retail merchant from any transaction within Marion County in which food or beverage is furnished, prepared or served. However, it does not apply to transactions exempt from Indiana Gross Retail Tax, as defined under Indiana statutes.

The Marion County Food and Beverage Tax was increased in 2005 by an additional 1% (the 2005 Marion County Food and Beverage Tax).

Marion County Admissions Tax

Since 1997, a 5% Marion County Admissions Tax (the Original Marion County Admission Tax) has been imposed on each person who pays a price of admission to certain events held in a facility financed in whole or in part by bonds or notes issued under IC 18-4-17 (before its repeal), IC 36-10-9 or IC 36-10-9.1. As stated in IC 6-9-13, the tax equals 5% of the price of admissions to such an event and is paid with the price of admission. Generally, events sponsored by educational, religious, political and charitable organizations are exempt.

The Marion County Admissions Tax was increased in 2005 by an additional 1% (the 2005 Marion County Admissions Tax).

Marion County Supplemental Auto Rental Excise Tax

Since 1997, a 2% Marion County Supplemental Auto Rental Excise Tax (the Original Marion County Supplemental Auto Rental Excise Tax) has been imposed under IC 6-6-9.7 on the rental of certain passenger motor vehicles and trucks at a rate equal to 2% of the gross retail income received by a retail merchant for the rental. Certain exclusions apply.

The Marion County Supplemental Auto Rental Excise Tax was increased in 2005 by an additional 2% (the 2005 Marion County Supplemental Auto Rental Excise Tax).

Regional County Food and Beverage Tax

In 2005, a 1% Regional County Food and Beverage Tax was established (the 2005 Regional County Food and Beverage Tax) by six of the counties surrounding Marion County, those being Boone, Johnson, Hamilton, Hancock, Hendricks and Shelby. The food and beverage tax, equal to 1%, is imposed on the gross retail income resulting from any transaction in which food or beverage is furnished, prepared or served by a retail merchant for consideration and for consumption at a location, or on equipment, provided by the retail merchant, including transactions in which food or beverage is served by a retail merchant off its premises. This tax is in addition to the Indiana Gross Retail Tax.

As long as there are any obligations owed by the CIB to the ISCBA or any state agency under a lease or other agreement entered into between the CIB and the ISCBA or any state agency, the CIB receives one-half of the amounts received from the 1% Regional County Food and Beverage Tax up to annual maximum of $5 million.

Indiana Cigarette Tax

IC 6-7 provides that the CIB shall receive $350,000 annually from receipts of the Indiana Cigarette Tax. This tax is levied on each person who first sells, uses, consumes, handles or distributes cigarettes. The rate of tax depends upon the weight of the cigarettes and also applies to all cigarette papers, wrappers or tubes made or prepared for the purpose of making cigarettes to be sold, exchanged, bartered, given away or otherwise disposed of within Indiana.

Original Excise Tax Revenues

The Original Marion County Innkeeper's Tax, Original Marion County Food and Beverage Tax, Original Marion County Admissions Tax, Original Marion County Supplemental Auto Rental Excise Tax and the CIB's Indiana Cigarette Tax receipts (collectively, the Original Excise Tax Revenues) are distributed to the CIB and are used to pay its outstanding obligations (other than those relating to the Stadium and Convention Center Expansion Projects) and otherwise further its operating purposes.

2005 New Tax Revenues

The 2005 Marion County Innkeeper's Tax, 2005 Marion County Food and Beverage Tax, 2005 Marion County Admissions Tax, 2005 Marion County Supplemental Auto Rental Excise Tax and 2005 Regional County Food and Beverage Tax, and starting in 2028 following retirement of the previously outstanding lease and bond obligations of the CIB, certain of the CIB's original state and local assistance tax revenues (collectively, the 2005 New Tax Revenues), are to be distributed to the CIB and used to pay obligations relating to the Stadium and Convention Center Expansion Projects.

Professional Sports Development Area Revenues

Pursuant to Indiana Code 36-7-31, the Metropolitan Development Commission of the City of Indianapolis, Indiana, and of Marion County, Indiana (the Commission), may establish a professional sports development area which area may include any facility (a) used in the training of a team engaged in professional sports events, or (b) financed in whole or in part by notes or bonds issued by a political subdivision or issued under the CIB's or the IFA's enabling act and used to hold a professional sporting event. Certain state and local taxes generated in the area are allocated to a professional sports development area fund and can be used to finance the construction and equipping of a designated capital improvement used for a professional sporting event. The taxes which may be allocated to the PSDA Fund include the Indiana Gross Retail Tax, the Indiana Use Tax, the Indiana Adjusted Gross Income Tax imposed on an individual, the County Option Income Tax and the 2% Marion County Food and Beverage Tax as previously described (the Covered Taxes).

In 1997, the Commission adopted a resolution establishing the Marion County PSDA and the State Budget Agency approved such resolution. The PSDA includes four facilities: (1) Conseco Fieldhouse, (2) the Indiana Convention Center & Lucas Oil Stadium, (3) Victory Field and (4) the Indianapolis Colts Practice Facility. All Covered Taxes generated at each of the four facilities are to be deposited into the PSDA Fund (the Original PSDA Revenues); provided, however, that the total amount of state revenue (i.e., Indiana Gross Retail Tax, Indiana Use Tax and Indiana Adjusted Gross Income Tax) captured by the PSDA may not exceed $5,000,000 per year for 20 consecutive years (the State PSDA Cap). The Original PSDA Revenues are distributed to the CIB to be used to pay obligations relating to Conseco Fieldhouse.

In 2005, the PSDA was changed to include the Stadium site such that commencing July 1, 2007, there may be captured in the PSDA up to $11,000,000 per year in Covered Taxes comprising state revenues for up to 34 consecutive years ending December 31, 2040 (the PSDA Revenues Increase) in addition to the up to $5,000,000 in Covered Taxes comprising state revenues originally to be captured in the PSDA. Such action also permitted the original $5,000,000 per year State PSDA Cap to be extended beyond the original 20 years (which would have expired in 2017) to January 1, 2041 (the Post-2017 Original PSDA Revenues), so that the maximum amount of state revenue that may be captured by the PSDA is $16,000,000 per year. The Post-2017 Original PSDA Revenues and the PSDA Revenues Increase are collectively referred to as the 2005 PSDA Revenues. The 2005 PSDA Revenues are distributed to the CIB to be used to pay obligations relating to the Stadium and Convention Center Expansion Projects.

The Covered Taxes to be collected within the tax area include the following:

Descriptions of Tax	IC Section	Current Rate
Indiana Gross Retail Tax	6-2.5-2-2	7.00% (generally)
Indiana Use Tax	6-2.5-3-3	7.00% (generally)
Indiana Adjusted Gross Income Tax for Individuals	6-3-2-1	3.40%
Marion County Option Income Tax for Individuals	6-3.5-6-8	1.65% (resident rate) 0.4125% (nonresident rate)
Marion County Food and Beverage Tax	6-9-12-5	2%

The Indiana Gross Retail Tax is imposed on all retail transactions made in Indiana. The person acquiring property in Indiana is liable for the tax, but retail merchants are responsible for collecting the tax. The Indiana Gross Retail Tax is imposed, at the time of sale, on the amount of gross retail income received by the retail merchant.

The Indiana Use Tax is imposed on the storage, use, or consumption of tangible personal property in Indiana. The Indiana Use Tax is similar to the Indiana Gross Retail Tax in that it is measured by the gross retail income received from a retail transaction and is computed using the same rates.

The Indiana Adjusted Gross Income Tax is imposed on both individuals (resident and nonresident) and corporations. The tax is applied to the adjusted gross income, as defined under Indiana statutes, of all resident individuals and to the part of the adjusted gross income derived from sources within Indiana of all nonresident individuals.

The Marion County Option Income Tax is imposed on the Indiana adjusted gross income of individual resident and nonresident county taxpayers of Marion County.

As noted previously, the Marion County Food and Beverage Tax is generally imposed on the gross retail income received by a retail merchant from any transaction within Marion County in which food or beverage is furnished, prepared or served.

The total amount of Indiana Gross Retail Tax, Indiana Use Tax and Indiana Adjusted Gross Income Tax for Individuals to be captured and deposited into the PSDA fund is limited. However, Marion County taxes are not limited.

In 2009, the Commission adopted a resolution expanding the Marion County PSDA and the State Budget Agency approved such resolution. The PSDA expansion related to the area in Indianapolis bounded on the east by Illinois Street, on the south by Maryland Street, and on the west and north by Washington Street, as those streets were located on June 1, 2009 (the 2009 Tax Area Addition). The Commission resolution designates certain hotel, motel, or multibrand complex of hotels and motels with significant meeting space that are located in the 2009 Tax Area Addition. By this designation and effective July 1, 2009, all Covered Taxes (except for Marion County Food and Beverage Taxes) generated from such hotel and motel facilities in the 2009 Tax Area Addition (the 2009 PSDA Revenues) are captured and distributed to the CIB to be used to pay operating expenses of the CIB facilities; provided, however, that the total amount of state revenue (i.e., Indiana Gross Retail Tax, Indiana Use Tax and Indiana Adjusted Gross Income Tax) captured by the PSDA expansion may not exceed $8,000,000 per year. The 2009 Tax Area Addition designation expires December 31, 2040.

2009 New Tax Revenues

The new 2009 Marion County Innkeeper's Tax and 2009 PSDA Revenues (collectively the 2009 New Tax Revenues), are to be distributed to the CIB and are restricted to paying operating expenses of the CIB facilities.

Specialty License Plate Fees

Indiana Code 9-18-49 permits the Indiana Bureau of Motor Vehicles to design and issue a National Football League franchised football team license plate as a specialty group recognition license plate (under Indiana Code 9-18-25), featuring the name and logo of the Indianapolis Colts. An annual fee of twenty dollars ($20) is charged for the license plate in addition to standard license plate fees and is collected by the Indiana Bureau of Motor Vehicles at the time the plate is sold.

Summary of State and Local Tax Assistance

State and local tax assistance received or accrued by the CIB in 2009 and 2008 include the following components:

	2009	2008
Marion County food and beverage (1%)	$ 17,245,791	$ 18,302,507
Innkeeper's tax (5%)	16,586,647	19,345,115
Innkeeper's tax (1%)	3,317,330	3,869,023
Auto rental excise tax (2%)	1,890,765	2,137,402
Admissions tax (5%)	6,045,410	5,572,962
Cigarette tax	350,000	350,000
PSDA tax allocation	8,150,302	7,273,513
Total Original Excise Taxes and Original PSDA Revenues	53,586,245	56,850,522
Marion County food and beverage (1%)	17,245,791	18,302,508
Regional food and beverage (.5%)	5,086,286	5,108,824
Innkeeper's tax (3%)	9,951,988	11,607,069
Auto rental excise tax (2%)	1,890,765	2,137,402
Admissions tax (1%)	1,209,082	1,114,592
PSDA tax allocation	7,202,432	10,839,606
Total 2005 New Tax Revenues and 2005 PSDA Revenues	42,586,344	49,110,001
Innkeeper's tax (1%)	843,325	-
PSDA tax allocation	3,582,035	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	4,425,360	-
Specialty License Plate Fees	836,700	907,315
Total state and local taxes and fees	$ 101,434,649	$ 106,867,838

Total lease rental and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2009 and 2008 amounted to $30,277,879 and $32,866,969, respectively.

Note 11: Agreements With the Pacers Basketball, LLC

During 1997, the CIB approved new Operating and Financial Agreements with the Pacers Basketball, LLC (Operator) that, among other things, govern the use of Conseco Fieldhouse. The agreements cover a twenty-year initial term, commencing in 1999, with ten five-year extension options. The Operator will receive revenues from Fieldhouse operations, naming rights, signage, advertising and broadcast revenues. The CIB is responsible for major repairs on the facility, while the Operator is responsible for making daily repairs to keep the facility operational. The sale of a controlling interest in the Indiana Pacers is subject to the CIB's first right of refusal.

The Financial Agreement provides for targeted profitability for the Operator. If this target is not reached, the CIB will reimburse certain operating expenses. In addition, the Operator remains obligated, upon early termination of the Financial Agreement, to repay the CIB for advances made through 1999 for utility and maintenance costs of the CIB's previous arena facility, Market Square Arena. At the conclusion of each NBA Season during the initial twenty-year term of the Financial Agreement, five percent of the cumulative advances are to be forgiven. At December 31, 2009, the outstanding balance of cumulative advances aggregates $15,209,143. The Financial Agreement may be terminated after ten years (but only if the CIB does not exercise its right of first refusal and if the Operator has experienced a defined level of losses), and the Operator must pay a mutually agreed-upon termination fee.

Under its agreements with the Pacers Basketball, LLC, the CIB anticipates the need for renewed negotiations surrounding the funding of the operating costs for Conseco Fieldhouse. While not certain, it is believed that it will be necessary for the CIB to accept greater financial responsibility for such costs in the future and that such costs may amount to approximately $15,000,000 annually. This figure approximates the expense to the CIB to run the building if the Pacers were no longer the marquee tenant.

Note 12: Agreements With the Indianapolis Colts

Original Lease Agreement

In 1984, the CIB entered into a long-term lease agreement with the Colts requiring its home NFL football games to be played in the CIB's former domed stadium facility. Since then, the agreement has been amended several times.

In connection with pre-2005 amendments, the CIB made certain payments to the Colts as negotiated inducements and also made certain renovations to the CIB's former domed stadium facility. For the remaining term of the agreement, the CIB agreed to reimburse the Colts for all ordinary and reasonable Day-of-Game Expenses, as defined in the agreement, up to a not-to-exceed cap that increased in subsequent seasons but was never to exceed $1,600,000. The CIB also agreed to make semi-annual inducement payments to the Colts which were conditioned upon the Colts meeting certain responsibilities under the agreement (including playing their home football games in the CIB's former domed stadium facility until the end of the 2013 NFL football season). The semi-annual inducement payments approximated (but were not directly tied to) revenue producing activity related to the Colts and were subject to certain adjustments, which otherwise financially benefited the CIB. For December 31, 2009 and 2008, the CIB paid the Colts inducements of $313,734 and $4,984,001, respectively.

Concurrently with the execution of the 1984 lease, the CIB constructed a training and office facility for use by the Colts. Additionally, as part of the settlement of litigation surrounding the relocation of the Colts from Baltimore to Indianapolis, the CIB agreed to convey ownership of this facility to the Colts. The cost of the facility was recorded as an asset and amortized on a straight-line basis over the adjusted term of the original Colts lease (through 2008), as referenced in the following paragraph.

New Lease Agreement and Original Lease Termination

Effective September 1, 2005, the CIB entered into a Lease Termination Agreement with the Colts to terminate and replace the original lease agreement with a new lease agreement (New Colts Lease Agreement) providing the Colts use of a new, state-of-the-art, multi-purpose venue, Lucas Oil Stadium. The Lease Termination Agreement specified that the original lease agreement shall terminate on the Operating Commencement Date (August 15, 2008) and in consideration for the Colt's agreement to terminate the original lease agreement and forego their rights under such agreement, the CIB paid the Colts $48 million in 2005. Upon payment of the termination fee, the CIB recorded a prepaid asset which is reported in the balance sheets as deferred lease termination fee. The balance of the prepaid asset was amortized over the remaining adjusted term of the old lease agreement (through 2008) using the straight-line method.

Under the New Colts Lease Agreement, the CIB is to receive $250,000 annually from the Colts during the term of the agreement, provided that the Colts play at least ten pre-season, regular season or post-season games at the Stadium. If the Colts do not play at least ten games in the Stadium in any given NFL season, the annual rent will be reduced by $25,000 for each game below the ten-game minimum that is not played in the Stadium. Also, the Colts must reimburse the CIB for any Day-of-Game Personnel Expenses, as defined in the New Colts Lease Agreement. The CIB, in turn, has agreed to reimburse the Colts for all ordinary and reasonable Day-of-Game Expenses, as defined in the New Colts Lease Agreement. The CIB has also agreed to pay the Colts $3,500,000 of annual revenues from Non-Colts Events held at the Stadium. Finally, the CIB was required to reimburse the Colts $5,500,000 for costs and expenses incurred by the Colts in connection with the maintenance and/or improvements of the Colts Training Facility. The New Colts Lease Agreement expires on August 31, 2038. However, in the event the Colts are not among the top five NFL teams in total gross operating revenues for the 2030 fiscal year, the Colts have the right to terminate the lease without cause at their sole discretion effective as of August 31, 2035.

Contractual Undertaking

In accordance with the Colts Development Agreement (described earlier in the notes), the Colts committed to contribute $100 million to the Stadium Project. During 2007, the Colts undertook a $34 million loan through the NFL's G-3 program and a $66 million loan through a series of transactions involving fixed rate bonds issued by the City of Indianapolis (the City's Colts Loan) and the Bond Bank to finance its commitment. To secure the Bond Bank's bonds issued as part of the City's Colts Loan, the CIB entered into a contractual undertaking, secured by a subordinate pledge on certain Original Excise Tax Revenues and the Indiana Cigarette Tax Revenues of the CIB, which would require payments to the Bond Bank by the CIB if the Colts fail to timely repay the City's Colts Loan. The Colts are obligated to pay the City's Colts Loan with interest such that no payments are anticipated on such contractual undertaking by the CIB.

Note 13: Baseball Facility

In 1994, the CIB entered into an agreement to lease (Ground Lease) certain real estate from the Indiana White River State Park Development Commission (Commission), a State agency. The CIB constructed Victory Field, a professional baseball facility, on this land. The initial lease period of the Ground Lease commenced December 1, 1994, and expires March 31, 2016. The Ground Lease allows for lease extensions provided, among other conditions, such extensions, combined with the initial lease period, do not exceed 99 years. Upon expiration or termination of the Ground Lease, any facilities constructed on the land revert to the Commission.

Under the Ground Lease and a related agreement, the CIB agreed to provide for the construction of the baseball facility and to sublease the facility to the Indianapolis Indians, Inc., a minor league baseball franchise. Victory Field was completed in 1996. To fund a portion of the cost of Victory Field, MCCRFA issued its Excise Taxes Lease Rental Revenue Bonds, Series 1995A. Such bonds are payable primarily from rental payments to be made by the CIB under a separate financing lease, dated June 1, 1995, referred to as the Second Amendment to Master Lease Agreement, between the CIB and MCCRFA. This lease is currently in effect and ends on the sooner of March 31, 2016 or the June 1 or December 1 next following payment of such bonds. Upon payment of the bonds, MCCRFA's rights in Victory Field will be transferred to the CIB.

Future minimum sublease payments due from the Indians at December 31, 2009 are as follows:

	Fixed Rentals	Additional Rentals	Total
2010	$ 500,000	$ 50,000	$ 550,000
2011	500,000	50,000	550,000
2012	500,000	50,000	550,000
2013	500,000	50,000	550,000
2014	500,000	50,000	550,000
2015	500,000	50,000	550,000
	$ 3,000,000	$ 300,000	$ 3,300,000

Additional rentals represent amounts to be set aside in the Baseball Park Capital Improvement Fund for future maintenance of the facility.

Note 14: Capitol Commons

The CIB and the City entered into agreements with developers in 1986 to construct and operate the Capitol Commons (an open, public landscaped area), a parking facility beneath the Capitol Commons and a convention hotel. The construction of the Capitol Commons was funded by $6,300,000 of private grants. The developers funded construction of the underground parking facility and the hotel. In 1988, the CIB obtained a leasehold interest in the garage and thereupon became the lessor in a long-term lease arrangement for the operation of the garage facility.

During 2004, the CIB, in conjunction with the City, determined that it was in the best interests of the City and Marion County, to allow for the construction of a new, high-rise, corporate headquarters facility on a portion of the existing Capitol Commons site. The CIB entered into a Joint Development Agreement with the Department of Metropolitan Development of the Consolidated City of Indianapolis-Marion County (DMD) and an internationally known retail mall developer that generally provides the framework for various ancillary agreements governing the ownership, use and operation of the Capitol Commons site and its associated underground parking garage. In short, the various other agreements govern the transfer from the CIB to DMD of certain rights and interests related to the Capitol Commons surface improvements and all air rights above the surface of such property, together with approximately one-half of the underground Capitol Commons parking garage.

The CIB generally retains responsibility for one-third of all operating costs associated with the maintenance of the entire garage and for any necessary capital improvements to the Capitol Commons site and the one-half of the parking garage transferred to DMD. These responsibilities are more fully described in a separate Operating Agreement between the CIB and DMD and in the Second Amendment and Restatement of Lease between the CIB and the garage tenant and operator. Both of these agreements have a term of 99 years, ending in 2103. In return for accepting these responsibilities, the CIB continues to receive a portion of all rental payments and/or Monthly Parking Allowance Payments, as defined in the agreements.

Note 15: Risk Management

The CIB is exposed to various risks of loss related to theft of, damage to and destruction of assets, as well as torts and natural disasters. The CIB purchases commercial insurance policies for such risks of loss. Certain of these policies allow for deductibles, which range from $250 to $500,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note 16: Pension Plan

Plan Description

The CIB contributes to the Public Employees' Retirement Fund of Indiana (PERF), established in accordance with Indiana statutes (I.C.5-10.3-2-1). PERF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly. However, obligations to contribute to the plan are determined by the board of PERF in accordance with actuarial methods. PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing to: Indiana Public Employees' Retirement Fund, Harrison Bldg., Suite 800, 143 West Market Street, Indianapolis, Indiana 46204, or by calling 317-233-4162. Substantially all of the CIB's full-time employees are covered by the plan. The following disclosures represent the most current and available information on the plan through the July 1, 2009 actuarial valuation.

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

Funding Policy

The CIB contributes an actuarially determined percentage (6.50% for calendar year 2009) of employee payroll to the plan. Required contributions are communicated to the CIB annually by the PERF board and are effective January 1 of each year. This component represents the employer contribution required under the plan. Employees are required to contribute 3.00% of their annual salary to an annuity savings account, as prescribed by Indiana statutes. The CIB contributes the 3.00% for its participating salaried employees. Accumulated employee contributions and allocated interest income are maintained by PERF in a separate system-wide fund for all members. An employee who leaves employment before qualifying for benefits receives a refund of his or her savings account.

Annual Pension Cost and Net Pension Obligation

For calendar year 2009, the CIB's annual pension cost of $584,674 for the plan was equal to the CIB's required and actual contributions. Required contributions are determined as part of annual July 1 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions used for the July 1, 2009 actuarial valuation included: (a) 7.25% investment rate of return (net of administrative expenses), (b) projected salary increases based upon PERF experience between 2000 and 2005 and (c) 1.5% per year cost-of-living adjustments. The actuarial value of the plan's assets is determined by taking the previous year's actuarial value, adding contributions, subtracting pension payments and plan expenses and adding expected earnings at the valuation rate of interest, based on a midyear weighted-average fund. The result is multiplied by 75.00% and added to 25.00% of the cost value of the plan assets as of the valuation date. Effective July 1, 1997, the plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

The following is a schedule of the net pension obligation (NPO) for the CIB at December 31, 2009, which, due to the immateriality of the balance, is included in accrued expenses and withholdings rather than noncurrent liabilities in the Balance Sheet:

Net Pension Obligation (NPO)

Annual Required Contribution (ARC)	$ 504,648
Interest on NPO	10,484
Adjustment to the ARC	(11,947)
Annual Pension Cost	503,185
Contributions made	579,252
Increase in NPO	(76,067)
NPO, beginning of year	144,605
NPO, end of year	$ 68,538

Schedule of Funding Progress

The schedule of funding progress is as follows (dollar amounts in thousands):

Actuarial Valuation Date, July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of Assets Over (Unfunded) AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	$ 7,969	$ 8,790	$ (821)	91%	$ 9,186	9%
2008	8,033	8,783	(750)	91	7,209	10
2007	7,301	7,437	(136)	98	6,939	2

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

Three-Year Trend Information

Following is three-year trend information for the plan (dollar amounts in thousands):

	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation
2009	$ 498	116%	$ 69
2008	436	100	145
2007	435	87	143

Note 17: Commitments and Contingencies

Indianapolis Convention & Visitors Association

In return for its assistance in attracting users to the Indiana Convention Center & Lucas Oil Stadium, the CIB has agreed to compensate Indianapolis Convention & Visitors Association (ICVA) annually in the form of a base amount, plus a quarterly incentive fee. The total payments to be made to the ICVA in any year cannot exceed 40% of the 5% Marion County Innkeeper's Tax received by the CIB in the preceding tax year. The CIB's current agreement with the ICVA extends through December 31, 2011, with the option for two additional extensions by mutual agreement until December 31, 2015 and December 31, 2019. However, for the year ending December 31, 2010, the City-Council approved an additional transfer from budgeted capital outlays which provides for a total of $9,030,000 in funding for the ICVA.

Litigation

The CIB is involved in certain litigation which is considered by management to be incidental to the conduct of CIB operations. In the opinion of management, the ultimate outcome of these matters, in the aggregate, is not currently expected to have a materially adverse effect upon the financial position, changes in financial position and cash flows of the CIB.

Current Economic Conditions

The current protracted economic decline continues to present governmental entities with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, declines in tax revenues, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the CIB.

Current economic conditions have made it difficult to predict future tax revenues. A significant decline in tax revenues could have an adverse impact on the CIB's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values, allowances for receivables and debt service requirements that could negatively impact the CIB's ability to meet debt covenants or maintain sufficient liquidity.

Other Supplementary Information

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis of Marion County)
Balance Sheet Information
December 31, 2009

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Assets			
Current Assets			
Unrestricted			
Cash and cash equivalents	$ 17,670,839	$ 5,712,533	$ 23,383,372
Investments	23,810,000	-	23,810,000
Interest receivable	12,365	-	12,365
Accounts receivable	4,961,931	-	4,961,931
Inventories	217,526	-	217,526
Prepaid expenses	385,040	-	385,040
Total unrestricted assets	47,057,701	5,712,533	52,770,234
Restricted Assets			
Cash and cash equivalents	4,229,351	46,530,444	50,759,795
Interest receivable	222	514	736
Receivable from State of Indiana	1,716,756	19,282,437	20,999,193
Total restricted assets	5,946,329	65,813,395	71,759,724
Total current assets	53,004,030	71,525,928	124,529,958
Noncurrent Assets			
Deferred debt issuance costs	-	202,739	202,739
Non-depreciable capital assets	311,157,794	-	311,157,794
Depreciable capital assets, net	966,824,246	-	966,824,246
Total noncurrent assets	1,277,982,040	202,739	1,278,184,779
Total assets	$ 1,330,986,070	$ 71,728,667	$ 1,402,714,737
Liabilities and Net Assets			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 3,652,613	$ -	$ 3,652,613
Unearned revenue	186,438	-	186,438
Accrued expenses and withholdings	869,402	-	869,402
Accrued interest payable	-	69,988	69,988
Total current liabilities payable from unrestricted assets	4,708,453	69,988	4,778,441
Payable From Restricted Assets			
Funds held for others - box office	1,213,908	-	1,213,908
Rental deposits	841,895	-	841,895
Unearned contribution revenue	-	-	-
Real estate rental payable	-	3,000,000	3,000,000
Accrued interest payable	-	1,449,566	1,449,566
Current portion of long-term debt	-	22,165,728	22,165,728
Total current liabilities payable from restricted assets	2,055,803	26,615,294	28,671,097
Total current liabilities	6,764,256	26,685,282	33,449,538
Noncurrent Liabilities			
Unearned contribution revenue	5,371,517	-	5,371,517
Due to State of Indiana	-	185,038,966	185,038,966
Bonds and notes payable	-	64,401,579	64,401,579
Capital lease payable	-	906,481,470	906,481,470
Total noncurrent liabilities	5,371,517	1,155,922,015	1,161,293,532
Total liabilities	12,135,773	1,182,607,297	1,194,743,070
Net Assets			
Invested in capital assets, net of related debt	1,272,610,523	(1,138,328,743)	134,281,780
Restricted	3,890,527	65,813,395	69,703,922
Unrestricted	42,349,247	(38,363,282)	3,985,965
Total net assets	1,318,850,297	(1,110,878,630)	207,971,667
Total liabilities and net assets	$ 1,330,986,070	$ 71,728,667	$ 1,402,714,737

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2009

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Operating Revenues			
Rental income	$ 6,791,593	$ -	$ 6,791,593
Food service and concession commissions	4,532,348	-	4,532,348
Parking lot income	1,313,711	-	1,313,711
Labor reimbursements	7,892,040	-	7,892,040
Other operating income	746,845	-	746,845
	21,276,537	-	21,276,537
Operating Expenses			
Salaries and wages - schedule	11,378,810	-	11,378,810
Fringe benefits - schedule	3,151,893	-	3,151,893
Utilities - schedule	5,441,608	-	5,441,608
Repairs and maintenance - schedule	616,564	-	616,564
Insurance - schedule	1,255,953	-	1,255,953
Security	2,784,096	-	2,784,096
Operating parts and supplies - schedule	740,692	-	740,692
Other - schedule	4,253,411	-	4,253,411
Depreciation and amortization	35,795,575	-	35,795,575
	65,418,602	-	65,418,602
Operating Loss	(44,142,065)	-	(44,142,065)
Nonoperating Revenues (Expenses)			
Investment income	247,344	160,099	407,443
State and local taxes and fees	4,425,360	97,009,289	101,434,649
Contribution revenue	5,444	-	5,444
Interest expense	-	(34,129,715)	(34,129,715)
Compensation to Indianapolis Convention & Visitors Association	(7,780,503)	-	(7,780,503)
Inducements/Revenue Sharing to Indianapolis Colts	(3,813,734)	-	(3,813,734)
Indianapolis Colts’ Day-of-Game expenses	(1,500,000)	-	(1,500,000)
Grants to other organizations	(526,947)	-	(526,947)
Other	67,330	-	67,330
	(8,875,706)	63,039,673	54,163,967
Increase (Decrease) in Net Assets Before Capital Contributions	(53,017,771)	63,039,673	10,021,902
Capital Contributions	622,095	-	622,095
Increase (Decrease) in Net Assets	(52,395,676)	63,039,673	10,643,997
Net Assets, Beginning of Year	1,222,956,658	(1,025,628,988)	197,327,670
Transfers from bond fund	148,289,315	(148,289,315)	-
Net Assets, End of Year	$ 1,318,850,297	$ (1,110,878,630)	$ 207,971,667

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Certain Operating Expenses
Years Ended December 31, 2009 and 2008

	2009	2008
Salaries and Wages		
Administration	$ 712,822	$ 620,219
Office	1,925,636	1,963,461
Supervision	936,201	1,061,758
Mechanical	3,144,922	2,893,404
Service	1,820,603	1,938,911
Temporary	2,838,626	4,819,330
	$ 11,378,810	$ 13,297,083
Fringe Benefits		
Social security taxes	$ 773,254	$ 861,672
Public employees' retirement fund	584,674	806,472
Employees' insurance	1,407,444	1,282,806
State unemployment taxes	200,713	42,762
Workers' compensation	113,518	103,087
Other	72,290	150,613
	$ 3,151,893	$ 3,247,412
Utilities		
Electricity	$ 1,894,698	$ 1,882,920
Steam	1,568,749	1,738,182
Chilled water	1,658,759	1,359,259
Water and sewer	290,589	270,007
Gas	28,813	27,688
	$ 5,441,608	$ 5,278,056
Repairs and Maintenance		
Control systems maintenance contract	$ 82,144	$ 75,180
Elevator and escalator maintenance contract	95,740	66,396
Computer maintenance contracts	94,572	37,508
Major repairs	66,176	240,658
Property damages	1,074	7,306
Grounds maintenance	99,199	127,760
Fire extinguisher system	57,380	32,632
Sprinkler system	2,969	3,235
Trash removal	56,899	93,490
Communication repairs	33,630	13,739
LOS maintenance contracts	26,781	-
	$ 616,564	$ 697,904

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Certain Operating Expenses (Continued)
Years Ended December 31, 2009 and 2008

	2009	2008
Insurance		
Fire and extended coverage	$ 869,336	$ 887,289
Public liability	305,510	311,034
Fidelity bond	81,107	83,375
	$ 1,255,953	$ 1,281,698
Security		
Security staff	$ 2,784,096	$ 3,216,882
Operating Parts and Supplies		
Operating parts and supplies	$ 494,910	$ 891,664
Maintenance parts and supplies	216,947	310,820
Other supplies	28,835	48,547
	$ 740,692	$ 1,251,031
Other		
Advertising and promotion	$ 227,121	$ 849,786
Telephone	194,170	230,630
Legal fees	927,603	1,010,558
Accounting and audit fees	123,782	116,415
Consulting fees	401,583	395,740
Architects and engineers	8,500	8,944
Equipment rental	463,867	594,614
Postage	11,812	17,951
Travel	12,826	13,703
Dues and subscriptions	1,820	12,390
Bad debts	13,979	54,742
Suite cable service	1,699	3,004
Medical services - Indianapolis Colts games	47,631	48,399
Parking	188,057	177,415
Set-up/installation and dismantling fees	1,506,285	2,497,410
Miscellaneous	122,676	170,421
	$ 4,253,411	$ 6,202,122

Statistical Section
(Unaudited)

This section of the CIB's comprehensive annual financial report presents detailed, contextual information and data to assist the reader in understanding what the information contained in the financial statements, note disclosures and supplementary information says about the CIB's overall financial health.

<u>Contents</u> **Pages**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The CIB implemented GASB Statement No. 34 in 2001; therefore, certain schedules only contain information beginning in that year.

Table I

Capital Improvement Board of Managers
Net Assets by Component
Last Ten Fiscal Years

	2000 [1]	2001	2002	2003
Invested in capital assets, net of related debt	$ -	$ 48,376,867	$ 39,158,704	$ 28,575,553
Restricted	-	22,587,210	25,680,206	23,359,001
Unrestricted	-	26,078,971	21,926,131	27,184,109
Total net assets	$ -	$ 97,043,048	$ 86,765,041	$ 79,118,663

[1] - Net asset components are not available for the periods prior to the implementation of GASB Statement No. 34.

[2] - Change in invested in capital assets, net of related debt is due to an increase in debt relating to the construction of Lucas Oil Stadium.

2004	2005 [2]	2006	2007	2008	2009
$ 11,840,085	$ (13,784,985)	$ 2,835,109	$ 23,170,426	$ 147,019,581	$ 134,281,780
25,438,962	39,885,681	45,478,777	52,270,165	56,831,449	69,703,922
28,612,119	66,826,463	54,066,813	35,442,304	(6,523,360)	3,985,965
$ 65,891,166	$ 92,927,159	$ 102,380,699	$ 110,882,895	$ 197,327,670	$ 207,971,667

Table II

Capital Improvement Board of Managers
Changes in Net Assets
Last Ten Fiscal Years

	2000 [1]	2001	2002	2003
Operating revenues				
Rental income	$ -	$ 6,983,694	$ 6,376,195	$ 6,259,493
Food service and concession commissions	-	5,165,418	5,084,829	4,797,408
Parking lot income	-	125,679	483,140	805,680
Labor reimbursements	-	4,879,325	4,064,095	4,389,283
Suite license fees	-	1,090,000	960,000	-
Advertising income	-	1,300,000	1,245,833	1,150,000
Other	-	907,604	712,957	861,817
Total operating revenues	-	20,451,720	18,927,049	18,263,681
Nonoperating revenues				
Investment income	-	2,113,735	888,675	643,808
State and local tax assistance	-	45,659,399	46,564,788	48,074,416
Gain (loss) on sale of capital assets	-	-	-	-
Cable franchise fees	-	857,493	-	-
Other	-	56,000	374,657	1,535,464
Total nonoperating revenues	-	48,686,627	47,828,120	50,253,688
Total Revenues	-	69,138,347	66,755,169	68,517,369
Operating expenses				
Salaries, wages and fringe benefits	-	11,835,999	11,897,701	12,520,287
Utilities	-	3,384,877	3,409,341	3,680,176
Repairs, maintenance and supplies	-	2,312,185	2,205,322	2,077,979
Insurance	-	384,474	963,329	1,602,079
Security	-	803,753	1,051,619	1,027,228
Other	-	2,240,308	2,487,798	2,866,421
Suite fees	-	1,090,000	960,000	-
Depreciation	-	17,048,679	16,832,475	16,355,382
Total operating expenses	-	39,100,275	39,807,585	40,129,552
Nonoperating expenses				
Interest expense	-	22,365,782	21,772,383	20,368,132
Additional rental payment for swap termination	-	-	-	-
Compensation to ICVA	-	6,199,276	6,153,570	6,137,891
Payments to Indiana Pacers (cable franchise fees)	-	1,141,247	-	-
Payments to Indianapolis Colts	-	5,418,545	5,255,913	4,951,712
Payments in lieu of taxes	-	4,900,000	-	-
Grants to other organizations	-	1,220,000	2,320,000	3,143,197
Contribution of Capital Commons	-	-	-	-
Market Square Arena utilities and maintenance	-	48,868	-	-
Market Square Arena demolition cost	-	2,966,655	281,102	-
Other	-	1,442,623	1,442,623	1,443,715
Total nonoperating expenses	-	45,702,996	37,225,591	36,044,647
Total Expenses	-	84,803,271	77,033,176	76,174,199
Capital Contributions	-	105,450	-	10,452
Increase (Decrease) in Net Assets	$ -	$ (15,559,474)	$ (10,278,007)	$ (7,646,378)

[1] - Amounts are not available for the periods prior to the implementation of GASB Statement No. 34.

2004	2005	2006	2007	2008	2009
$ 6,262,680	$ 5,839,044	$ 5,688,825	$ 6,354,696	$ 6,326,285	$ 6,791,593
5,421,935	5,570,544	6,145,493	6,675,775	3,677,833	4,532,348
750,267	359,422	417,013	411,846	664,680	1,313,711
6,003,993	6,236,543	5,118,373	6,033,689	8,557,650	7,892,040
-	-	-	-	-	-
1,200,000	1,220,620	1,165,194	1,300,477	-	-
867,313	1,653,322	982,432	1,047,026	603,098	746,845
20,506,188	20,879,495	19,517,330	21,823,509	19,829,546	21,276,537
852,243	1,982,455	3,747,243	4,270,088	2,106,780	407,443
51,301,827	65,295,285	93,512,062	98,782,093	106,867,838	101,434,649
-	40,419,560	15,318	(28,588)	17,598	-
-	-	-	-	-	-
1,360,740	1,623,547	4,586,582	1,206,312	319,170	72,774
53,514,810	109,320,847	101,861,205	104,229,905	109,311,386	101,914,866
74,020,998	130,200,342	121,378,535	126,053,414	129,140,932	123,191,403
13,880,615	14,696,686	13,563,112	13,849,005	16,544,495	14,530,703
3,996,614	3,966,307	4,016,331	4,259,820	5,278,056	5,441,608
4,554,102	2,448,289	2,115,986	1,918,641	1,948,935	1,357,256
1,616,923	1,233,739	1,088,082	1,107,108	1,281,698	1,255,953
1,017,292	1,099,567	1,372,344	1,173,598	3,216,882	2,784,096
1,299,425	4,887,005	4,316,574	5,394,458	6,202,122	4,253,411
-	-	-	-	-	-
16,067,976	29,529,972	29,551,039	29,844,812	38,023,853	35,795,575
42,432,947	57,861,565	56,023,468	57,547,442	72,496,041	65,418,602
21,344,759	21,137,501	20,711,441	20,197,976	19,353,144	34,129,715
-	-	-	-	16,371,000	-
6,354,407	6,726,445	7,052,924	7,736,800	7,970,491	7,780,503
-	-	-	-	-	-
5,222,915	5,838,335	5,993,335	10,539,932	7,795,422	5,313,734
-	-	-	-	-	-
3,284,584	5,882,975	3,601,582	2,986,823	3,479,845	526,947
7,178,227	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,442,623	5,717,528	18,542,245	18,542,245	18,542,245	-
44,827,515	45,302,784	55,901,527	60,003,776	73,512,147	47,750,899
87,260,462	103,164,349	111,924,995	117,551,218	146,008,188	113,169,501
11,967	-	-	-	103,312,031	622,095
$ (13,227,497)	$ 27,035,993	$ 9,453,540	$ 8,502,196	$ 86,444,775	$ 10,643,997

Table III

Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years

	2000	2001	2002	2003
Number of Events				
Entertainment	14	12	17	11
Trade Shows	32	27	29	13
Local, Business and Social	217	195	211	209
State Convention Business	57	58	58	46
National Convention Business	33	45	34	33
Sporting Events	27	24	31	33
Total Number of Events	380	361	380	345
Event Days				
Entertainment	14	12	17	11
Trade Shows	72	61	70	35
Local, Business and Social	289	257	298	306
State Convention Business	118	131	129	99
National Convention Business	134	185	173	131
Sporting Events	30	29	56	49
Total Event Days	657	675	743	631
Attendance				
Entertainment	101,857	142,383	89,273	59,412
Trade Shows	229,857	157,636	154,521	119,187
Local, Business and Social	145,341	139,533	144,922	156,992
State Convention Business	94,207	143,639	76,404	54,972
National Convention Business	385,682	359,550	337,352	340,078
Sporting Events	961,693	782,653	908,029	820,026
Total Attendance	1,918,637	1,725,394	1,710,501	1,550,667

Source: Sales Office - Capital Improvement Board of Managers.

2004	2005	2006	2007	2008	2009
13	9	10	8	12	12
20	17	20	21	22	18
213	179	185	238	308	163
59	71	71	64	83	72
37	28	38	34	42	69
30	34	40	45	47	67
372	338	364	410	514	401
13	9	12	8	15	17
51	48	50	48	54	45
290	251	237	348	401	192
122	132	139	118	139	126
131	95	131	113	130	182
48	52	54	66	78	103
655	587	623	701	817	665
66,186	59,404	47,548	49,380	127,078	155,346
121,170	110,343	141,118	117,177	102,289	85,449
151,175	137,768	122,689	204,449	248,436	83,716
87,932	83,912	87,482	92,685	85,516	126,368
372,568	353,930	298,994	293,984	317,815	333,576
792,442	918,434	905,908	936,939	1,044,627	1,080,090
1,591,473	1,663,791	1,603,739	1,694,614	1,925,761	1,864,545

Table IV

Capital Improvement Board of Managers
Largest Customers
Current Year

	December 31, 2009							
	Rental Income		Labor Reimbursements		Food Service Commissions [1]		Total	
	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total
Customer 1	$ 317,761	5.05%	$ 474,321	6.01%	$ 131,486	2.90%	$ 923,568	5.10%
Customer 2	276,224	4.39%	442,638	5.61%	74,345	1.64%	793,207	4.38%
Customer 3	210,418	3.34%	179,258	2.27%	284,167	6.27%	673,843	3.72%
Customer 4	275,816	4.38%	255,815	3.24%	114,831	2.53%	646,462	3.57%
Customer 5	250,000	3.97%	309,551	3.92%	-	0.00%	559,551	3.09%
Customer 6	118,049	1.88%	80,969	1.03%	220,792	4.87%	419,810	2.32%
Customer 7	63,870	1.02%	25,316	0.32%	327,854	7.23%	417,040	2.30%
Customer 8	-	0.00%	327,252	4.15%	57,398	1.27%	384,650	2.12%
Customer 9	62,847	1.00%	188,985	2.39%	96,878	2.14%	348,710	1.92%
Customer 10	207,664	3.30%	24,103	0.31%	101,873	2.25%	333,640	1.84%
Subtotal	1,782,649	19.77%	2,308,208	37.70%	1,409,624	26.38%	5,500,481	29.62%
Balance from other customers	4,508,944	80.23%	5,583,832	62.30%	3,122,724	73.62%	12,624,469	70.38%
	$ 6,291,593	100.00%	$ 7,892,040	100.00%	$ 4,532,348	100.00%	$ 18,124,950	100.00%

[1] - Revenue amounts exclude "CIB Profit" as defined in the agreement between the CIB and Service America (d/b/a Centerplate).

Note: Information for 2000 is not readily available.

Sources: Rental income and labor reimbursement amounts obtained from the Sales Office - Capital Improvement Board of Managers.
Food Service Commissions obtained from Service America.

Table V

Capital Improvement Board of Managers
Rate Schedule - Exhibits
Last Ten Fiscal Years

Type of Rate	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Base Rent (Per Net Square Foot [1]):										
One to Four Open Days	$ 0.65	$ 0.70	$ 0.70	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.80	$ 0.85
Five to Seven Open Days	0.70	0.75	0.75	0.80	0.80	0.80	0.80	0.80	0.85	0.90
After Seven Days - ICC	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.85	0.90	0.95
After Seven Days - LOS	-	-	-	-	-	-	-	-	0.97	1.02

[1] - Net square feet consists of actual display area used, less normal aisles and corridors.

Note: Customers are allowed up to three (3) move-in/out days at no charge; rates for additional days are based upon gross square footage of each venue.

Source: Sales Office - Capital Improvement Board of Managers.

Table VI

Capital Improvement Board of Managers
Rate Schedule - Meetings
Last Ten Fiscal Years

Type of Rate	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
RCA Dome	0.10	0.11	0.11	0.11	0.11	0.13	0.13	0.13	-	-
Sagamore Ballrooms	0.11	0.11	0.11	0.11	0.11	0.15	0.15	0.15	0.15	0.15
Wabash Ballrooms [1]	-	0.10	0.10	0.10	0.10	0.15	0.15	0.15	0.15	0.15
500 Ballroom	0.07	0.07	0.07	0.07	0.07	0.11	0.11	0.11	0.11	0.11
White River Ballroom	0.11	0.11	0.11	0.11	0.11	0.10	0.10	0.10	-	-
Meeting Rooms [2]	0.10	0.10	0.10	0.10	0.10	0.13	0.13	0.13	0.12	0.12
Non-Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07
RCA Dome	0.12	0.14	0.14	0.14	0.14	0.16	0.16	0.16	-	-
Sagamore Ballrooms	0.14	0.14	0.14	0.14	0.14	0.17	0.17	0.17	0.17	0.17
Wabash Ballrooms [1]	-	0.14	0.14	0.14	0.14	0.17	0.17	0.17	0.17	0.17
500 Ballroom	0.10	0.10	0.10	0.10	0.10	0.12	0.12	0.12	0.12	0.12
White River Ballroom	0.13	0.13	0.13	0.13	0.13	0.11	0.11	0.11	-	-
Meeting Rooms [2]	0.13	0.13	0.13	0.13	0.13	0.16	0.16	0.16	0.16	0.16
Lucas Oil Stadium										
Base Rent (Per Gross Square Footage):										
Stadium	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.24	$ 0.24
Halls	-	-	-	-	-	-	-	-	0.05	0.05
Meeting Rooms	-	-	-	-	-	-	-	-	0.16	0.27
Party Plazas	-	-	-	-	-	-	-	-	0.38	0.18
Club Lounges	-	-	-	-	-	-	-	-	0.34	0.06

[1] - The Wabash Ballrooms were added during the 2000-2001 expansion of the Indiana Convention Center.
[2] - Rates vary by meeting room; rates presented are blended.

Source: Sales Office - Capital Improvement Board of Managers.

Table VII

Capital Improvement Board of Managers
Rate Schedule - Hourly Labor Reimbursement Rates
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Position:										
Carpenters [2]	$ 25.41	$ 26.11	$ 26.88	$ 27.65	$ 29.41	$ 30.41	$ 31.16	$ 31.76	$ 32.99	$ 32.99
Painters [2]	23.77	24.44	25.16	25.89	27.53	28.47	29.16	29.72	30.87	30.87
Electricians [2]	27.66	28.43	29.26	30.09	32.03	33.11	33.92	34.59	35.93	35.93
Stagehands (House) [2]	26.30	27.08	27.88	28.85	29.80	30.72	31.48	32.10	33.38	34.52
Stagehands (Call In) [2]	26.30	27.08	27.88	28.85	29.80	30.72	31.48	32.10	33.38	34.52
Welders and Pipefitters 1	28.27	29.26	29.87	30.36	30.69	31.42	32.14	33.35	34.94	35.99
Housekeeping [1]	16.55	17.13	17.66	18.18	18.82	19.43	20.00	20.50	20.90	21.53
Set-up [1]	16.55	17.13	17.66	18.18	18.82	19.43	20.00	20.50	20.90	21.53
Change-Over Labor [2]	20.00	20.00	25.00	25.00	25.00	25.00	26.00	26.00	28.00	28.00
Riggers [2]	36.54	37.60	38.68	40.00	41.14	42.53	43.54	44.35	46.12	47.62
Rent-A-Buddy [2]	-	-	-	-	20.00	20.00	20.00	20.00	28.00	28.00
Ticket Sellers [2]	14.85	15.37	15.97	16.60	17.51	18.03	18.03	18.03	18.57	18.57
Assistant Treasurer/Treasurer [2]	16.87	17.46	18.16	18.90	19.94	20.53	21.15	21.78	22.43	22.43
Fire Marshalls [1]	15.63	16.25	16.88	16.88	17.50	17.50	17.50	17.50	17.50	17.50
Telecommunications	-	-	-	-	-	-	-	-	-	28.03
Part-Time Teamsters [1]:										
Expo Workers	18.44	18.88	19.31	19.69	20.38	21.09	-	-	-	-
Housekeeping	11.44	11.59	11.71	11.84	12.50	12.71	12.96	13.15	13.35	13.75
Set-Up	11.44	11.59	11.71	11.84	12.50	12.71	12.96	13.15	13.35	13.75
Installation and Dismantling	19.25	20.00	20.50	21.00	21.75	24.50	-	-	-	-
Installation and Dismantling (Advance Rate)	-	-	-	-	-	-	24.50	25.35	26.00	26.65
Installation and Dismantling (Show Rate)	-	-	-	-	-	-	29.50	30.50	31.25	32.00

[1] - Hourly rates currently change June 1 of each year.
[2] - Hourly rates currently change December 1 of each year.

Source: Schedule of Show Rates, per Capital Improvement Board of Managers.

Table VIII

Capital Improvement Board of Managers
Food Service and Concession Revenues
Last Ten Fiscal Years

	Revenues	Expenses	CIB Commission[1]	CIB Profit[2]	Total
2000	$ 14,322,452	$ 13,834,239	$ 4,296,736	$ 594,874	$ 4,891,610
2001	14,219,911	13,335,838	4,265,973	899,445	5,165,418
2002	14,083,991	13,136,138	4,225,197	859,632	5,084,829
2003	13,425,511	12,672,980	4,027,653	769,755	4,797,408
2004	15,319,720	14,629,156	4,595,916	826,019	5,421,935
2005	16,140,782	15,545,727	4,842,235	728,309	5,570,544
2006	17,172,381	16,237,885	5,151,714	993,779	6,145,493
2007	18,672,495	17,729,488	5,601,749	1,074,026	6,675,775
2008	13,925,935	11,355,237	1,647,517	2,059,350	3,706,867
2009	13,060,511	8,605,225	-	4,532,348	4,532,348

[1] - Under its contract with Service America (d/b/a Centerplate) through June 1, 2008, the CIB received a 30% commission on ICC revenues as defined in the agreement. Effective June 2, 2008, the CIB no longer receives commissions on ICC revenues under its agreement with Crystal Food Services, LLC.

[2] - Revenues minus expenses, net of Service America's management fee and share of profits and exclusive of Colts' novelty sales through June 1, 2008. Effective June 2, 2008, the CIB retains net profits from Convention Center events and Non-Colts events at Lucas Oil Stadium.

Source: Service America (d/b/a Centerplate) Monthly Commission Reports.

Table IX

Capital Improvement Board of Managers
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Junior Subordinate Notes [1]	Subordinate Revenue Bonds [1]	Due to State [2]	Capital Lease Obligations	Other	Total	Per Event Attendee	Indianapolis-Carmel MSA [3] Per Capita	Indianapolis-Carmel MSA [3] % of Personal Income
2000	$ 7,119,297	$ 46,305,000	$ -	$ 387,831,528	$ -	$ 441,255,825	$ 230	$ 289	0.90%
2001	9,172,891	45,280,000	-	385,019,648	-	439,472,539	255	283	0.87%
2002	11,152,605	43,065,000	-	382,912,275	-	437,129,880	256	277	0.84%
2003	19,544,969	40,515,000	-	375,885,045	-	435,945,014	281	272	0.81%
2004	21,571,509	37,765,000	-	371,953,227	-	431,289,736	271	267	0.76%
2005	24,636,416	34,790,000	70,808,932	365,131,054	-	495,366,402	298	302	0.83%
2006	27,144,492	31,600,000	248,557,010	356,456,643	-	663,758,145	414	398	1.05%
2007	33,759,000	28,195,000	474,121,857	347,064,809	-	883,140,666	521	521	n/a
2008	33,759,000	24,570,000	66,946,403	931,455,268	16,371,000	1,073,101,671	557	626	n/a
2009	33,759,000	23,190,000	185,038,966	926,049,285	9,000,000	1,177,037,251	631	n/a	n/a

[1] - These obligations are payable from and secured by a pledge of certain state and local assistance, but the lien on such revenues is subordinate to that of certain lease payment obligations of the CIB.

[2] - This obligation represents the accumulation of amounts spent and accrued on the Lucas Oil Stadium and Convention Center expansion projects. Once the projects are complete and the related lease payments for the facilities begin, this obligation will be reclassified as a capital lease obligation.

[3] - The Indianapolis-Carmel Metropolitan Statistical Area (MSA) includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Putnam and Shelby counties in Central Indiana, as defined by the U.S. Office of Management and Budget.

n/a = Information is not available.

Table X

Capital Improvement Board of Managers
State and Local Tax Assistance
Last Ten Fiscal Years

	2000 [1]	2001	2002	2003
Innkeeper's Tax (5%)	$ 16,577,831	$ 14,890,607	$ 15,434,339	$ 16,051,948
Innkeeper's Tax (1%)	3,315,566	2,977,122	3,086,867	3,210,390
Food and Beverage Tax (1%)	14,780,431	14,932,215	16,033,607	15,617,516
Admissions Tax (5%)	5,124,206	4,438,762	4,581,470	4,541,774
Auto Rental Excise Tax (2%)	1,934,129	1,903,793	1,917,522	1,849,856
Cigarette Tax	350,000	350,000	350,000	350,000
PSDA Allocation	8,303,943	6,166,900	5,160,983	6,452,932
Total Original Excise Taxes and Original PSDA Revenues	50,386,106	45,659,399	46,564,788	48,074,416
Innkeeper's Tax (3%)	-	-	-	-
Food and Beverage Tax (1%)	-	-	-	-
Admissions Tax (1%)	-	-	-	-
Auto Rental Excise Tax (2%)	-	-	-	-
PSDA Allocation [3]	-	-	-	-
Regional Food and Beverage Tax (.5%)	-	-	-	-
Total 2005 New Tax Revenues and 2005 PSDA Revenues	-	-	-	-
Innkeeper's Tax (1%) [4]	-	-	-	-
PSDA Allocation [4]	-	-	-	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	-	-	-	-
Specialty License Plate Fees	-	-	-	-
Total State and Local Tax Assistance	$ 50,386,106	$ 45,659,399	$ 46,564,788	$ 48,074,416

[1] - Beginning in 2000, amounts reflect adoption of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

[2] - In 2005, certain expanded and new tax and PSDA revenues were established in connection with the financing of a multi-purpose venue to replace the RCA Dome and the expansion of the Indiana Convention Center.

[3] - The 2005 PSDA revenues are effective July 1, 2007.

[4] - The 2009 PSDA revenues are effective July 1, 2009. The effective date for the 2009 1% Innkeeper's Tax was September 1, 2009.

2004	2005 [2]	2006	2007	2008	2009
$ 17,483,328	$ 17,176,553	$ 19,164,522	$ 19,716,399	$ 19,345,115	$ 16,586,647
3,496,666	3,435,311	3,832,904	3,943,280	3,869,023	3,317,330
17,567,107	16,959,958	18,649,983	18,499,125	18,302,507	17,245,791
4,968,613	5,434,476	5,015,698	5,689,486	5,572,962	6,045,410
1,739,924	1,850,410	2,066,784	2,163,710	2,137,402	1,890,765
350,000	350,000	350,000	350,000	350,000	350,000
5,696,189	5,257,272	7,351,193	6,562,676	7,273,513	8,150,302
51,301,827	50,463,980	56,431,084	56,924,676	56,850,522	53,586,245
-	4,577,005	11,046,858	11,829,839	11,607,069	9,951,988
-	7,389,454	18,044,932	18,499,124	18,302,508	17,245,791
-	457,580	1,003,140	1,137,897	1,114,592	1,209,082
-	846,239	2,065,332	2,163,710	2,137,402	1,890,765
-	-	-	2,413,605	10,839,606	7,202,432
-	1,561,027	4,673,376	5,024,380	5,108,824	5,086,286
-	14,831,305	36,833,638	41,068,555	49,110,001	42,586,344
-	-	-	-	-	843,325
-	-	-	-	-	3,582,035
-	-	-	-	-	4,425,360
-	-	247,340	788,862	907,315	836,700
$ 51,301,827	$ 65,295,285	$ 93,512,062	$ 98,782,093	$ 106,867,838	$ 101,434,649

Table XI

Capital Improvement Board of Managers
Pledged Revenue Coverage
Last Ten Fiscal Years

	2000	2001	2002	2003
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations [1]				
Innkeeper's Tax (5%)	$ 16,577,831	$ 14,890,607	$ 15,434,339	$ 16,051,948
Innkeeper's Tax (1%)	3,315,566	2,977,122	3,086,867	3,210,390
Food and Beverage Tax (1%)	14,780,431	14,932,215	16,033,607	15,617,516
Admissions Tax (5%)	5,124,206	4,438,762	4,581,470	4,541,774
Auto Rental Excise Tax (2%)	1,934,129	1,903,793	1,917,522	1,849,856
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	42,082,163	39,492,499	41,403,805	41,621,484
Disbursements - Senior Lease Rental Obligations [2]				
1991 and 1993 Leases	(11,120,000)	(8,283,666)	(6,281,661)	(3,139,794)
1995 Lease	(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)
1997 Lease	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)
2001 Lease	-	(1,087,600)	(2,457,265)	(2,723,470)
2003 Lease	-	-	-	(1,651,701)
Total Disbursements - Senior Lease Rental Obligations	(13,172,000)	(11,423,266)	(10,790,926)	(9,566,965)
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	28,910,163	28,069,233	30,612,879	32,054,519
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt [1]				
PSDA Allocation	8,303,943	6,166,900	5,160,983	6,452,932
Disbursements - Subordinate Lease Rental Obligations and Other Debt [2]				
1997 Lease	(11,985,264)	(12,765,000)	(12,806,000)	(12,957,000)
1999 Subordinate Bonds/Notes	(5,596,463)	(3,248,250)	(4,370,475)	(4,604,638)
Junior Subordinate Notes and Lease Obligations	-	-	-	(40,790)
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	(17,581,727)	(16,013,250)	(17,176,475)	(17,602,428)
Excess Available for CIB Operations	$ 19,632,379	$ 18,222,883	$ 18,597,387	$ 20,905,023
Coverage Ratio - Senior Obligations	3.19	3.46	3.84	4.35
Coverage Ratios - Senior and Subordinate Obligations[3]	1.64	1.66	1.66	1.77

[1] - Tax revenues reflect the accrual basis of accounting. Beginning in 2000, amounts reflect the application of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

[2] - Senior Lease Rental and Subordinate Lease Rental Obligation payments are gross and do not take into account amounts paid from capitalized interest or any other sources.

[3] - Excludes Junior Subordinate Notes and Lease Obligations

[4] - Excludes additional rental payment of $16,371,000 to fund a portion of a swap termination payment.

Note: The 2005 New Tax Revenues, 2009 Innkeeper's Tax and 2009 PSDA Revenues are not included in this schedule since they are not pledged to secure these Obligations.

2004	2005	2006	2007	2008	2009
$ 17,483,328	$ 17,176,553	$ 19,164,522	$ 19,716,399	$ 19,345,115	$ 16,586,647
3,496,666	3,435,311	3,832,904	3,943,280	3,869,023	3,317,330
17,567,107	16,959,958	18,649,983	18,499,125	18,302,507	17,245,791
4,968,613	5,434,476	5,015,698	5,689,486	5,572,962	6,045,410
1,739,924	1,850,410	2,066,784	2,163,710	2,137,402	1,890,765
350,000	350,000	350,000	350,000	350,000	350,000
45,605,638	45,206,708	49,079,891	50,362,000	49,577,009	45,435,943
-	-	-	-	-	-
(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)	(1,997,800)
(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)
(3,589,560)	(4,624,000)	(4,846,705)	(4,845,706)	(4,844,281)	(4,844,740)
(3,794,113)	(5,293,750)	(6,271,000)	(6,272,000)	(6,273,250)	(6,273,000)
(9,435,673)	(11,969,750)	(13,169,705)	(13,169,706)	(13,169,531)	(14,161,540)
36,169,965	33,236,958	35,910,186	37,192,294	36,407,478	31,274,403
5,696,189	5,257,272	7,351,193	6,562,676	7,273,513	8,150,302
(13,176,000)	(13,416,500)	(13,675,000)	(13,934,000)	(14,213,000)	(14,502,500)
(4,684,888)	(4,766,763)	(4,827,638)	(4,877,763)	(4,922,013)	(2,555,338)
(58,352)	(63,988)	(72,881)	(85,812)	(562,425) [4]	(50,301)
(17,919,240)	(18,247,251)	(18,575,519)	(18,897,575)	(19,697,438)	(17,108,139)
$ 23,946,914	$ 20,246,979	$ 24,685,860	$ 24,857,395	$ 23,983,553	$ 22,316,566
4.83	3.78	3.73	3.82	3.76	3.21
1.88	1.67	1.78	1.78	1.76	1.72

Table XI, continued

Capital Improvement Board of Managers
Pledged Revenue Coverage - 2005 Sublease Rental Obligations
Last Ten Fiscal Years

	2009
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations	
Innkeeper's Tax (3%)	$ 9,951,988
Marion County Food and Beverage Tax (1%)	17,245,791
Regional Food and Beverage Tax (.5%)	5,086,286
Admissions Tax (1%)	1,209,082
Auto Rental Excise Tax (2%)	1,890,765
PSDA Tax Allocation	7,202,432
Colts License Plate Fees	836,700
	43,423,044
Disbursements - Sublease Rental Obligations [2]	
Stadium Sublease Agreement	(20,000,000)
Convention Center Sublease Agreement	-
	(20,000,000)
2005 New Tax Revenues in Excess of Sublease Rental Obligations[1]	$ 23,423,044
Coverage Ratio - Sublease Rental Obligations	2.17

[1] - Excess 2005 New Tax Revenues are not available to the CIB for operations and may only be used at the direction of the Indiana Office of Management and Budget to : (1) pay obligations of the ISCBA arising out of the design, development and construction of the LOS or the convention center expansion project, (2) prepay the 2005 Sublease Rental Obligations, or (3) fund certain extraordinary improvements to LOS or the convention center project to which the Sublease Rental Obligations relate.

[2] - Sublease Rental Obligation payments are gross and do not take into account amounts paid from capitalized interest or any other sources.

Note: The Original Excise Tax Revenues, 2009 Innkeeper's Tax and 2009 PSDA Revenues are not included in this schedule since they are not pledged to secure these Sublease Rental Obligations.

Table XII

Capital Improvement Board of Managers
Demographic and Economic Statistics
Last Ten Fiscal Years

	Indianapolis-Carmel MSA [1]			
Year	Population	Personal Income (in millions)	Per Capita Personal Income	Annual Average Unemployment Rate
2000	1,525,104	48,862	31,916	2.4%
2001	1,554,000	50,516	32,507	3.3%
2002	1,575,820	52,023	33,013	4.6%
2003	1,599,929	53,807	33,631	4.8%
2004	1,617,414	57,040	35,266	4.7%
2005	1,640,591	59,683	36,391	4.9%
2006	1,666,032	63,029	37,735	4.4%
2007	1,695,037	n/a	n/a	3.9%
2008	1,715,459	n/a	n/a	6.7%
2009	n/a	n/a	n/a	8.5%

[1] - The Indianapolis-Carmel Metropolitan Statistical Area (MSA) includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Putnam and Shelby counties in Central Indiana, as defined by the U.S. Office of Management and Budget.

n/a = Information is not available.

Source: Indiana Department of Workforce Development (www.hoosierdata.in.gov).

Table XIII

Capital Improvement Board of Managers
Principal Employers [1]
Current Year

	2009	
Employer Name	**Employees**	**% of Total**
Clarian Health Partners, Inc.	12,763	1.46%
Eli Lilly and Company	11,550	1.32%
St Vincent Hospitals & Health Service	10,640	1.22%
FedEx	6,311	0.72%
Community Health Network	5,341	0.61%
Rolls-Royce	4,300	0.49%
St Francis Hospital & Health Centers	4,152	0.48%
WellPoint, Inc.	4,000	0.46%
Allison Transmission/Div of GMC	3,800	0.44%
AT&T	3,000	0.34%
	65,857	7.55%

[1] - Principal employers for the Indianapolis MSA (Local, state and federal employers are excluded).

Note: Information for 2000 is not readily available.

Sources: The Indy Partnership (www.indypartnership.com).

Table XIV

Capital Improvement Board of Managers
Number of Employees (FTEs) by Identifiable Activity
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Position:										
Carpenters	3	5	3	3	5	3	3	3	4	4
Electricians	16	20	23	23	23	24	21	17	20	16
Grounds	3	3	3	3	3	3	3	3	5	5
Housekeeping	49	81	63	60	61	82	67	62	64	51
Pipefitters	9	13	13	15	14	13	12	12	15	14
Painters	2	3	3	3	3	3	3	3	3	3
Sound and lighting	6	9	8	8	8	8	8	8	10	23
Set-up	19	30	29	37	49	46	31	25	27	23
Installation and dismantling	19	22	15	13	15	11	7	7	6	5
Box office	2	3	4	4	4	4	3	3	4	4
Administrative	65	65	64	65	64	69	64	69	76	61
Miscellaneous clerical	3	3	4	5	5	5	4	5	7	3
Telecommunications	-	-	-	-	-	-	-	-	2	3
Fire Marshals	-	-	-	-	-	-	-	-	1	-
Guest Services	-	-	-	-	-	-	-	-	2	4
Total Full-Time Equivalent Employees	196	257	232	239	254	271	226	217	246	219

Note: The Capital Improvement Board outsources its security force and its food services personnel to outside contractors. Personnel figures for these activities are not included in this table.

Note: Fluctuations can result from year to year due to the type of labor that is required and the amount of labor the CIB is able to secure on a contractual basis.

Source: Capital Improvement Board of Managers - Payroll/HR records.

Table XV

Capital Improvement Board of Managers
Occupancy Statistics [1]
Last Ten Fiscal Years

Venue	2000 [3] Event Occupancy	2000 [3] Total Occupancy	2001 Event Occupancy	2001 Total Occupancy
Exhibit Halls				
Hall A	31.50%	63.10%	31.50%	64.90%
Hall B	27.40%	60.00%	37.00%	73.20%
Hall C	28.60%	58.30%	38.60%	75.60%
Hall D	35.00%	71.30%	37.30%	74.50%
Hall E	39.10%	76.20%	39.20%	76.40%
Hall F	33.90%	64.80%	31.50%	61.90%
Hall G	31.10%	61.70%	29.90%	59.50%
RCA Dome	19.90%	43.40%	20.50%	46.80%
Ballrooms				
500 Ballroom	46.20%	62.60%	46.30%	59.70%
White River Ballroom	36.60%	50.80%	36.20%	49.00%
Sagamore Ballrooms [2]	51.00%	67.00%	49.00%	64.30%
Wabash Ballrooms [2]	d/n/e	d/n/e	30.10%	39.10%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

Venue	2005 Event Occupancy	2005 Total Occupancy	2006 Event Occupancy	2006 Total Occupancy
Exhibit Halls				
Hall A	33.40%	67.90%	33.40%	61.90%
Hall B	33.40%	69.30%	35.30%	65.50%
Hall C	35.60%	70.70%	30.70%	59.50%
Hall D	34.20%	70.40%	29.90%	58.40%
Hall E	32.90%	66.80%	28.50%	55.10%
Hall F	31.50%	64.90%	29.30%	54.80%
Hall G	31.80%	65.20%	27.90%	51.00%
RCA Dome	18.40%	53.20%	18.90%	43.80%
Ballrooms				
500 Ballroom	35.90%	50.40%	34.20%	48.50%
White River Ballroom	28.80%	43.60%	27.90%	41.60%
Sagamore Ballrooms [2]	39.30%	60.00%	41.20%	56.60%
Wabash Ballrooms [2]	36.70%	56.30%	37.00%	51.60%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

[1] - Occupancy formulas:
Per Venue Event Occupany = number of event days divided by number of days in the month.
Per Venue Total Occupancy = total days divided by number of days in the month
(total days = number of event days plus number of move-in/out days).
[2] - Average for all associated space.
[3] - Phase IV expansion of the Indiana Convention Center was completed in July 2000.
Halls B, C, D and E became Halls D, E, F and G.
d/n/e = Did not exist.

Source: Sales Office - Capital Improvement Board of Managers.

2002		2003		2004	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
32.90%	60.00%	29.90%	63.60%	33.30%	66.40%
36.20%	67.90%	33.70%	71.00%	35.80%	72.40%
33.40%	69.00%	34.00%	73.70%	37.70%	78.10%
36.20%	71.50%	31.80%	69.00%	35.00%	73.50%
35.30%	70.70%	33.20%	69.60%	36.60%	76.00%
33.70%	64.90%	29.30%	57.50%	30.60%	60.40%
30.70%	57.00%	26.60%	51.80%	30.30%	59.30%
20.80%	43.00%	15.30%	41.40%	18.60%	40.20%
43.60%	58.40%	38.90%	50.70%	37.20%	51.90%
30.40%	39.20%	28.50%	42.50%	34.70%	48.90%
44.00%	59.30%	39.20%	56.10%	39.30%	57.80%
36.90%	50.10%	40.50%	56.50%	40.30%	57.30%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

2007		2008		2009	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
30.1%	60.5%	30.3%	66.1%	30.1%	63.1%
31.5%	63.8%	31.4%	66.7%	34.4%	68.9%
31.8%	63.8%	32.2%	68.9%	31.7%	67.5%
29.9%	61.4%	32.8%	67.2%	33.3%	68.3%
29.9%	61.1%	29.2%	64.5%	26.2%	63.1%
31.5%	58.1%	18.9%	41.0%	18.3%	39.1%
25.5%	52.3%	17.8%	39.1%	15.6%	36.9%
20.5%	42.2%	18.1%	44.8%	0.0%	0.0%
36.4%	50.4%	38.3%	50.8%	30.3%	43.7%
29.9%	41.1%	26.7%	34.3%	0.0%	0.0%
38.0%	55.3%	40.6%	56.9%	36.0%	50.2%
34.2%	49.7%	38.6%	52.8%	35.9%	47.9%
-	-	32.2%	54.5%	39.2%	88.1%
-	-	22.0%	36.0%	32.6%	71.3%
-	-	28.0%	28.0%	33.6%	44.8%
-	-	24.5%	35.7%	33.3%	62.2%
-	-	33.6%	46.2%	39.2%	76.2%
-	-	15.4%	26.6%	19.6%	49.7%