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, 2011

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2011
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, President

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
December 31, 2011

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May 31, 2012

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, 2011.

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.

Indiana Convention Center | 100 South Capitol Avenue | Indianapolis, IN 46225-1071
Lucas Oil Stadium | 500 South Capitol Avenue | Indianapolis, IN 46225-1117
www.icclos.com

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. 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 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 certifies the City's budget by February 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. 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"). With the current expansion of the Convention Center completed in January 2011, the newly expanded structure covers a 6 city block area in downtown Indianapolis. The LOS site covers a 6½ city block area just south of the expanded Convention Center and is connected by internal and covered structures, allowing combined use opportunities.

Since opening in 1972, the Indiana Convention Center has had four major expansions, with the fourth being completed in January 2011. With this latest expansion, the Indiana Convention Center now contains 566,300 square feet of clear span convention and exhibition space, 71 meeting rooms and three ballrooms. The 11 exhibit halls range in size from 36,300 square feet to 88,900 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.

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 January 2011, LOS was 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 Bankers Life 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.

Bankers Life Fieldhouse (formerly Conseco Fieldhouse), widely acknowledged as one of the finest sports and civic arenas 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, Bankers Life 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, Bankers Life 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 Indiana University 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.

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. Indiana is one of the nation's top four life sciences leaders as defined by number and concentration of life sciences-related jobs, according to the Indiana Economic Development Corporation and a recent study by the Biotechnology Industry Organization. Indiana is home to more than 1,600 businesses in the medical device, pharmaceutical, drug development, diagnostic and agriculture-biotech sectors. The State has long been a world leader in life sciences and is home to such industry giants as Eli Lilly and Company, Biomet, Cook Group Inc., Roche Diagnostics and Zimmer. Indiana boasts the second-largest medical school in the United States, the Indiana University School of Medicine. Indiana is also home to the Indiana University Emerging Technologies Center, a highly successful business incubator which houses many biosciences companies. Indiana's life sciences industry succeeds through a collaboration of partnerships between industry, academia and government which creates new jobs and economic growth.

The production of motor vehicles, parts and transportation equipment is a cornerstone element of Indiana's manufacturing culture. Indiana is home to major assembly plants for Toyota, Subaru, Honda, and General Motors. The state is also home to hundreds of vehicle parts manufacturers, including Chrysler, Cummins, Delphi, Allison Transmission, ArvinMeritor, NTN, Mitsubishi, KYB, Keihin, Enkei, Toa, Tomasco USSteel, Tower Automotive, PPG, and the North American headquarters of Aisin U.S.A. According to the US Bureau of Economic Analysis, Indiana's motor vehicle industry is the 2nd largest in the United States. Indiana is home to more than 630 automotive companies producing more than 11% of all automobiles produced in the United States.

Indiana's advanced Logistics industry is a driving force in today's economy and offers a sustainable competitive advantage to manufacturers and distributors. The State is also home to information technology businesses, including Hurco Companies, Inc., search engine ChaCha, Sony Digital Audio, Hitachi, ExactTarget, and Interactive Intelligence, which maintain a clear focus on building a strong information technology workforce. Indiana's academic and industrial partners have created an environment that encourages and sustains growth in the clean technology sector; Indiana's clean energy jobs grew by nearly 18 percent between 1998 and 2007, ranking the state first in the industrial Midwest in overall job growth in the clean energy industry. Agriculture also plays a vital role in Indiana's economy. With more than 15 million acres of farmland, Indiana is a leading producer of corn, soybeans, hogs, poultry, popcorn, and tomato products.

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", Indianapolis is home to the Indianapolis Motor Speedway. In 2011, the Indianapolis Motor Speedway celebrated the 100th anniversary of the 500 mile race, which was first run in 1911 and which has been 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 27th, and the Brickyard 400, which will take place on Sunday, July 29th. And, on Sunday, August 19th, 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 2011, the Indianapolis International Airport (IND) served 7.5 million domestic and international passengers. IND is the eighth largest cargo facility in the nation, and internationally it ranks 22nd largest in the world. In 2011, 1 million tons of cargo were transported from this facility. On average, there were 140 daily departures. In addition to 34 nonstop locations, there are 28 additional destinations from IND.

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 $3.3 billion dollars. Key business partners include 9 commercial airlines, FAA, TSA, U.S. Customs & Border Patrol, 60 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 12th largest city. According to the U.S. Census Bureau's Statistics for 2010, the estimated population of Marion County is 903,393 and 1,756,241 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, Bankers Life Fieldhouse, Circle Centre Mall, Lucas Oil Stadium, and the expanded Convention Center 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 Brickyard 400, 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 Big Ten Championship Football Game, the NCAA® Men's and Women's Final Four Basketball Championship and the Men's and Women's Big Ten Basketball Tournaments. In February 2012, Indianapolis hosted 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's ("ICVA") current brand 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 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, one that never rests on its laurels and past successes. This is evident with the new Col. H. Weir Cook Terminal at the Indianapolis International Airport, Lucas Oil Stadium, the newly expanded Indiana Convention Center and the recently completed JW Marriott. The JW Marriott Indianapolis is the city's largest, full-service convention hotel with 104,000 square feet of meeting and event space and 1,005 guest rooms. With the addition of these new hotel rooms, the Indiana Convention Center now has over 4,700 rooms that are connected to the convention center. Indianapolis now has more rooms connected to its convention center than any other city in the country. 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 69,000 dedicated service employees who help deliver an annual economic impact to Indianapolis MSA of approximately $3.4 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: In 2009 and 2010, the CIB took numerous steps to become more fiscally sustainable and continue to meet its public mission. A large number of cost containment and reduction actions were implemented in 2009 and continued in 2010. New revenue streams were approved by state and city/county legislative bodies in 2009. These new revenue streams have added over $11 million annually that are dedicated to operational costs of the CIB at the expanded Indiana Convention Center and Lucas Oil Stadium. In 2009, the State also authorized three $9 million loans to be drawn from the Treasurer of State in 2009, 2010 and 2011. Each note has a ten-year term. The 2009 and 2010 State loans were drawn down by the CIB. The 2011 State loan was included in the CIB's 2011 budget, however, it was determined during the year that the loan would not be necessary to assist in cash flow needs. Tax and operating revenue for 2011 were approximately 15% or $14 million greater than budgeted revenues. Due to this increase in revenue and a reduction in interest costs generated from the refinancing of three debt obligations, the CIB was also able to replenish $7 million into the Capital or Renewal and Replacement Reserve.

The 2012 operating budget has been approved at approximately $86 million compared to the 2011 operating budget of $73 million. The increase of $13 million is composed of $8 million of costs directly related to the 2012 Super Bowl at Lucas Oil Stadium and $5 million of repairs and renovations that may be required at the Capital Commons Parking Garage. In addition, the 2012 debt service budget is approximately $36 million compared to the 2011 budget of $31 million. The increase is due to an initial discretionary "sinking fund" deposit of $5.6 million to be used to retire $33.7 million of Junior Subordinate Notes in 2017. The CIB anticipates meeting 2012 expenditures with budgeted resources and operating reserves.

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, Indiana Black Expo and VFW Annual National Convention. Groups leading the Top 20 Conventions, based on direct visitor spending for 2011, include NCAA® Women's Final Four® Basketball Championships, Fire Department Instructors Conference, Do It Best Corporation, National FFA Organization Convention, Gen Con LLC, Advanstar Dealer Expo, Custom Electronic Design & Installation Association, National Baptist Convention USA, Kappa Alpha Psi Fraternity, Big Ten Football Championship and International Motorsports Industry Show.

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:

<u>Current Year Events</u>

Archery Trade Association Annual Trade Show, JAMfest Super Nationals, Circle of Stars Gymnastics Invitational, 2011 Dealernews International Powersports Dealer Expo, NFL Scouting Combine, National Truck Equipment Association National Convention & Expo, Fire Department Instructors Conference, Women's Basketball Coaches Association Convention, NCAA® Women's Final Four ®Tourney Town Interactive Events, Lids Team Sports Mideast Qualifier by NikeVolleyball, Supercross, National Council of Teachers of Mathematics Annual Convention, Golden Gloves Association of America Annual National Tournament, Association for Iron & Steel Technology (AISTECH) 2011, 500 Festival Mini-Marathon Packet Pick-up and Expo, IUPUI Commencement, Do it Best Corporation May and October Markets, National Baptist Congress on Education, Hotrod 2011, M-PACT 2011, Indiana Black Expo 2011 Summer Celebration, NBM Shows, National FFA Convention 2011, Gen Con LLC "The Best Four Days in Gaming," BBI 2011 International Fuel Ethanol Workshop & Expo, Kappa Alpha Psi Fraternity 80th Grand Chapter, 2011 Pokémon U.S. National Championships, CEDIA Expo 2011, COMFORTECH, National Federation for Catholic Youth Ministry, International Event Services Yager Free Enterprise, Percussive Arts Society International Convention, DCI World Championships, International Motorsports Industry Show, ISSMA State Marching Band Finals, Music For All Regional and Grand National Championships, Circle City Classic, Big Ten Football Championship Game, Big Ten Football Fanfest, and Indianapolis Colts Football.

Major Events Scheduled for 2012

Indiana Home and Garden Show, JAMfest Super Nationals, Super Bowl XLVI®, NFL Experience, 2012, Dealernews International Powersports Dealer Expo, Pumper Cleaner Environmental Expo, Work Truck Show and NTEA Annual Convention, M-PACT 2012, International Sleep Products Assn. EXPO 2012, Nike MEQ Volleyball, National Science Teachers Association National Convention, Fire Department Instructors Conference, American Occupational Therapy Association Annual Meeting, American Coatings Shows & Conference-Biennial, 500 Festival Mini-Marathon Packet Pick-up and Expo, Indiana Conference of the United Methodist Church Annual Conference, IUPUI Commencement, Indiana Black Expo 2012 Summer Celebration, Gen Con "The Best Four Days in Gaming", Do it Best Corporation May and October Markets, National Forensic League National Tournament, American Legion National Convention, CEDIA Expo 2012, American Industrial Hygiene Association Annual Convention, 2012 WSF Cheer & Dance Nationals "Indy Showdown," Young Champions Cheer Competition, NBM Shows, National Black MBA Association Annual Conference, Revive Our Hearts 2012 TRUE WOMAN Conference, Episcopal Church Triennial General Convention, 2012 Pokémon U.S. National Championships, American Association of Diabetes Educators Annual Meeting, Sports Inc. June Athletic Show, North American Die Casting Association CASTEXPO, National FFA Convention 2012, National Missionary Annual & Joint Youth Convention, Kenny Chesney Concert, DCI World Championships, International Motorsports Industry Show, ISSMA State Marching Band Finals, Music For All Regional and Grand National Championships, Circle City Classic, Big Ten Football Championship Game, Big Ten Football Fanfest, and Indianapolis Colts Football.

Major Events Scheduled for 2013

Indiana Home and Garden Show, National Precast Concrete Association, Circle of Stars Gymnastics Invitational, National Soccer Coaches Association Annual Convention, Pumper Cleaner Environmental Expo, Work Truck Show and NTEA Annual Convention, Higher Education Users Group Alliance 2013, Lids Team Sports MEQ, National Society of Black Engineers Annual National Convention, NCAA® Midwest Regional Basketball, Just Give Me Jesus, National AfterSchool Association Annual Conference 2013, Association of College & Research Libraries Biennial, M-PACT 2013, Fire Department Instructors Conference, Do it Best Corporation May and October Markets, 2013 NCAA Division I Men's Lacrosse Championship, American College of Sports Medicine Annual Meeting, NBM Shows, Church of the Nazarene General Assembly, Lia Sophia Annual Conference, Shriners of North America Imperial Council Session, Federation of Animal Science Societies (FASS) Joint Meeting, Indiana Black Expo 2013 Summer Celebration, Railway Interchange, Pentecostal Assemblies of the World Annual Summer Assembly, DCI World Championships, Gen Con "The Best Four Days in Gaming", American Chemical Society National Meeting & Expo, International Motorsports Industry Show, Music For All Regional and Grand National Championships, Circle City Classic, Big Ten Football Championship Game, Big Ten Football Fanfest, and Indianapolis Colts Football.

Awards and Acknowledgements

Independent Audit: The CIB has an annual audit of its financial statements performed by the Indiana State Board of Accounts. 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, 2010. This was the 26th 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 and the Indiana State Board of Accounts.

Sincerely,

Augustus B. Levengood, Executive Director

Ann Lathrop, President

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, 2010

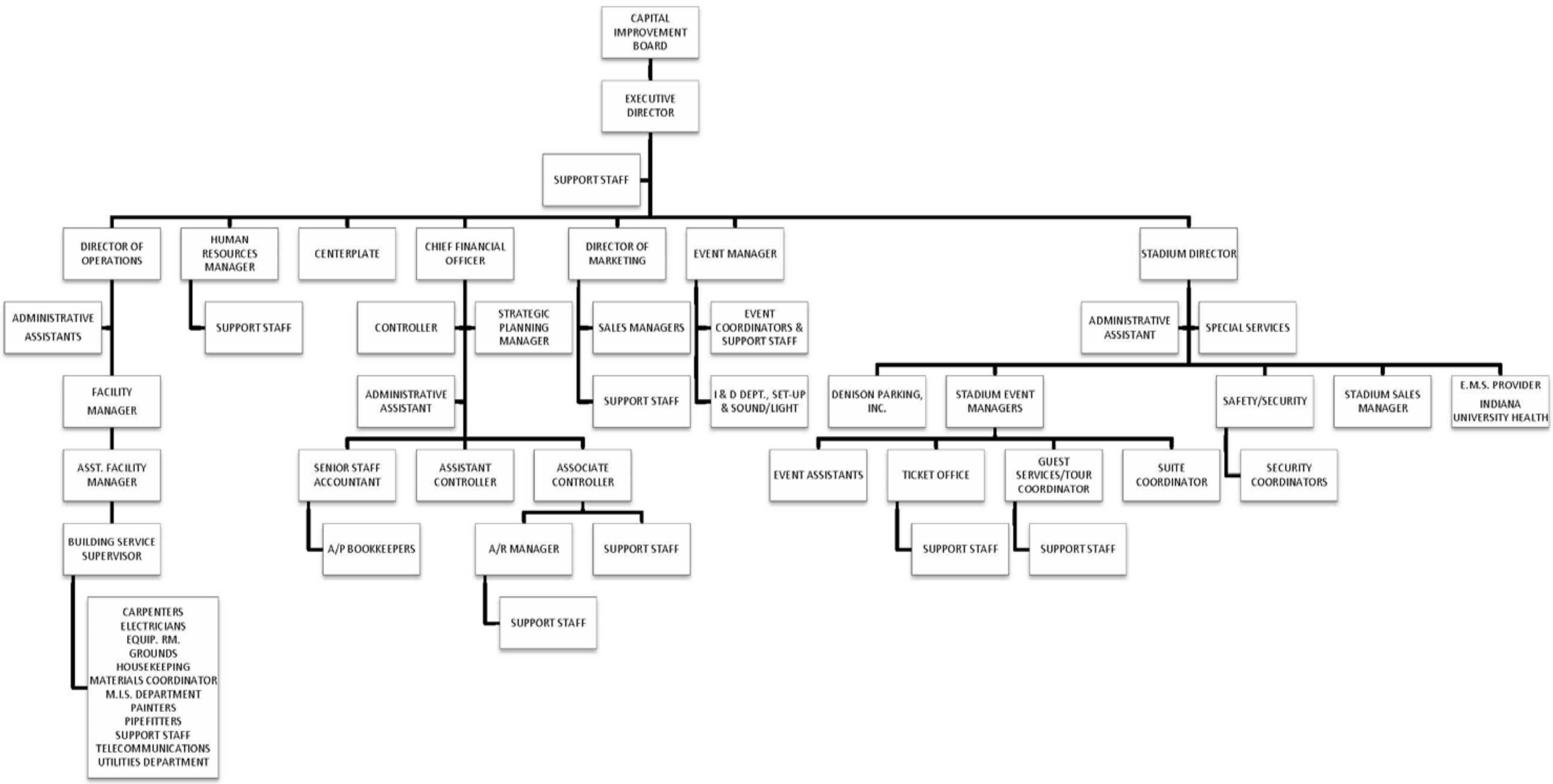
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

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



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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 2011)

Name	Title	Term Ending	Years of Service	Occupation
Ann Lathrop	President	January 14, 2014	4	CPA, Crowe Horwath, LLP
David Shane	Treasurer	January 14, 2014	2	President & CEO, LDI Ltd., LLC
Jim Dora, Jr.	Vice President	January 14, 2014	2	President & CEO, General Hospital Corporation
Douglas R. Brown	Secretary	January 14, 2014	11	Attorney, Bose McKinney & Evans LLP
Paul Okeson	Treasurer	Resigned-- January 10, 2011	1	Vice President of Business Development, KEYSTONE Const. Corp.
Carolene Mays	Member	January 14, 2014	2	Commissioner, Indiana Utility Regulatory Commission
Michael McQuillen	Member	January 14, 2012	2	City-County Council, District 12
Milton O. Thompson	Member	January 14, 2014	1	Attorney, Bleeke Dillon
Brenda Myers	Member	January 14, 2014	2	Executive Director, Hamilton County Convention & Visitors Bureau
Jay K. Potesta	Member	January 14, 2014	11	Assistant Director of Governmental Affairs, Sheet Metal Workers' International Association (SMWIA)

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

Administrative Personnel

Name	Position	Years of Service
Barney Levengood	Executive Director	21
Linda G. Addaman	Director of Marketing	16
Dan Huge	Chief Financial Officer	2
Patti Dean	Controller	2
Major E. Gardner	Event Manager	31
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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, 2011 and 2010, 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 audits.

We conducted our audits 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 audits provide 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, 2011 and 2010, 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

May 9, 2012

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, 2011. 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 Bankers Life Fieldhouse.

Financial Highlights

The following are some highlights from the CIB’s financial statements for the year ended December 31, 2011:

- The CIB experienced an increase in *Total assets* of about $20.2 million, or 1.4% in 2011. *Current assets - restricted* increased by about $14.1 million primarily due to increases in the renewal and replacement reserve and the receivable from the State of Indiana. *Current assets - unrestricted* increased about $14.1 million due to an increase in investments, which was largely the result of tax receipts designated for operating purposes in excess of the 2011 cash outlay. *Capital assets* decreased by about $18.0 million. Since the Lucas Oil Stadium (“LOS”) and Indiana Convention Center (“ICC”) projects are both substantially complete, depreciation expense was greater than the capital additions in 2011.

- *Total liabilities* decreased by about $10.1 million, or .8% in 2011. *Current liabilities* decreased about $15.1 million in 2011 largely due to a decrease in unearned contribution revenue, while *Noncurrent liabilities* increased about $5.0 million primarily due to additional expenditures made in connection with the ICC and other renovation projects.

- *Net assets* increased by about $30.3 million, or 14.5% in 2011, primarily due to an increase in cash and investments, as well as a decrease in capital assets due to depreciation expense.

- *Operating revenues* increased by about $8.3 million, or 43.4% in 2011, due to new and larger conventions and events, in part due to the opening of the expanded ICC.

- *Nonoperating revenues* increased by about $8.2 million, or 6.8%. *State and local taxes and other assistance* increased by about $8.2 million due to fluctuations in the underlying activities from which such tax revenues are derived.

- *Operating expenses* increased by about $10.1 million, or 15.4%, in large part due to additional labor relating to the increased operating income from new and larger events. In addition, depreciation and amortization expense increased by 3.9 million due to the ICC expansion project being placed into service in 2011.

- *Nonoperating expenses* increased by about $2.2 million, or 3.4%. Grants to other organizations increased by $.7 million and loss on sale/disposal of capital assets increased by $1.1 million.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2011 and 2010:

- 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.

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.

2011 to 2010 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2011 and 2010:

	December 31		
	2011	2010	$ Variance
Assets			
Current assets - unrestricted	$ 87,175	$ 73,055	$ 14,120
Current assets - restricted	82,510	68,371	14,139
Capital assets, net	1,303,898	1,321,956	(18,058)
Other assets	20,149	10,177	9,972
Total assets	$ 1,493,732	$ 1,473,559	$ 20,173
Liabilities			
Current liabilities payable from unrestricted assets	$ 8,392	$ 5,436	$ 2,956
Current liabilities payable from restricted assets	22,147	40,195	(18,048)
Noncurrent liabilities	1,223,542	1,218,573	4,970
Total liabilities	1,254,081	1,264,203	(10,122)
Net Assets			
Invested in capital assets, net of related debt	116,154	118,659	(2,505)
Restricted	77,675	66,209	11,466
Unrestricted	45,822	24,488	21,334
Total net assets	239,651	209,356	30,295
Total liabilities and net assets	$ 1,493,732	$ 1,473,559	$ 20,173

Note: Dollars are in thousands.

The 2011 increase in *Current assets - unrestricted*, about $14.1 million, or 19.3 %, from the prior year is reflective of changes in the CIB's cash reserves and an additional receivable for call rights waiver credits stemming from a 2011 debt refinancing transaction. Cash decreased during 2011 to cover operating expenses in excess of operating revenues, however, increased due to an $8 million receipt of funds from the interlocal agreement and other tax revenues designated for operating purposes.

Current assets - restricted increased by about $14.1 million, or 20.7%, from the prior year, due to an approximate increase of $8.1 million in the renewal and replacement reserve, $2.5 million in box office funds, and $3.6 million in taxes receivable from the State of Indiana.

Capital assets decreased by about $18.0 million, or 1.4%, from the prior year. In 2011, this decrease is due to depreciation expense in excess of capital additions since the ICC expansion project was placed into service in 2011.

The increase in *Other assets* of approximately $10.0 million or 98.0% from 2010 to 2011 is due to the issuance of an additional note receivable to the Pacers Basketball, LLC.

Current liabilities payable from unrestricted assets increased about $3.0 million, or 54.4%, from the prior year. Accounts payable increased by about $2.3 million, or 57.2%, from the prior year due to various capital projects. Accrued interest payable increased by about $.67 million, due to interest on loans from the Treasurer of the State of Indiana.

Current liabilities payable from restricted assets decreased about $18.0 million, or 44.9%, from the prior year. Current unearned contribution revenue decreased by $12.5 million due to the recognition of such amounts as revenue in 2011. Current portion of long-term debt decreased by $5.9 million, the real estate rentals payable decreased $1.85 million, and funds held for others - box office increased $2.5 million.

Noncurrent liabilities increased about $5.0 million, or .4%, over the prior year. The amount due to the State of Indiana was reclassified as a capital lease payable since the ICC project was placed into service in 2011. The net increase in noncurrent liabilities in 2011 is due to additional expenditures on LOS and the ICC, net of scheduled reductions for the capital lease obligations.

Invested in Capital assets, net of related debt decreased about $2.5 million, or 2.1%, in 2011, as a result of capital asset and related debt activity in connection with the LOS and ICC projects. *Restricted net assets increased* about $11.5 million, or 17.3%, in 2011, as a result of an increase in the renewal and replacement fund and box office funds, and an increase in the accrual of state and local tax assistance. The approximate $22.2 million increase, or 87.1%, from the prior year in *Unrestricted net assets* is primarily due to the receipt of $8 million from the interlocal agreement and new tax revenues created in 2009 designated for operating expenses.

2010 to 2009 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2010 and 2009:

	December 31		
	2010	**2009**	**$ Variance**
Assets			
Current assets - unrestricted	$ 73,055	$ 52,770	$ 20,285
Current assets - restricted	68,371	71,760	(3,389)
Capital assets, net	1,321,956	1,277,982	43,974
Other assets	10,177	203	9,974
Total assets	$ 1,473,559	$ 1,402,715	$ 70,844
Liabilities			
Current liabilities payable from unrestricted assets	$ 5,436	$ 4,778	$ 658
Current liabilities payable from restricted assets	40,195	28,671	11,524
Noncurrent liabilities	1,218,573	1,161,294	57,279
Total liabilities	1,264,204	1,194,743	69,461
Net Assets			
Invested in capital assets, net of related debt	118,659	134,282	(15,623)
Restricted	66,209	69,704	(3,495)
Unrestricted	24,488	3,986	20,502
Total net assets	209,356	207,972	1,384
Total liabilities and net assets	$ 1,473,560	$ 1,402,715	$ 70,845

Note: Dollars are in thousands.

The 2010 increase in *Current assets - unrestricted*, about $20.3 million, or 38.4%, from the prior year is reflective of changes in the CIB’s cash reserves. Cash decreased during 2010 to cover operating expenses, however, increased due to the $9 million proceeds from the loan from the Treasurer of the State of Indiana and $8 million from receipt of funds from the interlocal agreement.

Current assets - restricted decreased by about $3.4 million, or 4.7%, from the prior year, due to an approximate decrease of $2.6 million in restricted balances held to pay and secure the CIB's lease obligations for the LOS and ICC expansion projects, as well as, an approximate decrease of $1.4 million in taxes receivable from the State of Indiana.

Capital assets increased by about $44.0 million, or 3.4%, from the prior year. In 2010, this increase is due to the continuation of LOS and ICC expansion projects, offset partially by a $17.2 million decrease due to the cumulative effect of a change in accounting principal relating to the capitalization threshold.

Current liabilities payable from unrestricted assets increased about $.7 million, or 13.8%, from the prior year. Accounts payable increased by about $.29 million, or 7.8%, from the prior year. Accrued interest payable increased by about $.45 million, due to interest on the loans from the Treasurer of the State of Indiana.

Current liabilities payable from restricted assets increased about $11.5 million, or 40.2%, from the prior year. Current unearned contribution revenue increased by $12.5 million due to additional contributions in 2010 and the classification as current at December 31, 2010, as opposed to long-term at December 31, 2009. The real estate rentals payable decreased $1.15 million, funds held for others - box office decreased $.39 million and rental deposits increased $.49 million.

Noncurrent liabilities increased about $57.3 million, or 4.9%, over the prior year. This change was primarily due to an approximate $80.5 million increase in the State of Indiana liability relating to the ICC project, net of scheduled reductions for the capital lease obligations.

Invested in Capital assets, net of related debt decreased about $15.6 million, or 11.6%, in 2010, as a result of capital asset and related debt activity in connection with the LOS and ICC projects, as well as, the decrease due to the cumulative effect of a change in accounting principle relating to the capitalization threshold. *Restricted net assets* decreased about $3.5 million in 2010 as a result of a decrease in restricted balances held to pay and secure the CIB's lease obligations for the LOS and ICC expansion projects, and a decrease in the accrual of state and local tax assistance. The approximate $20.5 million increase in *Unrestricted net assets* is primarily the effect of the receipt of the $9 million loan from the Treasurer of the State of Indiana, the $8 million from the interlocal agreement, and a full year of new tax revenues created in 2009 designated for operating expenses.

2011 to 2010 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, 2011 and 2010:

	December 31			
	2011	**2010**	**$ Variance**	**% Variance**
Operating Revenues				
Rental income	$ 9,060	$ 6,313	$ 2,747	43.5%
Food service and concession commissions	4,752	3,071	1,681	54.7
Parking lot income	1,009	1,499	(490)	(32.7)
Labor reimbursements	11,052	7,780	3,272	42.1
Other operating income	1,486	414	1,072	258.9
Total operating revenues	27,359	19,077	8,282	43.4
Nonoperating Revenues				
Investment income	240	207	33	15.9
State and local taxes and other assistance	128,797	120,583	8,214	6.8
Other	89	92	(3)	(3.3)
Total nonoperating revenues	129,126	120,882	8,244	6.8
Total revenues	156,485	139,959	16,526	11.8
Operating Expenses				
Salaries and wages	12,810	10,376	2,434	23.5
Fringe benefits	3,187	2,848	339	11.9
Utilities	5,428	5,414	14	0.3
Repairs and maintenance	2,582	1,120	1,462	130.5
Insurance	1,247	1,117	130	11.6
Security	2,800	3,310	(510)	(15.4)
Nondepreciable equipment, parts and supplies	4,863	4,124	739	17.9
Other	6,209	4,620	1,589	34.4
Depreciation and amortization	36,402	32,532	3,870	11.9
Total operating expenses	75,528	65,461	10,067	15.4
Nonoperating Expenses				
Interest expense	48,879	48,650	229	0.5
Compensation to Indianapolis Convention & Visitors Association	9,036	9,192	(156)	(1.7)
Colts inducements/Revenue Sharing and Day-of-Games expenses	5,260	4,940	320	6.5
Other	1,766	-	1,766	100.0
Net nonoperating expenses	64,940	62,782	2,158	3.4
Total expenses	140,468	128,243	12,225	9.5
Income Before Capital Contributions	16,017	11,716	4,301	36.7
Capital Contributions	14,278	6,893	7,385	107.1
Increase in Net Assets	30,295	18,609	11,686	62.8
Net Assets, Beginning of Year	209,356	190,747	18,609	9.8
Net Assets, End of Year	$ 239,651	$ 209,356	$ 30,295	14.5

Note: Dollars are in thousands.

Total operating revenues increased about $8.3 million, or 43.4%. Rental income increased about $2.7 million, or 43.5%, food service and concession income increased about $1.7 million, or 54.7% and labor reimbursements increased about $3.3 million, or 42.1%. All of these increases were directly related to the increased size and capacity of the expanded ICC. The expansion allowed the ICC to hold larger conventions with greater headcount than in previous years. Other operating income increased about $1.1 million mainly due to reimbursements of previous utility costs related to the LOS construction and ICC expansion.

Total nonoperating revenues increased about $8.2 million, or 6.8%. State and local taxes and fees increased about $8.2 million, or 6.8%. This was the result of the 2009 Marion County Innkeeper's Tax and the 2009 PSDA Revenue increasing about $2.7 million, as well as the Original Excise Tax revenues increasing approximately $4.9 million in 2011.

Total operating expenses increased by $10.1 million, or 15.4%. Salaries and wages increased by about $2.4 million, or 23.5%, and fringe benefits increased about $.3 million, or 11.9%, due to additional labor related to the increased operating income from new and larger events. Repairs and maintenance costs increased about $1.5 million, or 130.5%, largely due to work done to repair parking lots. Insurance costs increased about $.1 million, or 11.6%. Security costs decreased about $.5 million, or 15.4%, due to two additional Colts playoff games in January 2010 versus one in January 2011. Nondepreciable equipment, parts and supplies increased about $.7 million, or 18.0% due to renovations at Bankers Life Fieldhouse. Other expenses increased by about $1.6 million, or 34.4%, due to an increase in advertising and promotion and labor set-up fees. Depreciation and amortization increased about $3.9 million, or 11.9%, due to the ICC expansion project being placed into service in 2011.

Total nonoperating expenses increased about $2.2 million, or 3.4%. Other nonoperating expenses increased about $1.8 million. This is a result of grants to other organizations of approximately $.7 million in 2011 which were not similarly made in 2010, as well as, approximately $1.1 million of loss on sale/disposal of capital assets, primarily related to the replacement of carpet in the ICC.

Capital contributions of about $14.3 million in 2011 consist of contributions relating to the ICC expansion. The majority of this amount was classified as unearned contribution revenue in 2010 and recorded as a capital contribution in 2011 when the expansion was placed into service. The capital contributions of about $6.9 million in 2010 were relating to the LOS construction.

2010 to 2009 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, 2010 and 2009:

	December 31			
	2010	**2009**	**$ Variance**	**% Variance**
Operating Revenues				
Rental income	$ 6,313	$ 6,792	$ (479)	-7.0%
Food service and concession commissions	3,071	4,532	(1,461)	(32.2)
Parking lot income	1,499	1,314	185	14.1
Labor reimbursements	7,780	7,892	(112)	(1.4)
Other operating income	414	747	(333)	(44.6)
Total operating revenues	19,077	21,277	(2,200)	(10.3)
Nonoperating Revenues				
Investment income	207	407	(200)	(49.1)
State and local taxes and other assistance	120,583	101,435	19,148	18.9
Other	92	72	20	27.5
Total nonoperating revenues	120,882	101,914	18,968	18.6
Total revenues	139,959	123,191	16,768	13.6
Operating Expenses				
Salaries and wages	10,376	11,379	(1,003)	(8.8)
Fringe benefits	2,848	3,152	(304)	(9.8)
Utilities	5,414	5,442	(28)	(0.5)
Repairs and maintenance	1,120	617	503	81.5
Insurance	1,117	1,256	(139)	(11.1)
Security	3,310	2,784	526	18.9
Nondepreciable equipment, parts and supplies	4,124	741	3,383	456.7
Other	4,620	4,252	368	8.6
Depreciation and amortization	32,532	35,796	(3,264)	(9.1)
Total operating expenses	65,462	65,419	43	0.1
Nonoperating Expenses				
Interest expense	48,650	34,130	14,520	42.5
Compensation to Indianapolis Convention & Visitors Association	9,192	7,780	1,412	18.1
Colts inducements/Revenue Sharing and Day-of-Games expenses	4,940	5,314	(374)	(7.0)
Other	-	526	(526)	(100.0)
Net nonoperating expenses	62,782	47,750	15,032	31.5
Total expenses	128,243	113,169	15,074	13.3
Income Before Capital Contributions	11,715	10,022	1,693	16.9
Capital Contributions	6,893	622	6,271	1,008.0
Increase in Net Assets	18,609	10,644	7,965	74.8
Net Assets, Beginning of Year	190,747	197,328	(6,581)	(3.3)
Net Assets, End of Year	$ 209,356	$ 207,972	$ 1,384	0.7

Note: Dollars are in thousands.

Total operating revenues decreased about $2.2 million, or 10.3%. Rental income decreased about $.48 million, or 7.1% due to reduced room rental related to increased competition and economic conditions. Food service and concession income decreased about $1.5 million, or 32.2%, due primarily to a 2009 transfer of escrowed food service funds from Centerplate to CIB to free up additional cash for operations. Other operating income decreased about $.33 million, or 44.6%, partially due to the popularity of the CIB's Lucas Oil Stadium Tour program in 2009.

Total nonoperating revenues increased about $18.9 million, or 18.6%. Investment income decreased about $.2 million, or 49.1%, due to lower interest rates. State and local taxes and fees increased about $19.1 million, or 18.9%, as a result of three main elements. First, 2010 was the first full year for the new 2009 Marion County Innkeeper's Tax and the new 2009 PSDA Revenue (these taxes amounted to nonoperating revenue in 2010 in excess of 2009 of about $6.8 million). Second, the Original PSDA Revenues and 2005 Stadium Revenues increased approximately $4.1 million in 2010. Third, 2010 was the first year for the interlocal agreement revenue which amounted to $8 million.

Total operating expenses increased by less than $.1 million. Salaries and wages decreased about $1.0 million, or 8.8%, and fringe benefits decreased about $.3 million, or 9.8%, due to the continuation of the hiring freeze and workforce reduction that was initiated in 2009. Repairs and maintenance costs increased about $.5 million, or 81.5%, due to additional repair and maintenance work in 2010 for projects that had been deferred in 2009 as part of cost reductions. Insurance costs decreased about $.1 million, or 11.1%, due to a competitive insurance market. Security costs increased about $.5 million, or 18.9%, due to two additional Colts playoff games in January 2010. Nondepreciable equipment, parts and supplies increased about $3.4 million due to a higher capitalization threshold in 2010, as well as the purchase of additional parts and supplies in 2010, relating to the opening of the ICC expansion. Other expenses increased by about $.4 million, or 8.6%, due to an increase in temporary labor costs for event set-up in 2010 and lower than normal expense in 2009 as a result of cost reduction efforts. Depreciation and amortization decreased about $3.3 million, or 9.1%, due to the CIB changing its fixed asset capitalization threshold from $500 to $20,000. This policy was effective January 1, 2010, however, applied retroactively. Also, certain assets at Bankers Life Fieldhouse and the ICC became fully depreciated during 2009 and 2010.

Total nonoperating expenses increased about $15.0 million, or 31.5%. Interest expense increased about $14.5 million, or 42.5%, primarily due to a full year of payments under the capital lease obligation for LOS in 2010, compared to half a year in 2009. Compensation to the Indianapolis Convention & Visitors Association, which is based on a percentage of the Innkeeper's excise tax revenues, increased about $1.4 million, or 18.1%, in 2010 due to an additional transfer from budgeted capital outlays approved by the City-Council. Colts inducements and Day-of-Game expenses decreased about $.37 million, or 7.0%. This was due to a change from the prior agreement with the Colts that included an inducement payment ($.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. Other nonoperating expenses decreased about $.5 million. This is a result of grants to other organizations of approximately $.52 million in 2009 (which were not similarly made in 2010).

Capital contributions of about $6.9 million were received in 2010 relating to the LOS construction, while $0.62 million of capital contributions were received in 2009**.**

Overall Financial Analysis

In 2011, the CIB continued to stabilize its financial position. Tax revenues and operating expenses increased as the CIB opened the new phase of the ICC in January 2011. Operating expenses increased to reflect additional headcount and other costs related to the larger overall size of the ICC. New funding sources added in September 2009 accounted for an additional $11 million in tax revenue in 2010 and an additional $14 million in 2011. In addition, the CIB continued to receive $8 million from an Interlocal Agreement with the Metropolitan Development Commission of the City of Indianapolis and Marion County. These new revenue streams, additional operating revenues from the larger ICC and the refinancing of senior and subordinate debt obligations allowed the CIB to end 2011 with a positive net cash flow and an increase in operating cash balances. The CIB's 2012 budget anticipates meeting 2012 expenditures with budgeted revenues and cash reserves.

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 3 and 5 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 ICC 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 & Lucas Oil Stadium 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 Marion County Convention and Recreational Facilities Authority ("MCCRFA") and the Indiana Finance Authority ("IFA"). Lease agreements relating to these facilities 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. 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 ICC or LOS.

Bankers Life Fieldhouse (formerly Conseco Fieldhouse)

Bankers Life 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 (as recently amended) with the CIB. Other frequent users include the Indiana Fever (a Women's National Basketball Association basketball franchise).

Bankers Life 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 Bankers Life Fieldhouse 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 certain on-going capital maintenance and repair items to be undertaken, if necessary, to maintain the condition of Bankers Life Fieldhouse.

In 2010, the CIB entered into an Amendment to the Operating Agreement with the Pacers. In this amendment the CIB agreed to provide $3.5 million dollars of capital improvements to Bankers Life Fieldhouse. $960,000 and $1.5 million of capital improvements were provided in 2011 and 2010, respectively. The CIB expects the remaining improvements to be completed during 2012.

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

Victory Field

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

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 2009. 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 ICC, Bankers Life Fieldhouse and Victory Field) through capital leasing arrangements involving MCCRFA and, in 2005, began acquiring other capital assets (namely LOS and an expansion of the ICC) 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 9 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 4, 5 and 8 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. Further certain of MCCRFA's and CIB's revenue bonds have historically been insured as to their payment pursuant to municipal bond insurance policies with MBIA Insurance Corporation ("MBIA") and AMBAC Assurance Corporation ("AMBAC"). When so insured, these policies have historically affected their bond ratings by certain national credit rating agencies. 2008 evidenced the commencement of events that significantly changed finance and related credit matters with respect to bond insurers. As of December 31, 2011 and as a result of certain 2011 refundings, only two series of MCCRFA's revenue bonds remain so insured as to their payment pursuant to municipal bond insurance policies with AMBAC and none of MCCRFA's or CIB's revenue bonds remain insured by MBIA. Since both of the two series of MCCRFA revenue bonds insured by AMBAC have ratings unrelated to the AMBAC municipal bond insurance policy that are higher than AMBAC's ratings, any further ratings downgrade by the national rating agencies of AMBAC is not viewed as a significant event.

Readers are referred to footnotes 6 and 7 to the financial statements for more detailed information on long-term debt activity.

Economic Factors and Other Matters

Indianapolis' tourism and convention business was relatively stable in 2011 and currently remains so into 2012. 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 ICC & LOS in 2012 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).

2012 bookings remain on target with projections. There are no events scheduled for CIB facilities that have been cancelled for 2012 that would adversely affect operations. The CIB anticipates that its regular operations in 2012 could be similar in performance to 2011. Regardless, the CIB will 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, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 74,091,630	$ 31,950,203
Cash equivalents with fiscal agent	4,055,881	4,101,701
Investments	-	31,466,448
Interest receivable	-	17,480
Accounts receivable	8,524,644	5,078,632
Inventories	80,394	71,809
Prepaid expenses	422,202	368,701
Total unrestricted assets	87,174,751	73,054,974
Restricted Assets		
Cash and cash equivalents	15,623,354	2,288,023
Cash equivalents with fiscal agent	43,717,047	43,893,609
Investments	-	2,584,441
Interest receivable	131	424
Receivable from State of Indiana	23,169,060	19,604,120
Total restricted assets	82,509,592	68,370,617
Total current assets	169,684,343	141,425,591
Noncurrent Assets		
Deferred debt issuance costs	149,467	177,361
Note receivable	20,000,000	10,000,000
Nondepreciable capital assets	131,608,147	395,525,430
Depreciable capital assets, net	1,172,289,795	926,430,991
Total noncurrent assets	1,324,047,409	1,332,133,782
Total assets	$ 1,493,731,752	$ 1,473,559,373

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 6,192,688	$ 3,937,948
Unearned revenue	189,896	216,894
Accrued expenses and withholdings	827,690	765,615
Accrued interest payable	1,182,230	515,638
Total current liabilities payable from unrestricted assets	8,392,504	5,436,095
Payable From Restricted Assets		
Funds held for others - box office	3,292,819	827,886
Rental deposits	1,541,394	1,333,816
Unearned contribution revenue	-	12,548,293
Real estate rental payable	-	1,850,000
Accrued interest payable	1,001,937	1,393,035
Current portion of long-term debt	16,310,389	22,241,742
Total current liabilities payable from restricted assets	22,146,539	40,194,772
Total current liabilities	30,539,043	45,630,867
Noncurrent Liabilities		
Due to State of Indiana	-	265,535,629
Bonds and notes payable	70,341,694	71,907,178
Capital leases payable	1,152,851,099	880,973,102
Net pension obligation	348,984	156,615
Total noncurrent liabilities	1,223,541,777	1,218,572,524
Total liabilities	1,254,080,820	1,264,203,391
Net Assets		
Invested in capital assets, net of related debt	116,153,760	118,659,477
Restricted		
For debt service	63,216,672	59,868,759
For capital projects	10,750,550	4,416,320
For other	3,708,157	1,923,836
Unrestricted	45,821,793	24,487,590
Total net assets	239,650,932	209,355,982
Total liabilities and net assets	$ 1,493,731,752	$ 1,473,559,373

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, 2011 and 2010

	2011	2010
Operating Revenues		
Rental income	$ 9,059,609	$ 6,313,472
Food service and concession commissions	4,751,669	3,070,691
Parking lot income	1,008,637	1,498,870
Labor reimbursements	11,052,122	7,780,220
Other operating income	1,486,114	413,886
	27,358,151	19,077,139
Operating Expenses		
Salaries and wages	12,809,568	10,375,821
Fringe benefits	3,187,158	2,848,446
Utilities	5,427,906	5,414,506
Repairs and maintenance	2,582,059	1,120,134
Insurance	1,246,862	1,116,622
Security	2,799,552	3,310,355
Nondepreciable equipment, parts and supplies	4,862,951	4,124,349
Other	6,209,407	4,619,506
Depreciation and amortization	36,402,218	32,531,535
	75,527,681	65,461,274
Operating Loss	(48,169,530)	(46,384,135)
Nonoperating Revenues (Expenses)		
Investment income	240,385	207,154
State and local taxes and other assistance	128,797,124	120,583,069
Interest expense	(48,878,681)	(48,649,587)
Compensation to Indianapolis Convention & Visitors Association	(9,035,902)	(9,191,660)
Inducements/Revenue sharing to Indianapolis Colts	(3,500,000)	(3,500,000)
Indianapolis Colts’ Day-of-Game expenses	(1,760,000)	(1,440,000)
Grants to other organizations	(705,894)	-
Gain (loss) on sale/disposal of capital assets	(1,059,636)	11,028
Other	88,709	80,746
	64,186,105	58,100,750
Increase in Net Assets Before Capital Contributions	16,016,575	11,716,615
Capital Contributions	14,278,375	6,892,503
Increase in Net Assets	30,294,950	18,609,118
Net Assets, Beginning of Year	209,355,982	190,746,864
Net Assets, End of Year	$ 239,650,932	$ 209,355,982

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, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities		
Receipts from customers and users	$ 28,122,867	$ 19,094,310
Payments to suppliers and others	(20,182,177)	(16,544,652)
Payments to employees	(15,742,282)	(13,171,439)
Net cash used in operating activities	(7,801,592)	(10,621,781)
Cash Flows From Noncapital Financing Activities		
Payments to Indianapolis Convention & Visitors Association	(9,035,902)	(9,191,660)
State and local taxes and other assistance	39,035,846	39,603,184
Proceeds from State Treasurer Loan	-	9,000,000
Grants paid to other organizations	(705,894)	-
Payments to Indianapolis Colts	(5,260,000)	(4,940,000)
Net cash provided by noncapital financing activities	24,034,050	34,471,524
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(18,215,673)	(23,213,862)
Interest paid on long-term liabilities	(49,661,564)	(48,284,540)
Acquisition of capital assets	(3,694,941)	(6,678,138)
State and local taxes and other assistance	86,196,338	82,374,958
Baseball Park Capital Improvement Fund rental payments received	88,711	80,746
Net cash provided by capital and related financing activities	14,712,871	4,279,164
Cash Flows From Investing Activities		
Purchase of investment securities	-	(91,950,889)
Proceeds from sales and maturities of investment securities	34,050,889	81,710,000
Interest received on investment securities and cash equivalents	258,158	202,351
Disbursement of loan to Pacers Basketball, LLC	(10,000,000)	(10,000,000)
Net cash provided by (used in) investing activities	24,309,047	(20,038,538)
Net Increase in Cash and Cash Equivalents	55,254,376	8,090,369
Cash and Cash Equivalents, Beginning of Year	82,233,536	74,143,167
Cash and Cash Equivalents, End of Year	$ 137,487,912	$ 82,233,536

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, 2011 and 2010

	2011	2010
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	$ 2,356,579	$ 586,278
Additions to capital assets due to Lucas Oil Stadium and Indiana Convention Center Expansion projects	14,488,133	92,346,527
Capital contributions	14,278,375	6,892,503
Increase in capital lease obligation	282,115,007	2,778,298
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (48,169,530)	$ (46,384,135)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	36,402,218	32,531,535
Nondepreciable equipment expense funded by capital lease obligation	2,521,327	3,105,971
Change in assets and liabilities		
Accounts receivable	(1,877,915)	(116,701)
Inventories	(8,585)	145,717
Prepaid expenses	(53,501)	16,339
Accounts payable	484,437	(109,690)
Unearned revenue	(26,998)	30,456
Accrued expenses and withholdings	254,444	52,828
Funds held for others - box office	2,464,933	(386,022)
Rental deposits	207,578	491,921
Net cash used in operating activities	$ (7,801,592)	$ (10,621,781)

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.

The CIB Building Facilities Corporation ("CIBBFC") was created in 1999 to serve as the master tenant of property owned by the CIB. The CIBBFC is considered a component unit of the CIB. Due to the insignificance, the net activity of the CIBBFC is included as a receivable in the CIB's financial statements, rather than as a blended component unit.

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. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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

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:

	2011	2010
State and local taxes	$ 22,747,240	$ 19,166,560
Specialty license plate fees	421,820	437,560
	$ 23,169,060	$ 19,604,120

Capital Assets

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 CIB uses a capitalization threshold of $20,000 for recording individual capital assets. 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 2011 and 2010 was $311,000 and $6,698,744.

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 $316,524 and $282,124 for accrued vacation and related benefits at December 31, 2011 and 2010, respectively, as these benefits are expected to be used within one year. No accrual for employees' sick pay or personal time is recorded since employees are not paid for unused sick leave or personal time upon termination of employment.

Unearned Contribution 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 revenue.

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 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on the changes 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.

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

Investments

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

At December 31, 2011 and 2010, the CIB had $47,772,928 and $47,995,310, respectively, invested in open-end money market mutual funds with maturities of less than one year. These amounts were held by a fiscal agent for the purpose of paying bond principal and interest.

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 municipal securities of Indiana issuers that have not defaulted during the previous 20 years and other 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 considered to have 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, 2011 and 2010, 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. The CIB's investment in money market mutual funds was not subject to custodial credit risk at December 31, 2011 and 2010, 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.

Foreign Currency Risk - This risk relates to adverse effects 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:

	2011	2010
Carrying value		
Deposits	$ 89,714,984	$ 68,289,115
Investments	47,772,928	47,995,310
	$ 137,487,912	$ 116,284,425
Cash and cash equivalents and investment securities		
Current - unrestricted	$ 78,147,511	$ 67,518,352
Current - restricted	59,340,401	48,766,073
	$ 137,487,912	$ 116,284,425

Investment Income

Investment income for the years ended December 31, 2011 and 2010, consisted of:

	2011	2010
Interest and dividend income	$ 240,385	$ 207,154

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

	2011	2010
Operating reserve - rental deposits	$ 1,541,394	$ 1,333,816
Bond fund	5,783,740	6,888,804
Renewal and replacement	10,269,954	2,135,861
Stadium and convention center sublease accounts	22,580,735	20,490,715
Stadium and convention center sublease reserve account	15,352,572	16,514,090
Cultural development fund	38,591	144,442
Box office	3,292,819	827,886
Baseball capital improvement fund	480,596	430,459
	$ 59,340,401	$ 48,766,073

Note 3: Capital Assets

A summary of changes to capital assets for the years ended December 31, 2011 and 2010 follows:

	2011			
	Beginning Balance, January 1, 2011	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2011
Capital assets, not being depreciated:				
Land and land improvements	$ 109,117,472	$ 22,490,675	$ -	$ 131,608,147
Construction in progress	286,407,958	7,647,150	(294,055,108)	-
Total capital assets, not being depreciated	395,525,430	30,137,825	(294,055,108)	131,608,147
Capital assets, being depreciated:				
Buildings and improvements	1,029,981,258	272,876,794	(2,304,645)	1,300,553,407
Land improvements	4,684,833	1,220,080	-	5,904,913
Equipment, furniture and fixtures and other	105,414,863	9,268,293	-	114,683,156
Total capital assets, being depreciated	1,140,080,954	283,365,167	(2,304,645)	1,421,141,476
Less accumulated depreciation for:				
Buildings and improvements	(161,996,794)	(29,210,894)	1,200,500	(190,007,188)
Land improvements	(3,471,924)	(195,655)	-	(3,667,579)
Equipment, furniture and fixtures and other	(48,181,245)	(6,995,669)	-	(55,176,914)
Total accumulated depreciation	(213,649,963)	(36,402,218)	1,200,500	(248,851,681)
Total capital assets, being depreciated, net	926,430,991	246,962,949	(1,104,145)	1,172,289,795
Capital assets, net	$ 1,321,956,421	$ 277,100,774	$ (295,159,253)	$ 1,303,897,942

	2010			
	Beginning Balance, January 1, 2010	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2010
Capital assets, not being depreciated:				
Land and land improvements	$ 109,182,469	$ -	$ (64,997)	$ 109,117,472
Construction in progress	197,290,492	89,117,466	-	286,407,958
Total capital assets, not being depreciated	306,472,961	89,117,466	(64,997)	395,525,430
Capital assets, being depreciated:				
Buildings and improvements	1,026,982,826	2,998,432	-	1,029,981,258
Land improvements	4,684,833	-	-	4,684,833
Equipment, furniture and fixtures and other	103,735,045	1,679,818	-	105,414,863
Total capital assets, being depreciated	1,135,402,704	4,678,250	-	1,140,080,954
Less accumulated depreciation for:				
Buildings and improvements	(136,394,530)	(25,602,264)	-	(161,996,794)
Land improvements	(3,259,955)	(211,969)		(3,471,924)
Equipment, furniture and fixtures and other	(41,463,943)	(6,717,302)	-	(48,181,245)
Total accumulated depreciation	(181,118,428)	(32,531,535)	-	(213,649,963)
Total capital assets, being depreciated, net	954,284,276	(27,853,285)	-	926,430,991
Capital assets, net	$ 1,260,757,237	$ 61,264,181	$ (64,997)	$ 1,321,956,421

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

Note 4: Due to State of Indiana

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.

The ISCBA received loans of proceeds from the Indiana Finance Authority ("IFA"), in connection with the issuance by the IFA of approximately $666,500,000 in Lease Appropriation Bonds (Series 2005A, 2007A and 2008A) for purposes of financing the costs of constructing Lucas Oil Stadium ("LOS"). Additionally, the ISCBA received a loan of proceeds in connection with the issuance of approximately $329,200,000 in Lease Appropriation Bonds (Series 2008A, 2009A and 2009B) in relation to expanding the Indiana Convention Center (the "ICC Expansion").

In connection with the above, legislation was passed in 2005 by the State of Indiana which generally increased the percentages and, in some cases, expanded the areas of application for certain existing excise taxes ("2005 New Excise Tax Revenues"), increased the amount of revenues to be captured within the existing Professional Sports Development Area ("2005 PSDA Revenues") and established certain new fees. This legislation is further explained later in these notes.

The ISCBA leases the LOS and ICC Expansion through December 31, 2040 under separate Lease Agreements ("Stadium Lease Agreement" and "Convention Center Lease Agreement") to the Indiana Office of Management and Budget ("IOMB"). The IOMB, in turn, subleases LOS and the ICC Expansion under separate Sublease Agreements ("Stadium Sublease Agreement" and "Convention Center Sublease Agreement") 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 constitutes lease rentals under the Leases and payment of amounts due under the respective loan agreements.

As financing proceeds were spent on costs of the aforementioned projects, the CIB has recorded 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. Upon inception of the respective sublease rentals, the appropriate amounts are reclassified from Due to State of Indiana to capital lease obligations. The portion of the Due to State of Indiana balance relating to the Convention Center Expansion was appropriately reclassified to Capital Leases Payable in the Balance Sheet during 2011. The lease for the LOS was capitalized in 2008.

Note 5: 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 IC 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 a portion of the Indiana Convention Center and a baseball facility ("Victory Field") located adjacent thereto. Under a separate Master Lease Agreement II, the CIB is leasing Bankers Life 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 LOS and the ICC Expansion.

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 Master 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. Certain lease obligations have specific or senior liens on some of the state and local taxes.

A number of MCCRFA bond refundings have resulted in the restructuring of the CIB's Master Lease Agreements with MCCRFA. These transactions are described in the paragraphs that follow.

In April 2011, the CIB recorded a deferred accounting gain of $2,100,896 on the restructuring of its Master Lease Agreement with MCCRFA, which will be amortized into income over the period ending in 2020. The restructuring was the result of the issuance of MCCRFA's Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2011A ("2011A Senior Bonds"). The 2011A Senior Bonds were issued to refund MCCRFA's Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2001A. As a result of this refunding transaction, the CIB was able to restructure its lease obligation to MCCRFA and reduce its aggregate debt service payments by approximately $3,200,000 and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $3,080,000.

In June 2011, the CIB recorded a deferred accounting gain of $910,000 on the restructuring of its Master Lease Agreement with MCCRFA, which will be amortized into income over the period ending in 2026. The restructuring was the result of the issuance of MCCRFA's Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2011B ("2011B Senior Bonds"). The 2011B Senior Bonds were issued to refund MCCRFA's Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 1997A. As a result of this refunding transaction, the CIB was able to restructure its lease obligation to MCCRFA and reduce its aggregate debt service payments by approximately $1,590,000 and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $1,050,000.

In November 2011, the CIB recorded a deferred accounting gain of $12,340,306 on the restructuring of its Master Lease Agreement II with MCCRFA, which will be amortized into income over the period ending 2026. The restructuring was the result of the issuance of MCCRFA's Excise Taxes Lease Rental Revenue Refunding Subordinate Bonds, Series 2011A (the "2011A Subordinate Bonds"). The 2011A Subordinate Bonds were issued to refund MCCRFA's Excise Taxes Lease Rental Revenue Refunding Subordinate Bonds, Series 1997A. As a result of this refunding transaction, the CIB was able to restructure its lease obligation to MCCRFA and reduce its aggregate debt service payments by approximately $11,640,000 and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $11,320,000.

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.

Assets held under these capital leases include substantially all of the CIB's land and depreciable capital assets. See Note 3 for a breakdown of assets by major asset class.

Future minimum lease payments at December 31, 2011, together with the present value of the net minimum lease payments, are as follows:

2012	$ 65,937,114
2013	78,961,553
2014	86,445,172
2015	86,436,653
2016	86,925,158
2017 - 2021	434,561,965
2022 - 2026	433,830,040
2027 - 2031	308,510,040
2032 - 2036	294,584,790
2037 - 2038	64,907,366
	1,941,099,851
Amount representing interest	(789,052,090)
Present value of net minimum lease payments	1,152,047,761
Deferred gains on refunding	15,533,727
Current portion of capital lease obligations	(14,730,389)
Total long-term portion of capital lease obligations	$ 1,152,851,099

Note 6: 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 Bankers Life 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 notes mature on December 31, 2017, with interest at a per annum rate equal to a rolling monthly average of the yield on 13-week United States Treasury Bills. Interest is payable annually. The notes can be prepaid at the CIB's option at any time without penalty.

During 2010 and 2011, no additional borrowing under such loans occurred. The aggregate balance of these loans at December 31, 2011 and 2010 is $33,759,000. Accrued and unpaid interest on these notes at December 31, 2011 and 2010 amounted to $24,306 and $46,250, respectively.

Series 1999A Bonds

During 1999, the CIB issued $25,805,000 of Excise Taxes Revenue Subordinate Bonds, Series 1999A (the "1999A Subordinate Bonds"), 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 a prior loan to the Colts. The Subordinate Refunding Notes were paid off in 2008.

In September 2011, the 1999A Subordinate Bonds were refunded at The Indianapolis Local Public Improvement Bond Bank ("Bond Bank") level. Relative to this refunding, the Bond Bank provided the CIB with a Call Rights Waiver Credit in the amount of $1,934,175 for the purpose of reducing the succeeding ten semi-annual debt service payments. This amount is recorded in accounts receivable in the 2011 balance sheet and is being reduced as the savings in debt service payments are realized. The balance of the Call Rights Waiver Credit receivable at December 31, 2011 is $1,568,097.

Information regarding the Series 1999 Subordinate Bonds at December 31, 2011 and 2010 follows:

	2011	2010
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	$ 3,235,000	$ 4,745,000
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
	20,235,000	21,745,000
Unamortized discount	(72,306)	(86,822)
Total Series 1999A	$ 20,162,694	$ 21,658,178

Treasurer of State Junior Subordinate Notes

During 2009, 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 $9,000,000 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. The note was reissued in July 2010 with an interest rate of 4.25% and again in November 2011 with an interest rate of 3.00%. On December 15, 2010, the CIB completed the second State Treasurer Loan and issued a note ("2010 Note") bearing interest at 3.46% with a maturity date of December 15, 2020. This note was reissued in November 2011 with an interest rate of 3.00%. Interest payments on both the 2009 and 2010 Notes commence June 1, 2013, and are required to be made annually thereafter on each June 1. No loan was requested from the State Treasurer in 2011.

The debt service requirements to maturity for long-term debt of the CIB (excluding capital lease obligations) are as follows at December 31, 2011:

	Principal	Interest	Total
2012	$ 1,580,000	$ 992,514	$ 2,572,514
2013	1,655,000	1,500,698	3,155,698
2014	1,740,000	1,416,857	3,156,857
2015	1,825,000	1,327,732	3,152,732
2016	1,915,000	1,234,232	3,149,232
2017 - 2021	63,279,000	5,335,445	68,614,445
	$ 71,994,000	$ 11,807,478	$ 83,801,478

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2011 and 2010

Note 7: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2011 and 2010:

	Balance January 1, 2011	Additions	Reductions	Balance December 31, 2011	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	21,745,000	-	(1,510,000)	20,235,000	1,580,000
Treasurer of State Junior Subordinate Notes, Series 2009A	9,000,000	-	-	9,000,000	-
Treasurer of State Junior Subordinate Notes, Series 2010A	9,000,000	-	-	9,000,000	-
Due to State of Indiana	265,535,629	16,579,378	(282,115,007)	-	-
Capital leases	900,730,275	282,115,007	(30,797,521)	1,152,047,761	14,730,389
(Discount)/premium	(86,822)	-	14,516	(72,306)	-
Gain (loss) on refunding	974,569	15,351,201	(792,043)	15,533,727	-
	$ 1,240,657,651	$ 314,045,586	$ (315,200,055)	$ 1,239,503,182	$ 16,310,389

	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	23,190,000	-	(1,445,000)	21,745,000	1,510,000
Treasurer of State Junior Subordinate Notes, Series 2009A	9,000,000	-	-	9,000,000	-
Treasurer of State Junior Subordinate Notes, Series 2010A	-	9,000,000		9,000,000	-
Due to State of Indiana	185,038,966	80,496,663	-	265,535,629	-
Capital leases	926,049,285	2,778,297	(28,097,307)	900,730,275	20,731,742
(Discount)/premium	(102,421)	-	15,599	(86,822)	-
Gain (loss) on refunding	1,152,913	-	(178,344)	974,569	-
	$ 1,178,087,743	$ 92,274,960	$ (29,705,052)	$ 1,240,657,651	$ 22,241,742

Note 8: State and Local Taxes and Other Assistance

A summary of the various sources of state and local taxes and other assistance 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 LOS and the ICC Expansion) 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 LOS and the ICC Expansion.

Professional Sports Development Area Revenues

Pursuant to IC 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) Bankers Life Fieldhouse (formerly, 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 Bankers Life 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 LOS and the ICC Expansion.

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	1.62% (resident rate) 0.4050% (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 multi-brand 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

IC 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 IC 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.

Interlocal Agreement

In 2010, an Interlocal Cooperation Agreement was established pursuant to which the Metropolitan Development Commission of Marion County, Indiana, acting in its capacity as the Redevelopment Commission of the City of Indianapolis, Indiana (the "Redevelopment Commission"), provided $8,000,000 of funding in 2010 and 2011 to the CIB to further their mutual purposes, including to better assure the CIB's funding sources for the Indianapolis Convention & Visitors Association ("ICVA"). The ICVA is an important body through which the convention and visitor industry and the commercial, industrial and cultural interests of Indianapolis and its citizens are promoted and publicized, including the CIB's capital improvements. Under the Interlocal Cooperation Agreement, the Redevelopment Commission will, subject to certain factors, including the availability of funds, provide $8,000,000 of additional funding in 2012. The agreement renews annually and assumes the same level of funding and terms unless either party gives a six-month termination notice prior to the end of the annual cycle.

Summary of State and Local Taxes and Other Assistance

State and local taxes and other assistance received or accrued by the CIB in 2011 and 2010 include the following components:

	2011	2010
Marion County food and beverage (1%)	$ 19,456,828	$ 18,114,074
Innkeeper's tax (5%)	20,058,708	16,897,910
Innkeeper's tax (1%)	4,011,742	3,379,581
Auto rental excise tax (2%)	2,051,253	2,000,674
Admissions tax (5%)	4,944,580	6,196,366
Cigarette tax	350,000	350,000
PSDA tax allocation	7,691,826	11,053,696
Total Original Excise Taxes and Original PSDA Revenues	58,564,937	57,992,301
Marion County food and beverage (1%)	19,456,828	18,114,075
Regional food and beverage (.5%)	5,387,617	4,952,111
Innkeeper's tax (3%)	12,035,225	10,138,743
Auto rental excise tax (2%)	2,051,253	2,000,674
Admissions tax (1%)	988,916	1,239,273
PSDA tax allocation	7,444,361	6,020,354
Total 2005 New Tax Revenues and 2005 PSDA Revenues	47,364,200	42,465,230
Innkeeper's tax (1%)	4,011,742	3,379,581
PSDA tax allocation	9,959,285	7,844,077
Total 2009 New Tax Revenues and 2009 PSDA Revenues	13,971,027	11,223,658
Specialty License Plate Fees	896,960	901,880
Interlocal Agreement funding	8,000,000	8,000,000
Total state and local taxes and other assistance	$ 128,797,124	$ 120,583,069

Total lease rental and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2011 and 2010 amounted to $24,139,586 and $30,547,362, respectively.

Note 9: Agreements With the Pacers Basketball, LLC

During 1997, the CIB approved new Operating and Financial Agreements with Pacers Basketball, LLC ("Operator" or "Pacers") that, among other things, govern the use of Bankers Life 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, 2011, the outstanding balance of cumulative advances aggregates $12,167,314. 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.

In 2010, the CIB, MCCRFA and the Operator entered into an Amendment to the Operating Agreement which provided various amendatory and additional covenants, including that the Operator shall have no right to terminate the Operating Agreement, pursuant to the previously established early termination provisions, between July 16, 2010 and June 30, 2013. Under this amendment, the CIB has agreed to provide three $10,000,000 noninterest-bearing operating loans to the Pacers on the following dates: July 16, 2010; January 15, 2011 and January 15, 2012. The loans are subject to certain approval, repayment and forgiveness provisions. The CIB's note receivable balance from the Pacers at December 31, 2011 and 2010 was $20,000,000 and $10,000,000 respectively. The amendment also provides that the CIB shall make capital improvements to Bankers Life Fieldhouse of an amount not to exceed $3,500,000. $960,000 and $1,500,000 of these capital improvements were completed by the CIB in 2011 and 2010, respectively.

Note 10: Lease Agreement With the Indianapolis Colts

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. The agreement was amended several times and subsequently terminated in 2005.

Effective September 1, 2005, the CIB and the Colts entered into a new lease agreement (the "New Colts Agreement"). 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 in Lucas Oil 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 Lucas Oil Stadium. Also, the Colts agreed to reimburse the CIB for any Day-of-Game Personnel Expenses (as defined in the New Colts Lease Agreement). The CIB, in turn, agreed to reimburse the Colts for all ordinary and reasonable Day-of-Game Expenses (as defined in the New Colts Lease Agreement). The CIB also agreed to pay the Colts $3,500,000 of annual revenues from Non-Colts Events (as defined in the New Colts Lease Agreement) held at the Stadium. 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

During 2007, the Colts undertook a $34,000,000 loan through the NFL's G-3 program and a $66,000,000 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 11: 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 ("WRSP"), 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 WRSP.

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, 2011 are as follows:

	Fixed Rentals	Additional Rentals	Total
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
	$ 2,000,000	$ 200,000	$ 2,200,000

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

Note 12: 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 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 13: 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 $250,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note 14: 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, One North Capitol, Suite 001, Indianapolis, Indiana, 46204, or by calling 888-526-1687. 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, 2011 actuarial valuation.

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

Funding Policy

The CIB contributes an actuarially determined percentage (7.0% for calendar year 2011) 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 2011, the CIB's annual pension cost of $869,802 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, 2011 actuarial valuation included: (a) 7.0% investment rate of return (net of administrative expenses), (b) 3.25%-4.0% projected salary increases, based upon PERF experience between 2005 and 2010 and (c) 1.0% per year cost-of-living adjustments. The actuarial value of the plan's assets is determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period with a 20% corridor. 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, 2011:

Net Pension Obligation (NPO)

Annual Required Contribution ("ARC")	$	727,518
Interest on NPO		10,963
Adjustment to the ARC		(12,621)
Annual Pension Cost		725,860
Contributions made		533,491
Increase in NPO		192,369
NPO, beginning of year		156,615
NPO, end of year	$	348,984

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
2011	$ 5,898	$ 9,531	$ (3,633)	62%	$ 7,973	46%
2010	6,817	9,456	(2,639)	72	7,774	34
2009	7,969	8,790	(821)	91	9,186	9

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. For the July 1, 2010 actuarial valuation, the asset valuation method and certain economic assumptions have been changed.

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
2011	$ 726	73%	$ 349
2010	626	86	157
2009	503	115	69

Note 15: 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 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 agreement with the ICVA extends through December 31, 2012, with the option for two additional extensions by mutual agreement until December 31, 2015 and December 31, 2019. For the year ended December 31, 2010, the City-Council approved an additional transfer from budgeted capital outlays of the CIB which provided for a total of $9,030,000 in funding for the ICVA. The CIB agreed to continue to compensate the ICVA at the $9,030,000 level for both 2011 and 2012; therefore, allowing for funding in excess of the not to exceed percentage referred to above.

As mentioned previously in these notes, the CIB entered into an Interlocal Agreement with the Department of Metropolitan Development of the City of Indianapolis and Marion County. This agreement provides $8,000,000 of annual assistance that will be used to fund the CIB's payments to 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 economic conditions continue 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.

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, 2011

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Assets			
Current Assets			
Unrestricted			
Cash and cash equivalents	$ 69,594,493	$ 4,497,137	$ 74,091,630
Cash equivalents with fiscal agent	-	4,055,881	4,055,881
Accounts receivable	6,956,547	1,568,097	8,524,644
Inventories	80,394	-	80,394
Prepaid expenses	422,202	-	422,202
Total unrestricted assets	77,053,636	10,121,115	87,174,751
Restricted Assets			
Cash and cash equivalents	15,623,354	-	15,623,354
Cash equivalents with fiscal agent	-	43,717,047	43,717,047
Interest receivable	-	131	131
Receivable from State of Indiana	3,669,566	19,499,494	23,169,060
Total restricted assets	19,292,920	63,216,672	82,509,592
Total current assets	96,346,556	73,337,787	169,684,343
Noncurrent Assets			
Deferred debt issuance costs	-	149,467	149,467
Note receivable	20,000,000	-	20,000,000
Nondepreciable capital assets	131,608,147	-	131,608,147
Depreciable capital assets, net	1,172,289,795	-	1,172,289,795
Total noncurrent assets	1,323,897,942	149,467	1,324,047,409
Total assets	$ 1,420,244,498	$ 73,487,254	$ 1,493,731,752
Liabilities and Net Assets			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 6,192,688	$ -	$ 6,192,688
Unearned revenue	189,896	-	189,896
Accrued expenses and withholdings	827,690	-	827,690
Accrued interest payable	-	1,182,230	1,182,230
Total current liabilities payable from unrestricted assets	7,210,274	1,182,230	8,392,504
Payable From Restricted Assets			
Funds held for others - box office	3,292,819	-	3,292,819
Rental deposits	1,541,394	-	1,541,394
Accrued interest payable	-	1,001,937	1,001,937
Current portion of long-term debt	-	16,310,389	16,310,389
Total current liabilities payable from restricted assets	4,834,213	17,312,326	22,146,539
Total current liabilities	12,044,487	18,494,556	30,539,043
Noncurrent Liabilities			
Bonds and notes payable	-	70,341,694	70,341,694
Capital lease payable	-	1,152,851,099	1,152,851,099
Net pension obligation	348,984	-	348,984
Total noncurrent liabilities	348,984	1,223,192,793	1,223,541,777
Total liabilities	12,393,471	1,241,687,349	1,254,080,820
Net Assets			
Invested in capital assets, net of related debt	1,303,897,942	(1,187,744,182)	116,153,760
Restricted	14,458,707	63,216,672	77,675,379
Unrestricted	89,494,378	(43,672,585)	45,821,793
Total net assets	1,407,851,027	(1,168,200,095)	239,650,932
Total liabilities and net assets	$ 1,420,244,498	$ 73,487,254	$ 1,493,731,752

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, 2011

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Operating Revenues			
Rental income	$ 9,059,609	$ -	$ 9,059,609
Food service and concession commissions	4,751,669	-	4,751,669
Parking lot income	1,008,637	-	1,008,637
Labor reimbursements	11,052,122	-	11,052,122
Other operating income	1,486,114	-	1,486,114
	27,358,151	-	27,358,151
Operating Expenses			
Salaries and wages - schedule	12,809,568	-	12,809,568
Fringe benefits - schedule	3,187,158	-	3,187,158
Utilities - schedule	5,427,906	-	5,427,906
Repairs and maintenance - schedule	2,582,059	-	2,582,059
Insurance - schedule	1,246,862	-	1,246,862
Security	2,799,552	-	2,799,552
Nondepreciable equipment, parts and supplies	4,862,951	-	4,862,951
Other - schedule	6,209,407	-	6,209,407
Depreciation and amortization	36,402,218	-	36,402,218
	75,527,681	-	75,527,681
Operating Loss	(48,169,530)	-	(48,169,530)
Nonoperating Revenues (Expenses)			
Investment income	213,240	27,145	240,385
State and local taxes and other assistance	21,971,027	106,826,097	128,797,124
Interest expense	-	(48,878,681)	(48,878,681)
Compensation to Indianapolis Convention & Visitors Association	(9,035,902)	-	(9,035,902)
Inducements/revenue sharing to Indianapolis Colts	(3,500,000)	-	(3,500,000)
Indianapolis Colts’ Day-of-Game expenses	(1,760,000)	-	(1,760,000)
Grants to other organizations	(705,894)	-	(705,894)
Loss on sale/disposal of capital assets	(1,059,636)	-	(1,059,636)
Other	88,709	-	88,709
	6,211,544	57,974,561	64,186,105
Increase (Decrease) in Net Assets Before Capital Contributions	(41,957,986)	57,974,561	16,016,575
Capital Contributions	14,278,375	-	14,278,375
Increase (Decrease) in Net Assets	(27,679,611)	57,974,561	30,294,950
Net Assets, Beginning of Year	1,386,126,756	(1,176,770,774)	209,355,982
Transfers from bond fund	49,403,882	(49,403,882)	-
Net Assets, End of Year	$ 1,407,851,027	$ (1,168,200,095)	$ 239,650,932

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, 2011 and 2010

	2011	2010
Salaries and Wages		
Administration	$ 851,260	$ 723,279
Office	1,716,600	1,581,420
Supervision	870,357	711,751
Mechanical	3,322,489	3,044,559
Service	1,532,597	1,432,877
Temporary	4,516,265	2,881,935
	$ 12,809,568	$ 10,375,821
Fringe Benefits		
Social security taxes	$ 795,690	$ 662,158
Public employees' retirement fund	869,802	700,565
Employees' insurance	1,163,790	1,111,325
State unemployment taxes	79,591	191,685
Workers' compensation	82,068	76,250
Other	196,217	106,463
	$ 3,187,158	$ 2,848,446
Utilities		
Electricity	$ 2,167,817	$ 2,050,558
Steam	932,985	1,237,004
Chilled water	1,830,865	1,671,477
Water and sewer	463,367	426,604
Gas	32,872	28,863
	$ 5,427,906	$ 5,414,506
Repairs and Maintenance		
Control systems maintenance contract	$ 104,738	$ 78,928
Elevator and escalator maintenance contract	178,592	157,346
Computer maintenance contracts	165,273	136,112
Major repairs	1,598,269	175,008
Grounds maintenance	171,962	116,543
Fire extinguisher system	18,965	78,925
Sprinkler system	3,331	3,267
Trash removal	62,467	50,369
Communication repairs	54,584	108,207
LOS maintenance contracts	223,878	215,429
	$ 2,582,059	$ 1,120,134

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, 2011 and 2010

	2011	2010
Insurance		
Fire and extended coverage	$ 821,071	$ 748,755
Public liability	353,184	291,334
Fidelity bond	72,607	76,533
	$ 1,246,862	$ 1,116,622
Security		
Security staff	$ 2,799,552	$ 3,310,355
Nondepreciable Equipment, Parts and Supplies	$ 4,862,951	$ 4,124,349
Other		
Advertising and promotion	$ 977,776	$ 284,227
Telephone	115,449	183,685
Legal fees	1,198,183	959,026
Accounting and audit fees	91,842	154,238
Consulting fees	377,745	472,174
Architects and engineers	141,559	17,306
Equipment rental	437,485	337,628
Postage	10,631	1,170
Travel	21,812	11,408
Dues and subscriptions	5,455	2,808
Bad debts	2,880	2,483
Suite cable service	4,033	4,754
Medical services - Indianapolis Colts games	80,854	60,794
Parking	223,908	218,001
Set-up/installation and dismantling fees	2,354,361	1,727,093
Miscellaneous	165,434	182,711
	$ 6,209,407	$ 4,619,506

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.

Contents **Pages**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table I

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

	2002	2003	2004	2005 [1]
Invested in capital assets, net of related debt	$ 39,158,704	$ 28,575,553	$ 11,840,085	$ (13,784,985)
Restricted	25,680,206	23,359,001	25,438,962	39,885,681
Unrestricted	21,926,131	27,184,109	28,612,119	66,826,463
Total net assets	$ 86,765,041	$ 79,118,663	$ 65,891,166	$ 92,927,159

[1] - 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.

2006	2007	2008	2009	2010	2011
$ 2,835,109	$ 23,170,426	$ 147,019,581	$ 134,281,780	$ 118,659,477	$ 116,153,760
45,478,777	52,270,165	56,831,449	69,703,922	66,208,915	77,675,379
54,066,813	35,442,304	(6,523,360)	3,985,965	24,487,590	45,821,793
$ 102,380,699	$ 110,882,895	$ 197,327,670	$ 207,971,667	$ 209,355,982	$ 239,650,932

Table II

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

	2002	2003	2004	2005
Operating revenues				
Rental income	$ 6,376,195	$ 6,259,493	$ 6,262,680	$ 5,839,044
Food service and concession commissions	5,084,829	4,797,408	5,421,935	5,570,544
Parking lot income	483,140	805,680	750,267	359,422
Labor reimbursements	4,064,095	4,389,283	6,003,993	6,236,543
Suite license fees	960,000	-	-	-
Advertising income	1,245,833	1,150,000	1,200,000	1,220,620
Other	712,957	861,817	867,313	1,653,322
Total operating revenues	18,927,049	18,263,681	20,506,188	20,879,495
Nonoperating revenues				
Investment income	888,675	643,808	852,243	1,982,455
State and local taxes and other assistance	46,564,788	48,074,416	51,301,827	65,295,285
Gain (loss) on sale/disposal of capital assets	-	-	-	40,419,560
Other	374,657	1,535,464	1,360,740	1,623,547
Total nonoperating revenues	47,828,120	50,253,688	53,514,810	109,320,847
Total Revenues	66,755,169	68,517,369	74,020,998	130,200,342
Operating expenses				
Salaries, wages and fringe benefits	11,897,701	12,520,287	13,880,615	14,696,686
Utilities	3,409,341	3,680,176	3,996,614	3,966,307
Repairs, maintenance, equipment, parts and supplies	2,205,322	2,077,979	4,554,102	2,448,289
Insurance	963,329	1,602,079	1,616,923	1,233,739
Security	1,051,619	1,027,228	1,017,292	1,099,567
Other	2,487,798	2,866,421	1,299,425	4,887,005
Suite fees	960,000	-	-	-
Depreciation and amortization	16,832,475	16,355,382	16,067,976	29,529,972
Total operating expenses	39,807,585	40,129,552	42,432,947	57,861,565
Nonoperating expenses				
Interest expense	21,772,383	20,368,132	21,344,759	21,137,501
Additional rental payment for swap termination	-	-	-	-
Compensation to ICVA	6,153,570	6,137,891	6,354,407	6,726,445
Payments to Indianapolis Colts	5,255,913	4,951,712	5,222,915	5,838,335
Grants to other organizations	2,320,000	3,143,197	3,284,584	5,882,975
Contribution of Capital Commons	-	-	7,178,227	-
Market Square Arena demolition cost	281,102	-	-	-
Other	1,442,623	1,443,715	1,442,623	5,717,528
Total nonoperating expenses	37,225,591	36,044,647	44,827,515	45,302,784
Total Expenses	77,033,176	76,174,199	87,260,462	103,164,349
Capital Contributions	-	10,452	11,967	-
Increase (Decrease) in Net Assets	$ (10,278,007)	$ (7,646,378)	$ (13,227,497)	$ 27,035,993

2006	2007	2008	2009	2010	2011
$ 5,688,825	$ 6,354,696	$ 6,326,285	$ 6,791,593	$ 6,313,472	$ 9,059,609
6,145,493	6,675,775	3,677,833	4,532,348	3,070,691	4,751,669
417,013	411,846	664,680	1,313,711	1,498,870	1,008,637
5,118,373	6,033,689	8,557,650	7,892,040	7,780,220	11,052,122
-	-	-	-	-	-
1,165,194	1,300,477	-	-	-	-
982,432	1,047,026	603,098	746,845	413,886	1,486,114
19,517,330	21,823,509	19,829,546	21,276,537	19,077,139	27,358,151
3,747,243	4,270,088	2,106,780	407,443	207,154	240,385
93,512,062	98,782,093	106,867,838	101,434,649	120,583,069	128,797,124
15,318	(28,588)	17,598	-	11,028	(1,059,636)
4,586,582	1,206,312	319,170	72,774	80,746	88,709
101,861,205	104,229,905	109,311,386	101,914,866	120,881,997	128,066,582
121,378,535	126,053,414	129,140,932	123,191,403	139,959,136	155,424,733
13,563,112	13,849,005	16,544,495	14,530,703	13,224,267	15,996,726
4,016,331	4,259,820	5,278,056	5,441,608	5,414,506	5,427,906
2,115,986	1,918,641	1,948,935	1,357,256	5,244,483	7,445,010
1,088,082	1,107,108	1,281,698	1,255,953	1,116,622	1,246,862
1,372,344	1,173,598	3,216,882	2,784,096	3,310,355	2,799,552
4,316,574	5,394,458	6,202,122	4,253,411	4,619,506	6,209,407
-	-	-	-	-	-
29,551,039	29,844,812	38,023,853	35,795,575	32,531,535	36,402,218
56,023,468	57,547,442	72,496,041	65,418,602	65,461,274	75,527,681
20,711,441	20,197,976	19,353,144	34,129,715	48,649,587	48,878,681
-	-	16,371,000	-	-	-
7,052,924	7,736,800	7,970,491	7,780,503	9,191,660	9,035,902
5,993,335	10,539,932	7,795,422	5,313,734	4,940,000	5,260,000
3,601,582	2,986,823	3,479,845	526,947	-	705,894
-	-	-	-	-	-
-	-	-	-	-	-
18,542,245	18,542,245	18,542,245	-	-	-
55,901,527	60,003,776	73,512,147	47,750,899	62,781,247	63,880,477
111,924,995	117,551,218	146,008,188	113,169,501	128,242,521	139,408,158
-	-	103,312,031	622,095	6,892,503	14,278,375
$ 9,453,540	$ 8,502,196	$ 86,444,775	$ 10,643,997	$ 18,609,118	$ 30,294,950

Table III

Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years

	2002	2003	2004	2005
Number of Events				
Entertainment	17	11	13	9
Trade Shows	29	13	20	17
Local, Business and Social	211	209	213	179
State Convention Business	58	46	59	71
National Convention Business	34	33	37	28
Sporting Events	31	33	30	34
Total Number of Events	380	345	372	338
Event Days				
Entertainment	17	11	13	9
Trade Shows	70	35	51	48
Local, Business and Social	298	306	290	251
State Convention Business	129	99	122	132
National Convention Business	173	131	131	95
Sporting Events	56	49	48	52
Total Event Days	743	631	655	587
Attendance				
Entertainment	89,273	59,412	66,186	59,404
Trade Shows	154,521	119,187	121,170	110,343
Local, Business and Social	144,922	156,992	151,175	137,768
State Convention Business	76,404	54,972	87,932	83,912
National Convention Business	337,352	340,078	372,568	353,930
Sporting Events	908,029	820,026	792,442	918,434
Total Attendance	1,710,501	1,550,667	1,591,473	1,663,791

Source: Sales Office - Capital Improvement Board of Managers.

2006	2007	2008	2009	2010	2011
10	8	12	12	10	5
20	21	22	18	15	19
185	238	308	163	174	148
71	64	83	72	79	84
38	34	42	69	43	83
40	45	47	67	62	101
364	410	514	401	383	440
12	8	15	17	15	7
50	48	54	45	39	47
237	348	401	192	206	175
139	118	139	126	137	129
131	113	130	182	123	216
54	66	78	103	92	155
623	701	817	665	612	729
47,548	49,380	127,078	155,346	93,344	11,886
141,118	117,177	102,289	85,449	160,239	168,136
122,689	204,449	248,436	83,716	77,008	71,640
87,482	92,685	85,516	126,368	85,331	66,408
298,994	293,984	317,815	333,576	303,882	468,324
905,908	936,939	1,044,627	1,080,090	1,103,387	1,222,636
1,603,739	1,694,614	1,925,761	1,864,545	1,823,191	2,009,030

Table IV

Capital Improvement Board of Managers
Largest Customers
Current Year

	December 31, 2011							
	Rental Income		Labor Reimbursements		Food Service Commissions [1]		Total	
	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total
Customer 1	$ 425,644	4.97%	$ 437,086	3.95%	$ 130,994	2.76%	$ 993,724	4.08%
Customer 2	250,000	2.92%	725,233	6.56%	-	0.00%	975,233	4.00%
Customer 3	382,548	4.47%	456,266	4.13%	66,134	1.39%	904,948	3.71%
Customer 4	374,511	4.38%	359,638	3.25%	129,625	2.73%	863,774	3.54%
Customer 5	249,481	2.91%	332,058	3.00%	82,330	1.73%	663,869	2.72%
Customer 6	158,025	1.85%	242,136	2.19%	247,720	5.21%	647,881	2.66%
Customer 7	288,045	3.37%	257,581	2.33%	63,117	1.33%	608,743	2.50%
Customer 8	115,798	1.35%	144,322	1.31%	224,709	4.73%	484,829	1.99%
Customer 9	144,626	1.69%	119,117	1.08%	193,776	4.08%	457,519	1.87%
Customer 10	211,557	2.47%	70,600	0.64%	74,162	1.56%	356,319	1.46%
Subtotal	2,600,235	30.38%	3,144,037	28.44%	1,212,567	25.52%	6,956,839	28.53%
Balance from other customers	5,959,375	69.62%	7,908,085	71.56%	3,539,102	74.48%	17,406,562	71.47%
	$ 8,559,610	100.00%	$ 11,052,122	100.00%	$ 4,751,669	100.00%	$ 24,363,401	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 2002 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Base Rent (Per Net Square Foot [1]):										
One to Four Open Days	$ 0.70	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.80	$ 0.85	$ 0.90	$ 0.95
Five to Seven Open Days	0.75	0.80	0.80	0.80	0.80	0.80	0.85	0.90	0.95	1.00
After Seven Days - ICC	0.80	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05
After Seven Days - LOS	-	-	-	-	-	-	0.97	1.02	1.07	1.07

[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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.04	$ 0.04	$ 0.04	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
RCA Dome	0.11	0.11	0.11	0.13	0.13	0.13	-	-	-	-
Sagamore Ballrooms	0.11	0.11	0.11	0.15	0.15	0.15	0.15	0.15	0.15	0.16
Wabash Ballrooms	0.10	0.10	0.10	0.15	0.15	0.15	0.15	0.15	0.15	0.16
500 Ballroom	0.07	0.07	0.07	0.11	0.11	0.11	0.11	0.11	0.11	0.18
White River Ballroom	0.11	0.11	0.11	0.10	0.10	0.10	-	-	-	-
Meeting Rooms [1]	0.10	0.10	0.10	0.13	0.13	0.13	0.12	0.12	0.12	0.16
Non-Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.06	$ 0.06	$ 0.06	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07
RCA Dome	0.14	0.14	0.14	0.16	0.16	0.16	-	-	-	-
Sagamore Ballrooms	0.14	0.14	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.18
Wabash Ballrooms	0.14	0.14	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.18
500 Ballroom	0.10	0.10	0.10	0.12	0.12	0.12	0.12	0.12	0.12	0.20
White River Ballroom	0.13	0.13	0.13	0.11	0.11	0.11	-	-	-	-
Meeting Rooms [1]	0.13	0.13	0.13	0.16	0.16	0.16	0.16	0.16	0.16	0.16
Lucas Oil Stadium										
Base Rent (Per Gross Square Footage):										
Stadium	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.24	$ 0.24	$ 0.24	$ 0.24
Halls	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Meeting Rooms	-	-	-	-	-	-	0.16	0.27	0.27	0.27
Party Plazas	-	-	-	-	-	-	0.38	0.18	0.18	0.18
Club Lounges	-	-	-	-	-	-	0.34	0.06	0.06	0.06

[1] - 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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Position:										
Carpenters [2]	$ 26.88	$ 27.65	$ 29.41	$ 30.41	$ 31.16	$ 31.76	$ 32.99	$ 32.99	$ 33.47	$ 34.44
Painters [2]	25.16	25.89	27.53	28.47	29.16	29.72	30.87	30.87	31.32	32.23
Electricians [2]	29.26	30.09	32.03	33.11	33.92	34.59	35.93	35.93	36.45	37.52
Stagehands (House) [2]	27.88	28.85	29.80	30.72	31.48	32.10	33.38	34.52	35.54	36.55
Stagehands (Call In) [2]	27.88	28.85	29.80	30.72	31.48	32.10	33.38	34.52	35.54	36.55
Welders and Pipefitters 1	29.87	30.36	30.69	31.42	32.14	33.35	34.94	35.99	35.99	38.53
Housekeeping [1]	17.66	18.18	18.82	19.43	20.00	20.50	20.90	21.53	21.53	21.53
Set-up [1]	17.66	18.18	18.82	19.43	20.00	20.50	20.90	21.53	21.53	21.53
Change-Over Labor [2]	25.00	25.00	25.00	25.00	26.00	26.00	28.00	28.00	28.00	28.00
Riggers [2]	38.68	40.00	41.14	42.53	43.54	44.35	46.12	47.62	48.98	50.50
Rent-A-Buddy [2]	-	-	20.00	20.00	20.00	20.00	28.00	28.00	28.00	28.00
Ticket Sellers [2]	15.97	16.60	17.51	18.03	18.03	18.03	18.57	18.57	18.57	18.57
Assistant Treasurer/Treasurer [2]	18.16	18.90	19.94	20.53	21.15	21.78	22.43	22.43	22.43	22.43
Fire Marshalls [1]	16.88	16.88	17.50	17.50	17.50	17.50	17.50	17.50	17.56	17.50
Telecommunications	-	-	-	-	-	-	-	28.03	28.44	29.26
Part-Time Teamsters [1]:										
Expo Workers	19.31	19.69	20.38	21.09	-	-	-	-	-	-
Housekeeping	11.71	11.84	12.50	12.71	12.96	13.15	13.35	13.75	13.75	13.75
Set-Up	11.71	11.84	12.50	12.71	12.96	13.15	13.35	13.75	13.75	13.75
Installation and Dismantling	20.50	21.00	21.75	24.50	-	-	-	-	-	-
Installation and Dismantling (Advance Rate)	-	-	-	-	24.50	25.35	26.00	26.65	26.65	27.05
Installation and Dismantling (Show Rate)	-	-	-	-	29.50	30.50	31.25	32.00	32.00	32.50

[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
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
2010	12,792,675	9,721,984	-	3,070,691	3,070,691
2011	15,122,275	10,370,606	-	4,751,669	4,751,669

[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

								Indianapolis-Carmel MSA [3]	
Fiscal Year	Junior Subordinate Notes [1]	Subordinate Revenue Bonds [1]	Due to State [2]	Capital Lease Obligations	Other	Total	Per Event Attendee	Per Capita	% of Personal Income
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	0.79%
2004	21,571,509	37,765,000	-	371,953,227	-	431,289,736	271	266	0.75%
2005	24,636,416	34,790,000	70,808,932	365,131,054	-	495,366,402	298	301	0.83%
2006	27,144,492	31,600,000	248,557,010	356,456,643	-	663,758,145	414	397	1.04%
2007	33,759,000	28,195,000	474,121,857	347,064,809	-	883,140,666	521	520	1.35%
2008	33,759,000	24,570,000	66,946,403	931,455,268	16,371,000	1,073,101,671	557	624	1.59%
2009	33,759,000	23,190,000	185,038,966	926,049,285	9,000,000	1,177,037,251	631	675	1.75%
2010	33,759,000	21,745,000	265,535,629	900,730,275	18,000,000	1,239,769,904	680	706	n/a
2011	33,759,000	20,235,000	-	1,152,047,761	18,000,000	1,224,041,761	609	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 completed and the related lease payments for the facilities begin, this obligation is 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 Taxes and Other Assistance
Last Ten Fiscal Years

	2002	2003	2004	2005 [1]
Innkeeper's Tax (5%)	$ 15,434,339	$ 16,051,948	$ 17,483,328	$ 17,176,553
Innkeeper's Tax (1%)	3,086,867	3,210,390	3,496,666	3,435,311
Food and Beverage Tax (1%)	16,033,607	15,617,516	17,567,107	16,959,958
Admissions Tax (5%)	4,581,470	4,541,774	4,968,613	5,434,476
Auto Rental Excise Tax (2%)	1,917,522	1,849,856	1,739,924	1,850,410
Cigarette Tax	350,000	350,000	350,000	350,000
PSDA Allocation	5,160,983	6,452,932	5,696,189	5,257,272
Total Original Excise Taxes and Original PSDA Revenues	46,564,788	48,074,416	51,301,827	50,463,980
Innkeeper's Tax (3%)	-	-	-	4,577,005
Food and Beverage Tax (1%)	-	-	-	7,389,454
Admissions Tax (1%)	-	-	-	457,580
Auto Rental Excise Tax (2%)	-	-	-	846,239
PSDA Allocation [2]	-	-	-	-
Regional Food and Beverage Tax (.5%)	-	-	-	1,561,027
Total 2005 New Tax Revenues and 2005 PSDA Revenues	-	-	-	14,831,305
Innkeeper's Tax (1%) [3]	-	-	-	-
PSDA Allocation [3]	-	-	-	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	-	-	-	-
Specialty License Plate Fees	-	-	-	-
Interlocal Agreement Funding	-	-	-	-
Total State and Local Taxes and Other Assistance	$ 46,564,788	$ 48,074,416	$ 51,301,827	$ 65,295,285

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

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

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

2006	2007	2008	2009	2010	2011
$ 19,164,522	$ 19,716,399	$ 19,345,115	$ 16,586,647	$ 16,897,910	$ 20,058,708
3,832,904	3,943,280	3,869,023	3,317,330	3,379,581	4,011,742
18,649,983	18,499,125	18,302,507	17,245,791	18,114,074	19,456,828
5,015,698	5,689,486	5,572,962	6,045,410	6,196,366	4,944,580
2,066,784	2,163,710	2,137,402	1,890,765	2,000,674	2,051,253
350,000	350,000	350,000	350,000	350,000	350,000
7,351,193	6,562,676	7,273,513	8,150,302	11,053,696	7,691,826
56,431,084	56,924,676	56,850,522	53,586,245	57,992,301	58,564,937
11,046,858	11,829,839	11,607,069	9,951,988	10,138,743	12,035,225
18,044,932	18,499,124	18,302,508	17,245,791	18,114,075	19,456,828
1,003,140	1,137,897	1,114,592	1,209,082	1,239,273	988,916
2,065,332	2,163,710	2,137,402	1,890,765	2,000,674	2,051,253
-	2,413,605	10,839,606	7,202,432	6,020,354	7,444,361
4,673,376	5,024,380	5,108,824	5,086,286	4,952,111	5,387,617
36,833,638	41,068,555	49,110,001	42,586,344	42,465,230	47,364,200
-	-	-	843,325	3,379,581	4,011,742
-	-	-	3,582,035	7,844,077	9,959,285
-	-	-	4,425,360	11,223,658	13,971,027
247,340	788,862	907,315	836,700	901,880	896,960
-	-	-	-	8,000,000	8,000,000
$ 93,512,062	$ 98,782,093	$ 106,867,838	$ 101,434,649	$ 120,583,069	$ 128,797,124

Table XI

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

	2002	2003	2004	2005
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	$ 15,434,339	$ 16,051,948	$ 17,483,328	$ 17,176,553
Innkeeper's Tax (1%)	3,086,867	3,210,390	3,496,666	3,435,311
Food and Beverage Tax (1%)	16,033,607	15,617,516	17,567,107	16,959,958
Admissions Tax (5%)	4,581,470	4,541,774	4,968,613	5,434,476
Auto Rental Excise Tax (2%)	1,917,522	1,849,856	1,739,924	1,850,410
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	41,403,805	41,621,484	45,605,638	45,206,708
Disbursements - Senior Lease Rental Obligations [1]				
1991 and 1993 Leases	(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	(2,457,265)	(2,723,470)	(3,589,560)	(4,624,000)
2003 Lease	-	(1,651,701)	(3,794,113)	(5,293,750)
2011 Lease	-	-	-	-
Total Disbursements - Senior Lease Rental Obligations	(10,790,926)	(9,566,965)	(9,435,673)	(11,969,750)
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	30,612,879	32,054,519	36,169,965	33,236,958
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt				
PSDA Allocation	5,160,983	6,452,932	5,696,189	5,257,272
Disbursements - Subordinate Lease Rental Obligations and Other Debt [1]				
1997 Lease	(12,806,000)	(12,957,000)	(13,176,000)	(13,416,500)
1999 Subordinate Bonds/Notes	(4,370,475)	(4,604,638)	(4,684,888)	(4,766,763)
Junior Subordinate Notes and Lease Obligations	-	(40,790)	(58,352)	(63,988)
2011 Lease	-	-	-	-
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	(17,176,475)	(17,602,428)	(17,919,240)	(18,247,251)
Excess Available for CIB Operations	$ 18,597,387	$ 20,905,023	$ 23,946,914	$ 20,246,979
Coverage Ratio - Senior Obligations	3.84	4.35	4.83	3.78
Coverage Ratios - Senior and Subordinate Obligations [2]	1.66	1.77	1.88	1.67

[1] - 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.

[2] - Excludes Junior Subordinate Notes and Lease Obligations.

[3] - Excludes additional rental payment in 2008 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.

2006	2007	2008	2009	2010	2011
$ 19,164,522	$ 19,716,399	$ 19,345,115	$ 16,586,647	$ 16,897,910	$ 20,058,708
3,832,904	3,943,280	3,869,023	3,317,330	3,379,581	4,011,742
18,649,983	18,499,125	18,302,507	17,245,791	18,114,074	19,456,828
5,015,698	5,689,486	5,572,962	6,045,410	6,196,366	4,944,580
2,066,784	2,163,710	2,137,402	1,890,765	2,000,674	2,051,253
350,000	350,000	350,000	350,000	350,000	350,000
49,079,891	50,362,000	49,577,009	45,435,943	46,938,605	50,873,111
-	-	-	-	-	-
(1,006,000)	(1,006,000)	(1,006,000)	(1,997,800)	(1,006,000)	(1,006,000)
(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(523,000)
(4,846,705)	(4,845,706)	(4,844,281)	(4,844,740)	(4,846,490)	(2,424,023)
(6,271,000)	(6,272,000)	(6,273,250)	(6,273,000)	(6,271,250)	(6,271,750)
-	-	-	-	-	(1,399,679)
(13,169,705)	(13,169,706)	(13,169,531)	(14,161,540)	(13,169,740)	(11,624,452)
35,910,186	37,192,294	36,407,478	31,274,403	33,768,865	39,248,659
7,351,193	6,562,676	7,273,513	8,150,302	11,053,696	7,691,826
(13,675,000)	(13,934,000)	(14,213,000)	(14,502,500)	(14,775,500)	(7,453,000)
(4,827,638)	(4,877,763)	(4,922,013)	(2,555,338)	(2,555,872)	(2,185,556)
(72,881)	(85,812)	(562,425) [3]	(50,301)	(46,250)	(24,306)
-	-	-	-	-	(2,989,100)
(18,575,519)	(18,897,575)	(19,697,438)	(17,108,139)	(17,377,622)	(12,651,962)
$ 24,685,860	$ 24,857,395	$ 23,983,553	$ 22,316,566	$ 27,444,939	$ 34,288,523
3.73	3.82	3.76	3.21	3.56	4.38
1.78	1.78	1.76	1.72	1.90	2.41

Table XI, continued

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

	2009	2010	2011
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations			
Innkeeper's Tax (3%)	$ 9,951,988	$ 10,138,743	$ 12,035,225
Marion County Food and Beverage Tax (1%)	17,245,791	18,114,075	19,456,828
Regional Food and Beverage Tax (.5%)	5,086,286	4,952,111	5,387,617
Admissions Tax (1%)	1,209,082	1,239,273	988,916
Auto Rental Excise Tax (2%)	1,890,765	2,000,674	2,051,253
PSDA Tax Allocation	7,202,432	6,020,354	7,444,361
Colts License Plate Fees	836,700	901,880	896,960
	43,423,044	43,367,110	48,261,160
Disbursements - Sublease Rental Obligations [2]			
Stadium Sublease Agreement	(20,000,000)	(41,000,000)	(39,077,337)
Convention Center Sublease Agreement	-	-	(4,501,609)
	(20,000,000)	(41,000,000)	(43,578,946)
2005 New Tax Revenues in Excess of Sublease Rental Obligations [1]	$ 23,423,044	$ 2,367,110	$ 4,682,214
Coverage Ratio - Sublease Rental Obligations	2.17	1.06	1.11

[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. These payments began in 2009, so there will be no prior years presented.

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**
2002	1,575,820	$ 52,023	$ 33,013	4.6%
2003	1,599,929	54,946	33,631	4.8%
2004	1,622,935	57,289	35,633	4.7%
2005	1,645,027	60,018	36,485	4.9%
2006	1,671,898	64,005	38,283	4.4%
2007	1,697,656	65,586	38,633	3.9%
2008	1,720,796	67,622	39,297	6.7%
2009	1,743,658	67,187	38,532	8.4%
2010	1,756,241	n/a	n/a	8.4%
2011	n/a	n/a	n/a	8.2%

[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

	2011	
Employer Name	**Employees**	**% of Total**
Clarian Health Partners, Inc.	18,883	2.12%
Eli Lilly and Company	11,550	1.30%
St. Vincent Hospitals & Health Service	11,075	1.24%
Community Health Network	8,079	0.91%
Rolls-Royce	4,316	0.48%
FedEx	4,311	0.48%
Roche Diagostic Corporation	4,300	0.48%
WellPoint, Inc.	3,950	0.44%
St. Francis Hospital & Health Centers	3,628	0.41%
Allison Transmission/Div of GMC	3,400	0.38%
AT&T	3,000	0.34%
	76,492	8.58%

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

Note: Information for 2002 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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Position:										
Carpenters	3	3	5	3	3	3	4	4	4	4
Electricians	23	23	23	24	21	17	20	16	13	15
Grounds	3	3	3	3	3	3	5	5	5	5
Housekeeping	63	60	61	82	67	62	64	51	40	37
Pipefitters	13	15	14	13	12	12	15	14	14	14
Painters	3	3	3	3	3	3	3	3	3	3
Sound and lighting	8	8	8	8	8	8	10	23	24	33
Set-up	29	37	49	46	31	25	27	23	15	14
Installation and dismantling	15	13	15	11	7	7	6	5	6	8
Box office	4	4	4	4	3	3	4	4	4	4
Administrative	64	65	64	69	64	69	76	61	65	69
Miscellaneous clerical	4	5	5	5	4	5	7	3	4	6
Telecommunications	-	-	-	-	-	-	2	3	4	6
Fire Marshals	-	-	-	-	-	-	1	-	-	-
Guest Services	-	-	-	-	-	-	2	4	4	4
Total Full-Time Equivalent Employees	232	239	254	271	226	217	246	219	205	222

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	2002 Event Occupancy	2002 Total Occupancy	2003 Event Occupancy	2003 Total Occupancy
Exhibit Halls				
Hall A	32.9%	60.0%	29.9%	63.6%
Hall B	36.2%	67.9%	33.7%	71.0%
Hall C	33.4%	69.0%	34.0%	73.7%
Hall D	36.2%	71.5%	31.8%	69.0%
Hall E	35.3%	70.7%	33.2%	69.6%
Hall F	33.7%	64.9%	29.3%	57.5%
Hall G	30.7%	57.0%	26.6%	51.8%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	20.8%	43.0%	15.3%	41.4%
Ballrooms				
500 Ballroom	43.6%	58.4%	38.9%	50.7%
White River Ballroom	30.4%	39.2%	28.5%	42.5%
Sagamore Ballrooms [2]	44.0%	59.3%	39.2%	56.1%
Wabash Ballrooms [2]	36.9%	50.1%	40.5%	56.5%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

	2007 Event Occupancy	2007 Total Occupancy	2008 Event Occupancy	2008 Total Occupancy
Exhibit Halls				
Hall A	30.1%	60.5%	30.3%	66.1%
Hall B	31.5%	63.8%	31.4%	66.7%
Hall C	31.8%	63.8%	32.2%	68.9%
Hall D	29.9%	61.4%	32.8%	67.2%
Hall E	29.9%	61.1%	29.2%	64.5%
Hall F	31.5%	58.1%	18.9%	41.0%
Hall G	25.5%	52.3%	17.8%	39.1%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	20.5%	42.2%	18.1%	44.8%
Ballrooms				
500 Ballroom	36.4%	50.4%	38.3%	50.8%
White River Ballroom	29.9%	41.1%	26.7%	34.3%
Sagamore Ballrooms [2]	38.0%	55.3%	40.6%	56.9%
Wabash Ballrooms [2]	34.2%	49.7%	38.6%	52.8%
Lucas Oil Stadium				
Stadium	-	-	32.2%	54.5%
Exhibit Halls [2]	-	-	22.0%	36.0%
Quarterback Club	-	-	28.0%	28.0%
Lounges [2]	-	-	24.5%	35.7%
Concourse	-	-	33.6%	46.2%
North Terrace	-	-	15.4%	26.6%

[1] - Occupancy formulas:
Per Venue Event Occupancy = 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] - Halls H, I, J, and K opened on 1/20/11 as part of Convention Center expansion

Source: Sales Office - Capital Improvement Board of Managers.

2004		2005		2006	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
33.3%	66.4%	33.4%	67.9%	33.4%	61.9%
35.8%	72.4%	33.4%	69.3%	35.3%	65.5%
37.7%	78.1%	35.6%	70.7%	30.7%	59.5%
35.0%	73.5%	34.2%	70.4%	29.9%	58.4%
36.6%	76.0%	32.9%	66.8%	28.5%	55.1%
30.6%	60.4%	31.5%	64.9%	29.3%	54.8%
30.3%	59.3%	31.8%	65.2%	27.9%	51.0%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18.6%	40.2%	18.4%	53.2%	18.9%	43.8%
37.2%	51.9%	35.9%	50.4%	34.2%	48.5%
34.7%	48.9%	28.8%	43.6%	27.9%	41.6%
39.3%	57.8%	39.3%	60.0%	41.2%	56.6%
40.3%	57.3%	36.7%	56.3%	37.0%	51.6%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

2009		2010		2011	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
30.1%	63.1%	29.3%	58.1%	31.2%	65.8%
34.4%	68.9%	29.0%	58.6%	28.8%	64.1%
31.7%	67.5%	29.6%	62.2%	26.0%	62.2%
33.3%	68.3%	31.5%	62.7%	30.7%	66.8%
26.2%	63.1%	27.9%	60.8%	25.5%	61.4%
18.3%	39.1%	20.0%	41.9%	23.0%	53.7%
15.6%	36.9%	14.2%	32.9%	21.1%	51.5%
-	-	-	-	18.5%	45.7%
-	-	-	-	19.7%	47.4%
-	-	-	-	23.4%	52.0%
-	-	-	-	19.9%	47.7%
-	-	-	-	-	-
30.3%	43.7%	22.7%	42.5%	30.7%	39.7%
-	-	-	-	-	-
36.0%	50.2%	23.7%	45.9%	31.6%	45.2%
35.9%	47.9%	23.2%	39.6%	39.8%	48.2%
39.2%	88.1%	16.2%	36.2%	18.4%	31.8%
32.6%	71.3%	14.9%	28.1%	14.1%	26.8%
33.6%	44.8%	18.9%	22.7%	12.1%	13.9%
33.3%	62.2%	14.7%	23.9%	13.4%	18.9%
39.2%	76.2%	18.4%	31.0%	19.2%	28.8%
19.6%	49.7%	-	-	-	-