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, 2012

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2012
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, 2012

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Indianapolis
INDIANA CONVENTION CENTER & LUCAS OIL STADIUM®

May 31, 2013

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, 2012.

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 Mayor must be engaged in the hotel or motel business in the county. Not more than four of the members appointed by the Mayor may be affiliated with the same political party.

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

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

At the core of this operating model is an understanding that the CIB's activities work in tandem with the private sector to foster diverse economic growth. The CIB's assets, activities and ancillary amenities allow a larger private hospitality industry to operate. In turn, the hospitality industry mutually develops and services the region's significant convention, cultural, entertainment and recreational activity and amenities. This understanding of the hospitality industry, as a significant driver allowing the region to enjoy amenities and activities beyond the means of the region to be supported by just its citizens, supports viewing it as an element that fosters non-hospitality economic growth and quality of life in the region. Viewed in this context, an operating model that permits the generation of non-operating revenue (from both the industry's customers as well as regional users and beneficiaries of these activities and amenities) to support and subsidize the CIB's capital and operating costs can be seen as thoughtful and balanced taxation policy. Tax policy impacting the CIB is managed by the Indiana General Assembly and the City-County Council. 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 expansion of the Convention Center completed in January 2011, the 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 expanded Convention Center and several hotels and entertainment options by a 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 14,200 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 12,200 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 (2012 WNBA Champions). 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 home to more than 1,000 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. Beginning in 2007, this wonderful event was first broadcast in HD. Indianapolis hosts two of the 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 26th, and the Brickyard 400, which will take place on Sunday, July 28th. And, on Sunday, August 18th, 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 2012, the Indianapolis International Airport (IND) served 7.3 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 2012, 1 million tons of cargo were transported from this facility. On average, there were 135 daily departures. In addition to 32 nonstop locations, there are 31 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, 58 concessionaires (rental car, retail and other service providers), and tenants including FedEx Corporation, AAR, Express Scripts, 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 2011, the estimated population of Marion County is 911,296 and 1,778,568 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 current brand strategy of Visit Indy, Inc. (Visit Indy) is based on the competitive spirit found in the people of Indiana and 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, Visit Indy 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 Col. H. Weir Cook Terminal at the Indianapolis International Airport, Lucas Oil Stadium, the 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 70,000 dedicated service employees who help deliver an annual economic impact to Indianapolis MSA of approximately $3.5 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 Visit Indy parlance, here's to a bright future and additional guests visiting our great city in the years ahead.

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 2012, include Super Bowl XLVI® and NFL Experience, Fire Department Instructors Conference, Do It Best Corporation, National FFA Organization Convention, Gen Con LLC, Custom Electronic Design & Installation Association, Episcopal Church, The American Legion, 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:

Current Year Events

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, Performance Racing Industry PRI 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

National Precast Concrete Association, Circle of Stars Gymnastics Invitational, National Soccer Coaches Association Annual Convention, JAMfest Super Nationals, Capitol Sports Volleyball Central Zone Invitational, 2013 Monster Jam, 2013 Dealer Expo, National Football Scouting Combine, Pumper Cleaner Environmental Expo, Work Truck Show and NTEA Annual Convention, 2013 Supercross, Higher Education Users Group Alliance 2013, Nike Mideast Qualifier Volleyball, National Society of Black Engineers Annual National Convention, NCAA® Midwest Regional Basketball, WQA Aquatech USA, 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 Quarterfinals, American College of Sports Medicine Annual Meeting, NBM Shows, Indiana Conference of the United Methodist Church Annual Conference, Church of the Nazarene General Assembly, lia sophia Annual Conference, Shriners of North America Imperial Council Session, 2013 Pokémon U.S. National Championships, Signature Equipo Vision LLC Summer Convention, ADSA-ASAS Joint Annual Meeting, Scentsy Annual Convention, Indiana Black Expo 2013 Summer Celebration, 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, Railway Interchange, Society of Hispanic Professional Engineers Annual, National Association for Gifted Children Annual Convention, Walk in the Word - Harvest Bible Chapel, Percussive Arts Society International Convention, Music For All Grand National Championship, National Federation for Catholic Youth Ministry Conference, Circle City Classic, Big Ten Football Championship Game, Big Ten Football Fanfest, SEMA/PRI Show, and Indianapolis Colts Football.

Major Events for 2014

American Football Coaches Association Annual Convention, 2014 Monster Jam, Circle of Stars Gymnastics Invitational, Pumper Cleaner Environmental Expo, 2014 Supercross, Work Truck Show and NTEA Annual Convention, Public Library Association National Convention, Property Loss Research Bureau Annual Claim Conference, Nike Mideast Qualifier Volleyball, American College Personnel Association Annual Convention, M-PACT 2014, Fire Department Instructors Conference, Nat'l. Rifle Assn. of America Annual Mtg./Exhibits, Do it Best Corporation May and October Markets, Business Professionals of America National Leadership Conference, National NeedleArts 2014 Summer Trade Show, Association for Iron & Steel Technology AISTECH 2014, BBI 2014 International Fuel Ethanol Workshop & Expo, NBM Shows, American Society for Engineering Educational Annual Conference & Exposition, lia sophia Annual Conference 2014, National Athletic Trainers' Association Annual Meeting, North American Christian Convention Annual Convention, Indiana Black Expo 2014 Summer Celebration, Gen Con "The Best Four Days in Gaming", National Association College Admission Counseling Annual Conference, Emergency Nurses Assn. Annual Scientific Conference, Music For All Grand National Championship, Percussive Arts Society International Convention, Circle City Classic, Big Ten Football Championship Game, Assemblies of the Lord Jesus Christ National Youth, Big Ten Football Fanfest, SEMA/PRI Show 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, 2011. This was the 27th 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, 2011

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

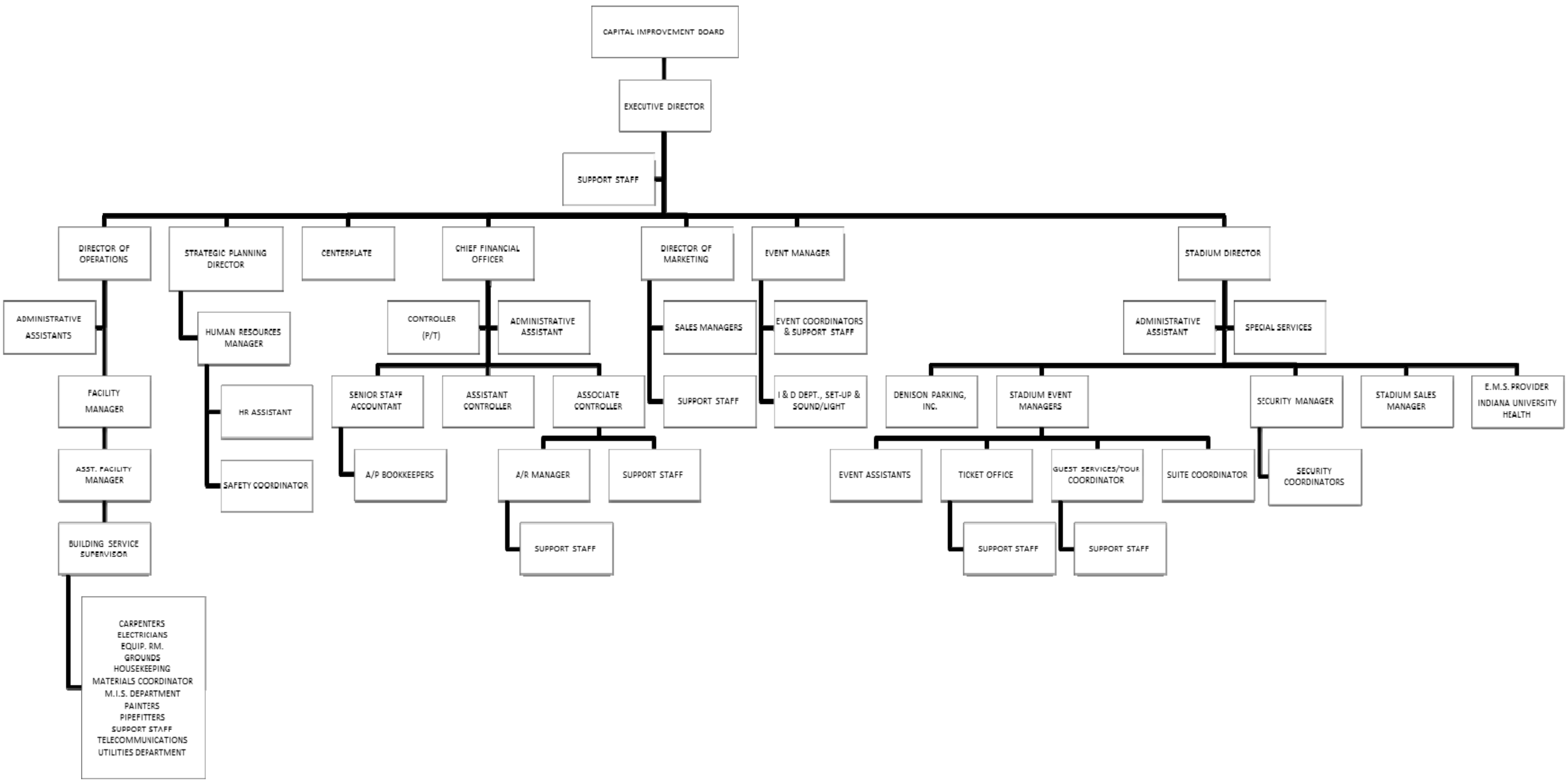
Christopher P Morrill

President

Jeffrey R. Esser

Executive Director

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



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

Mayor, City of Indianapolis The Honorable Gregory A. Ballard

Board Members (during 2012)

Name	Title	Term Ending	Years of Service	Occupation
Ann Lathrop	President	January 14, 2014	5	CPA, Crowe Horwath, LLP
David Shane	Treasurer	January 14, 2014	3	President & CEO, LDI Ltd., LLC
Jim Dora, Jr.	Vice President	January 14, 2014	3	President & CEO, General Hotels Corporation
Douglas R. Brown	Secretary	January 14, 2014	12	Attorney, Bose McKinney & Evans LLP
Maggie Lewis	Member	January 14, 2014	1	City-County Council, District 7
Carolene Mays	Member	January 14, 2014	3	Commissioner, Indiana Utility Regulatory Commission
Michael McQuillen	Member	January 14, 2012	1	City-County Council, District 12
Milton O. Thompson	Member	January 14, 2014	2	Attorney, Bleeke Dillon Crandall
Brenda Myers	Member	January 14, 2014	3	Executive Director, Hamilton County Convention & Visitors Bureau
Jay K. Potesta	Member	January 14, 2014	12	Assistant Director of Governmental Affairs, Sheet Metal Workers' International Association (SMWIA)

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

Administrative Personnel

Name	Position	Years of Service
Barney Levengood	Executive Director	22
Linda G. Addaman	Director of Marketing	17
Dan Huge, CPA	Chief Financial Officer	3
Patti Dean	Controller	3
Major E. Gardner	Event Manager	32*
Michael A. Fox	Stadium Director	28
Thomas L. Boyle	Director of Operations	18

Counsel to the Board

Bingham Greenebaum Doll, LLP
Indianapolis, Indiana

* Major E. Gardner employed January 1, 2012 - November 2, 2012

Financial
Section

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Capital Improvement Board of Managers (Capital Improvement Board), as of and for the year ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Capital Improvement Board's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Capital Improvement Board as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Capital Improvement Board basic financial statements. The accompanying Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses and Changes in Net Position, and Analysis of Certain Operating Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and analysis schedules listed above are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on these sections.

Bruce Hartman, CPA
State Examiner

May 23, 2013

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, 2012. 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, 2012:

- The CIB experienced an increase in *Total assets* of about $1.8 million, or .12% in 2012. *Current assets - restricted* increased by about $8.1 million primarily due to increases in the stadium and convention center sublease investment accounts. *Current assets - unrestricted* increased about $11.6 million due to an increase in cash reserves, which was largely the result of tax receipts designated for operating purposes in excess of the 2012 cash outlay. *Capital assets* decreased by about $34.4 million. This represents depreciation expense less additions in 2012. Other assets increased $16.5 million related to loans and advances,

- *Total liabilities* decreased by about $14.9 million, or 1.2% in 2012. *Current liabilities* increased about $5.3 million in 2012 largely due to an increase in the current portion of long-term debt related to capital leases, while *Noncurrent liabilities* decreased about $20.2 million due to decreases in capital leases, and bonds and notes payable.

- *Net position* increased by about $16.7 million, or 7.0% in 2012, primarily due to an increase in cash and investments, and note receivable, as well as a decrease in capital leases payable and a decrease in capital assets due to depreciation expense.

- *Operating revenues* increased by about $1.7 million, or 6.4% in 2012, primarily due to labor reimbursements related to the Super Bowl.

- *Nonoperating revenues* increased by about $10.1 million, or 7.8%. *State and local taxes and other assistance* increased by about $10.0 million due to fluctuations in the underlying activities from which such tax revenues are derived.

- *Operating expenses* increased by about $11.0 million, or 14.6%, in large part due to additional labor and other expenses related to the Super Bowl, as well as, other new events. In addition, depreciation and amortization expense increased by $4.0 million.

- *Nonoperating expenses* increased by about $1.0 million, or 1.5%. Interest expense increased by about $2.1 million and loss on sale/disposal of capital assets decreased by $1.0 million.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2012 and 2011:

- Balance Sheets
- Statements of Revenues, Expenses and Changes in Net Position
- 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 position of the CIB is composed of three categories:

- *Net investment in capital assets* - 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* - 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* - 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 position represents one way to measure the CIB's financial health. In a general way, changes in net position 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 nonfinancial 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.

2012 to 2011 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2012 and 2011:

	December 31		
	2012	2011	$ Variance
Assets			
Current assets - unrestricted	$ 103,996	$ 92,445	$ 11,551
Current assets - restricted	85,361	77,240	8,121
Capital assets, net	1,269,525	1,303,898	(34,373)
Other assets	36,624	20,149	16,475
Total assets	$ 1,495,506	$ 1,493,732	$ 1,774
Liabilities			
Current liabilities payable from unrestricted assets	$ 6,768	$ 8,392	$ (1,624)
Current liabilities payable from restricted assets	29,046	22,147	6,899
Noncurrent liabilities	1,203,360	1,223,542	(20,182)
Total liabilities	1,239,174	1,254,081	(14,907)
Net Position			
Net investment in capital assets	95,592	116,154	(20,562)
Restricted	80,316	72,405	7,911
Unrestricted	80,424	51,092	29,332
Total net position	256,332	239,651	16,681
Total liabilities and net position	$ 1,495,506	$ 1,493,732	$ 1,774

Note: Dollars are in thousands.

The 2012 increase in *Current assets - unrestricted*, about $11.6 million, or 12.5 %, from the prior year is reflective of changes in the CIB's cash reserves and receivables. Cash decreased during 2012 to cover operating expenses in excess of operating revenues, as well as, disbursements of loans. Cash increased, however, due to receipts of tax revenues available for operating purposes. In addition, the receivable for the call rights waiver credit stemming from a 2011 debt refinancing transaction was reduced during 2012.

Current assets - restricted increased by about $8.1 million, or 10.5%, from the prior year, due to an increase in the stadium and convention center sublease investment accounts.

Capital assets decreased by about $34.4 million, or 2.6%, from the prior year. This decrease is due to depreciation expense of approximately $40.5 million in excess of capital additions of approximately $6.1 million.

The increase in *Other assets* of approximately $16.5 million or 81.8% from 2011 to 2012 is primarily due to the issuance of an additional note receivable to the Pacers Basketball, LLC.

Current liabilities payable from unrestricted assets decreased about $1.6 million, or 19.4%, from the prior year. Accounts payable decreased by about $.4 million from the prior year and accrued interest payable decreased by about $1.1 million, due to prepayment of interest on the loans from the Treasurer of the State of Indiana.

Current liabilities payable from restricted assets increased about $6.9 million, or 31.2%, from the prior year. Current portion of long-term debt and rental deposits increased by approximately $6.5 million and $.5 million, respectively.

Noncurrent liabilities decreased by about $20.2 million, or 1.6%, from the prior year. The net decrease in noncurrent liabilities in 2012 is due to reductions of the capital lease obligations and other debt in excess of new debt acquired during the year. With the completion of the ICC expansion project in 2011, the 2012 additions to debt were minimal compared to the scheduled payment reductions during the year.

Invested in Capital assets, net of related debt decreased about $20.6 million, or 17.7%, in 2012, as a result of reductions of debt and depreciation expense in excess of newly acquired capital assets. *Restricted net position increased* about $7.9 million, or 10.9%, in 2012, as a result of an increase in cash equivalents held with fiscal agent. This represents tax revenues received to be used to pay the capital lease obligations related to Lucas Oil Stadium and the ICC expansion. The approximate $29.3 million increase, or 57.4%, from the prior year in *Unrestricted net position* is primarily due to the continued increase of tax revenues available for operating purposes.

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	$ 92,445	$ 73,055	$ 19,390
Current assets - restricted	77,240	68,371	8,869
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	1,218,572	4,970
Total liabilities	1,254,081	1,264,203	(10,122)
Net Position			
Net investment in capital assets	116,154	118,659	(2,504)
Restricted	72,405	66,209	6,196
Unrestricted	51,092	24,488	26,604
Total net position	239,651	209,356	30,295
Total liabilities and net position	$ 1,493,732	$ 1,473,559	$ 20,173

Note: Dollars are in thousands.

The 2011 increase in *Current assets - unrestricted*, about $19.4 million, or 26.5 %, 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 $8.9 million, or 13.0%, from the prior year, due to an approximate increase of $2.8 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.

Net investment in capital assets 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* increased about $6.2 million, or 9.4%, 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 $26.6 million increase, or 108.7%, from the prior year in *Unrestricted* is primarily due to the receipt of $8 million from the interlocal agreement and new tax revenues created in 2009 designated for operating expenses.

2012 to 2011 Comparative Statements of Revenues, Expenses and Changes in Net Position

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for the fiscal years ended December 31, 2012 and 2011:

	December 31			
	2012	2011	$ Variance	% Variance
Operating Revenues				
Rental income	$ 8,550	$ 9,060	$ (510)	(5.6) %
Food service and concession commissions	3,971	4,752	(781)	(16.4)
Parking lot income	1,430	1,009	421	41.7
Labor reimbursements	14,089	11,052	3,037	27.5
Other operating income	1,056	1,486	(430)	(28.9)
Total operating revenues	29,096	27,359	1,737	6.4
Nonoperating Revenues				
Investment income	337	240	97	40.2
State and local taxes and other assistance	138,777	128,797	9,980	7.7
Other	103	89	14	16.1
Total nonoperating revenues	139,217	129,126	10,091	7.8
Total revenues	168,313	156,485	11,828	7.6
Operating Expenses				
Salaries and wages	15,458	12,810	2,648	20.7
Fringe benefits	3,564	3,187	377	11.8
Utilities	5,399	5,428	(29)	(0.5)
Repairs and maintenance	4,364	2,582	1,782	69.0
Insurance	1,516	1,247	269	21.6
Security	2,629	2,800	(171)	(6.1)
Nondepreciable equipment, parts and supplies	3,886	4,863	(977)	(20.1)
Other	9,325	6,209	3,116	50.2
Depreciation and amortization	40,413	36,402	4,011	11.0
Total operating expenses	86,554	75,528	11,026	14.6
Nonoperating Expenses				
Interest expense	51,008	48,879	2,129	4.4
Compensation to Visit Indy, Inc.	9,105	9,036	69	0.8
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,200	5,260	(60)	(1.1)
Other	577	1,765	(1,188)	100.0
Net nonoperating expenses	65,890	64,940	950	1.5
Total expenses	152,444	140,468	11,976	8.5
Income Before Capital Contributions	15,869	16,017	(148)	(0.9)
Capital Contributions	812	14,278	(13,466)	(94.3)
Increase in Net Position	16,681	30,295	(13,614)	(44.9)
Net Position, Beginning of Year	239,651	209,356	30,295	14.5
Net Position, End of Year	$ 256,332	$ 239,651	$ 16,681	7.0

Note: Dollars are in thousands.

Total operating revenues increased about $1.7 million, or 6.4%. Labor reimbursements increased about $3 million, or 27.5%, mainly related to the Super Bowl. All other operating revenues decreased a total of approximately $1.3 million, in part due to normal fluctuations in event activity and partially due to the lack of availability of space for other events during the Super Bowl time frame.

Total nonoperating revenues increased about $10.1 million, or 7.8%. State and local taxes and fees increased about $10.0 million, or 7.7%. The 2005 New Tax revenues increased about $4.9 million and all other Excise Tax revenues increased approximately $5.2 million in 2012.

Total operating expenses increased by $11.0 million, or 14.6%. Salaries and wages increased by about $2.6 million, or 20.7%, and fringe benefits increased about $.4 million, or 11.8%. Much of this increase was related to the Super Bowl. Repairs and maintenance costs increased about $1.8 million, or 69.0%, due to several large projects during 2012. Nondepreciable equipment, parts and supplies decreased about $1.0 million, or 20.1%, due to 2011 expenses relating to the ICC expansion. Other expenses increased by about $3.1 million, or 50.2%, due primarily to costs related to public safety for the Super Bowl. Depreciation and amortization increased about $4.0 million, or 11.0%, due to 2012 being the first full year for depreciation for the ICC expansion project which was placed into service in 2011.

Total nonoperating expenses increased about $1.0 million, or 1.5%. Interest expense increased approximately $2.1 million. This represents a combination of decreased interest expense in 2012 related to savings on certain debt refinancing transactions, as well as increased expense in 2012 on other debt issues due to debt refinancing savings recognized in 2011. In addition, the ICC expansion debt had a significant increase in interest expense in 2012. Other nonoperating expenses decreased about $1.2 million. This is the result of approximately $1.1 million of loss on sale/disposal of capital assets, primarily related to the replacement of carpet in the ICC included in 2011.

Capital contributions recognized of approximately $.8 million represent capital additions at Victory Field paid for by the Indianapolis Indians. *The 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

2011 to 2010 Comparative Statements of Revenues, Expenses and Changes in Net Position

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position 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 Visit Indy, Inc.	9,036	9,192	(156)	(1.7)
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,260	4,940	320	6.5
Other	1,765	-	1,765	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 Position	30,295	18,609	11,686	62.8
Net Position, Beginning of Year	209,356	190,747	18,609	9.8
Net Position, 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.

Overall Financial Analysis

The CIB's financial position continued to improve in 2012. As was the case in 2010 and 2011, the CIB ended 2012 with a positive net cash flow and an increase in operating cash balances. The CIB's 2013 budget anticipates meeting 2013 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 4 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. The capital improvements were provided in full from 2010 through 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 4, 5 and 7 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 and 7 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.

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

With Super Bowl XLVI®, and the ICC expansion as key drivers, Indianapolis tourism and convention business continued to grow in 2012. With the exception of the Super Bowl, 2013 tourism and convention projections are on par with 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 2013 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).

There are no events scheduled for CIB facilities that have been cancelled for 2013 that would adversely affect operations. Regardless, the CIB will pursue continuing efforts involving the CIB's marketing relationships with Visit Indy 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, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 85,074,047	$ 79,361,584
Cash equivalents held with fiscal agent	9,652,034	4,055,881
Accounts receivable	7,235,255	8,524,644
Inventories	53,946	80,394
Prepaid expenses and other	1,980,832	422,202
Total unrestricted assets	103,996,114	92,444,705
Restricted Assets		
Cash and cash equivalents	10,614,932	10,353,400
Cash equivalents held with fiscal agent	51,310,164	43,717,047
Interest receivable	72	131
Receivable from State of Indiana	23,436,088	23,169,060
Total restricted assets	85,361,256	77,239,638
Total current assets	189,357,370	169,684,343
Noncurrent Assets		
Deferred debt issuance costs	123,486	149,467
Note receivable	35,000,000	20,000,000
Nondepreciable capital assets	131,608,147	131,608,147
Depreciable capital assets, net	1,137,916,812	1,172,289,795
Other assets	1,500,000	-
Total noncurrent assets	1,306,148,445	1,324,047,409
Total assets	$ 1,495,505,815	$ 1,493,731,752

	2012	2011
Liabilities and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 5,777,043	$ 6,192,688
Unearned revenue	263,796	189,896
Accrued expenses and withholdings	671,513	827,690
Accrued interest payable	55,058	1,182,230
Total current liabilities payable from unrestricted assets	6,767,410	8,392,504
Payable From Restricted Assets		
Funds held for others - box office	2,980,817	3,292,819
Rental deposits	2,064,464	1,541,394
Accrued interest payable	1,183,490	1,001,937
Current portion of long-term debt	22,817,171	16,310,389
Total current liabilities payable from restricted assets	29,045,942	22,146,539
Total current liabilities	35,813,352	30,539,043
Noncurrent Liabilities		
Bonds and notes payable	68,700,076	70,341,694
Capital leases payable	1,134,174,469	1,152,851,099
Net pension obligation	485,829	348,984
Total noncurrent liabilities	1,203,360,374	1,223,541,777
Total liabilities	1,239,173,726	1,254,080,820
Net Position		
Net investment in capital assets	95,592,243	116,153,760
Restricted		
For debt service	72,439,410	63,216,672
For capital projects	5,531,060	5,480,596
For other	2,345,505	3,708,157
Unrestricted	80,423,871	51,091,747
Total net position	256,332,089	239,650,932
Total liabilities and net position	$ 1,495,505,815	$ 1,493,731,752

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 Position
Years Ended December 31, 2012 and 2011

	2012	2011
Operating Revenues		
Rental income	$ 8,550,211	$ 9,059,609
Food service and concession commissions	3,970,814	4,751,669
Parking lot income	1,430,227	1,008,637
Labor reimbursements	14,088,686	11,052,122
Other operating income	1,056,423	1,486,114
	29,096,361	27,358,151
Operating Expenses		
Salaries and wages	15,457,602	12,809,568
Fringe benefits	3,563,643	3,187,158
Utilities	5,398,935	5,427,906
Repairs and maintenance	4,363,607	2,582,059
Insurance	1,515,684	1,246,862
Security	2,629,337	2,799,552
Nondepreciable equipment, parts and supplies	3,886,055	4,862,951
Other	9,325,541	6,209,407
Depreciation and amortization	40,413,230	36,402,218
	86,553,634	75,527,681
Operating Loss	(57,457,273)	(48,169,530)
Nonoperating Revenues (Expenses)		
Investment income	336,931	240,385
State and local taxes and other assistance	138,776,422	128,797,124
Interest expense	(51,007,964)	(48,878,681)
Compensation to Visit Indy, Inc.	(9,105,000)	(9,035,902)
Inducements/revenue sharing to Indianapolis Colts	(3,500,000)	(3,500,000)
Indianapolis Colts' Day-of-Game expenses	(1,700,000)	(1,760,000)
Grants to other organizations	(450,000)	(705,894)
Loss on sale/disposal of capital assets	(127,086)	(1,059,636)
Other	102,990	88,709
	73,326,293	64,186,105
Increase in Net Position Before Capital Contributions	15,869,020	16,016,575
Capital Contributions	812,137	14,278,375
Increase in Net Position	16,681,157	30,294,950
Net Position, Beginning of Year	239,650,932	209,355,982
Net Position, End of Year	$ 256,332,089	$ 239,650,932

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, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities		
Receipts from customers and users	$ 29,113,645	$ 28,122,867
Payments to suppliers and others	(25,951,264)	(20,182,177)
Payments to employees	(19,040,577)	(15,742,282)
Net cash used in operating activities	(15,878,196)	(7,801,592)
Cash Flows From Noncapital Financing Activities		
Payments to Visit Indy, Inc.	(12,105,000)	(9,035,902)
State and local taxes and other assistance	55,835,886	39,035,846
Grants paid to other organizations	(450,000)	(705,894)
Payments to Indianapolis Colts	(5,200,000)	(5,260,000)
Net cash provided by noncapital financing activities	38,080,886	24,034,050
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(15,155,676)	(18,215,673)
Interest paid on long-term liabilities	(52,013,934)	(49,661,564)
Acquisition of capital assets	(3,983,303)	(3,694,941)
State and local taxes and other assistance	82,673,508	86,196,338
Baseball Park Capital Improvement Fund rental payments received	102,990	88,711
Net cash provided by capital and related financing activities	11,623,585	14,712,871
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investment securities	-	34,050,889
Interest received on investment securities and cash equivalents	336,990	258,158
Disbursement of loan to Pacers Basketball, LLC	(15,000,000)	(10,000,000)
Net cash provided by (used in) investing activities	(14,663,010)	24,309,047
Net Increase in Cash and Cash Equivalents	19,163,265	55,254,376
Cash and Cash Equivalents, Beginning of Year	137,487,912	82,233,536
Cash and Cash Equivalents, End of Year	$ 156,651,177	$ 137,487,912

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, 2012 and 2011

	2012	2011
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	$ 873,963	$ 2,356,579
Additions to capital assets due to Lucas Oil Stadium and Indiana Convention Center Expansion projects	2,854,509	14,488,133
Capital contributions	812,137	14,278,375
Increase in capital lease obligation	2,987,347	282,115,007
Amortization of call rights waiver credit	1,556,806	366,037
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (57,457,273)	$ (48,169,530)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	40,413,230	36,402,218
Nondepreciable equipment expense funded by capital lease obligation	132,839	2,521,327
Change in assets and liabilities		
Accounts receivable	(267,417)	(1,877,915)
Inventories	26,448	(8,585)
Prepaid expenses	(58,630)	(53,501)
Accounts payable	1,066,971	484,437
Unearned revenue	73,900	(26,998)
Accrued expenses and withholdings	(19,332)	254,444
Funds held for others - box office	(312,002)	2,464,933
Rental deposits	523,070	207,578
Net cash used in operating activities	$ (15,878,196)	$ (7,801,592)

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 its 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.

Subsequent to December 31, 2012, the property for which the CIBBFC acted as master tenant was sold for $3,100,000 and the lease between the CIB and the CIBBFC was terminated.

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 2012, the CIB adopted Statement of Governmental Accounting Standards Board ("GASB") No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This Statement has been applied retrospectively and had no impact on the CIB's net position, changes in net position or financial reporting disclosures. Upon adoption of GASB 63, the CIB currently has no deferred outflows of resources or deferred inflows of resources to report.

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 those that are held with fiscal agent and/or are restricted) 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:

	2012	2011
State and local taxes	$ 23,078,968	$ 22,747,240
Specialty license plate fees	357,120	421,820
	$ 23,436,088	$ 23,169,060

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. There was no interest capitalized during 2012. Total interest capitalized for 2011 was $311,000.

Deferred Debt Issuance Costs

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

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, 2012 and 2011

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 $365,994 and $316,524 for accrued vacation and related benefits at December 31, 2012 and 2011, 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 records capital contributions 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 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 resources are available for use, it is the CIB's policy to use restricted resources first, then unrestricted resources 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 makes operating and capital expenditures only as provided in its approved budget. The CIB is required by law to adopt an operating and capital budget, which in total cannot be increased by the CIB without the approval of the City-County Council. While the CIB also budgets for certain debt service costs, payment of these costs do not require City-County Council 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 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on the changes in net position.

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, 2012 and 2011, the CIB had $60,962,198 and $47,772,928, 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, 2012 and 2011, 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, 2012 and 2011, 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:

	2012	2011
Carrying value		
Deposits	$ 95,688,979	$ 89,714,984
Investments	60,962,198	47,772,928
	$ 156,651,177	$ 137,487,912
Cash and cash equivalents and investment securities		
Current - unrestricted	$ 94,726,081	$ 83,417,465
Current - restricted	61,925,096	54,070,447
	$ 156,651,177	$ 137,487,912

Investment Income

Investment income for the years ended December 31, 2012 and 2011 consisted of:

	2012	2011
Interest and dividend income	$ 336,931	$ 240,385

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

	2012	2011
Operating reserve - rental deposits	$ 2,064,464	$ 1,541,394
Bond fund	6,195,791	5,783,740
Renewal and replacement	5,000,000	5,000,000
Stadium and convention center sublease accounts	31,973,501	22,580,735
Stadium and convention center sublease reserve account	13,140,872	15,352,572
Cultural development fund	38,591	38,591
Box office	2,980,817	3,292,819
Baseball capital improvement fund	531,060	480,596
	$ 61,925,096	$ 54,070,447

Note 3: Capital Assets

A summary of changes to capital assets for the years ended December 31, 2012 and 2011 follows:

	2012			
	Beginning Balance, January 1, 2012	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2012
Capital assets, not being depreciated:				
Land and land improvements	$ 131,608,147	$ -	$ -	$ 131,608,147
Total capital assets, not being depreciated	131,608,147	-	-	131,608,147
Capital assets, being depreciated:				
Buildings and improvements	1,300,553,407	4,172,397	-	1,304,725,804
Land improvements	5,904,913	222,637	-	6,127,550
Equipment, furniture and fixtures and other	114,683,156	1,786,299	(6,723,501)	109,745,954
Total capital assets, being depreciated	1,421,141,476	6,181,333	(6,723,501)	1,420,599,308
Less accumulated depreciation for:				
Buildings and improvements	(190,007,188)	(32,813,341)	-	(222,820,529)
Land improvements	(3,667,579)	(227,369)	-	(3,894,948)
Equipment, furniture and fixtures and other	(55,176,914)	(7,372,520)	6,582,415	(55,967,019)
Total accumulated depreciation	(248,851,681)	(40,413,230)	6,582,415	(282,682,496)
Total capital assets, being depreciated, net	1,172,289,795	(34,231,897)	(141,086)	1,137,916,812
Capital assets, net	$ 1,303,897,942	$ (34,231,897)	$ (141,086)	$ 1,269,524,959

	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

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

Note 4: Capital Leases Payable

Financing for a substantial portion of the CIB's capital projects has been obtained from the Indiana Finance Authority (IFA) and the Marion County Convention and Recreational Facilities Authority ("MCCRFA") as hereafter described in greater detail.

The IFA issued 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") and approximately $329,200,000 in Lease Appropriation Bonds (Series 2008A, 2009A and 2009B) in relation to expanding the Indiana Convention Center (the "ICC Expansion"). The IFA loaned the resulting bond proceeds to the Indiana Stadium and Convention Building Authority ("ISCBA"), which was created for the purposes of acquiring, constructing, equipping, owning, leasing and financing facilities for lease to, or for the benefit of, a capital improvement board.

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.

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.

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 May 2012, the CIB recorded a deferred accounting loss of $1,959,928 on the restructuring of its Master Lease Agreement with MCCRFA, which will be amortized over the period ending 2021. The restructuring was the result of the issuance of MCCRFA's Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2012A (the "2012A Senior Bonds"). The 2012A Senior Bonds were issued to refund a portion of MCCRFA's Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2003A. 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 $3,000,000 and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately $2,950,000.

In relation to MCCRFA's 2003 refunding transaction, the CIB recorded a deferred accounting gain of $2,445,312 on the restructuring of its Master Lease Agreement with MCCRFA, which was being amortized into income over the period ending in 2021. Due to the aforementioned refunding, a portion of the unamortized balance of this deferred accounting gain was included in the determination of the deferred accounting loss on the restructuring of the Master Lease Agreement.

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.

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 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.

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, 2012, together with the present value of the net minimum lease payments, are as follows:

2013	$ 73,079,706
2014	77,497,752
2015	83,231,268
2016	87,679,138
2017	87,680,417
2018 - 2022	438,177,062
2023 - 2027	423,692,103
2028 - 2032	298,368,853
2033 - 2037	277,591,242
2038 - 2039	27,177,804
	1,874,175,345
Amount representing interest	(730,906,515)
Present value of net minimum lease payments	1,143,268,830
Net deferred gains on refunding	12,067,810
Current portion of capital lease obligations	(21,162,171)
Total long-term portion of capital lease obligations	$ 1,134,174,469

Note 5: 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 2012 and 2011, no additional borrowing under such loans occurred. The aggregate balance of these loans at December 31, 2012 and 2011 is $33,759,000. Accrued and unpaid interest on these notes at December 31, 2012 and 2011 amounted to $31,058 and $24,306, 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. The credit is being reduced as the savings in debt service payments are realized. The balance of the Call Rights Waiver Credit receivable at December 31, 2012 and 2011 was $11,291 and $1,568,097, respectively, and is recorded in accounts receivable in the balance sheets.

Information regarding the Series 1999 Subordinate Bonds at December 31, 2012 and 2011 follows:

	2012	2011
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	$ 1,655,000	$ 3,235,000
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
	18,655,000	20,235,000
Unamortized discount	(58,924)	(72,306)
Total Series 1999A	$ 18,596,076	$ 20,162,694

Treasurer of State Junior Subordinate Notes

The CIB has entered into a Note Purchase Agreement with the Treasurer of the State of Indiana. On December 15, 2009, the CIB completed an initial State Treasurer Loan and issued a note ("2009 Note") in the amount of $9,000,000, 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 a second State Treasurer Loan and issued a note ("2010 Note") in the amount of $9,000,000, 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 were to commence June 1, 2013; however, interest was prepaid in the amount of $1,707,183 in December 2012. Interest payments 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, 2012:

	Principal	Interest	Total
2013	$ 1,655,000	$ 1,305,399	$ 2,960,399
2014	1,740,000	1,377,558	3,117,558
2015	1,825,000	1,288,433	3,113,433
2016	1,915,000	1,194,933	3,109,933
2017	35,769,000	1,127,866	36,896,866
2018 - 2021	27,510,000	2,514,500	30,024,500
	$ 70,414,000	$ 8,808,689	$ 79,222,689

Note 6: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2012 and 2011:

	Balance January 1, 2012	Additions	Reductions	Balance December 31, 2012	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	20,235,000	-	(1,580,000)	18,655,000	1,655,000
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	-
Capital leases	1,152,047,761	2,987,348	(11,766,279)	1,143,268,830	21,162,171
(Discount)/premium	(72,306)	-	13,382	(58,924)	-
Net gain (loss) on refunding	15,533,727	(1,959,928)	(1,505,989)	12,067,810	-
	$ 1,239,503,182	$ 1,027,420	$ (14,838,886)	$ 1,225,691,716	$ 22,817,171

	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)	-
Net 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

Note 7: 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 Admissions 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"), provides $8,000,000 of funding annually to the CIB to further their mutual purposes, including to better assure the CIB's funding sources for Visit Indy, Inc. Visit Indy, Inc. 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. The CIB received $8,000,000 of funding in 2011 and 2012. The agreement renews annually and assumes the same terms and level of funding, subject to certain factors, including, the availability of funds, and 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 2012 and 2011 include the following components:

	2012	2011
Marion County food and beverage (1%)	$ 21,363,190	$ 19,456,828
Innkeeper's tax (5%)	22,594,512	20,058,708
Innkeeper's tax (1%)	4,518,902	4,011,742
Auto rental excise tax (2%)	2,349,515	2,051,253
Admissions tax (5%)	6,537,019	4,944,580
Cigarette tax	350,000	350,000
PSDA tax allocation	7,212,774	7,691,826
Total Original Excise Taxes and Original PSDA Revenues	64,925,912	58,564,937
Marion County food and beverage (1%)	21,363,190	19,456,828
Regional food and beverage (.5%)	5,193,634	5,387,617
Innkeeper's tax (3%)	13,556,707	12,035,225
Auto rental excise tax (2%)	2,349,515	2,051,253
Admissions tax (1%)	1,307,404	988,916
PSDA tax allocation	8,544,320	7,444,361
Total 2005 New Tax Revenues and 2005 PSDA Revenues	52,314,770	47,364,200
Innkeeper's tax (1%)	4,518,902	4,011,742
PSDA tax allocation	8,270,978	9,959,285
Total 2009 New Tax Revenues and 2009 PSDA Revenues	12,789,880	13,971,027
Specialty License Plate Fees	745,860	896,960
Interlocal Agreement funding	8,000,000	8,000,000
Total state and local taxes and other assistance	$ 138,776,422	$ 128,797,124

Total lease rental and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2012 and 2011 amounted to $65,549,867 and $67,855,360, respectively.

Subsequent to year end, the Original Marion County Admissions Tax was increased by 4% and the Original Marion County Supplemental Auto Rental Excise Tax was increased by 2%. Both increases become effective on March 1, 2013. The CIB will pay to the Consolidated City of Indianapolis-Marion County, Office of Finance and Management (OFM), 100% of the revenue from these increases for the first twelve months the increases are in effect. After the initial twelve month period, the CIB will pay to the OFM 25% of the revenue from these increases, provided the total payments shall not exceed $3,000,000.

Note 8: 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, 2012, the outstanding balance of cumulative advances aggregates $10,646,400. 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 2012 and 2010, the CIB, MCCRFA and the Operator entered into amendments to the Operating Agreement which provided various amendatory and additional covenants, including that the Operator shall have no right to terminate the Operating Agreement prior to June 30, 2014. Under these amendments, the CIB 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; as well as two $5,000,000 noninterest-bearing loans on or before December 31, 2012 and April 30, 2013. The loans are subject to certain approval, repayment and forgiveness provisions. The CIB’s note receivable balance from the Pacers at December 31, 2012 and 2011 was $35,000,000 and $20,000,000, respectively. The amendments also provided that the CIB shall make capital improvements to Bankers Life Fieldhouse of an amount not to exceed $3,500,000. These improvements were all completed by December 31, 2012.

Note 9: 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 10: 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, 2012 are as follows:

	Fixed Rentals	Additional Rentals	Total
2013	$ 500,000	$ 50,000	$ 550,000
2014	500,000	50,000	550,000
2015	500,000	50,000	550,000
	$ 1,500,000	$ 150,000	$ 1,650,000

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

Note 11: Hudnut Commons (formerly, Capitol Commons)

The CIB and the City entered into agreements with developers in 1986 to construct and operate the Hudnut Commons (an open, public landscaped area), a parking facility beneath the Hudnut Commons and a convention hotel. The construction of the Hudnut 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 Hudnut 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 Hudnut 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 Hudnut Commons surface improvements and all air rights above the surface of such property, together with approximately one-half of the underground Hudnut 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 Hudnut 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 12: 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 13: 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 Retirement System, 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 June 30, 2012 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 vesting service; (2) age 60 with 15 years of vesting service; or (3) the sum of age and vesting 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 vesting 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 (8.25% for calendar year 2012) 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 2012, the CIB's annual pension cost of $975,205 for the plan was equal to the CIB's required and actual contributions. Required contributions are determined as part of annual June 30 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions used for the June 30, 2012 actuarial valuation included: (a) 6.75% investment rate of return (net of administrative expenses), (b) 3.25%-4.5% projected salary increases, based upon PERF experience between 2005 and 2010, (c) 1.0% per year cost-of-living adjustments, and (d) 3.0% inflation rate per year. 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, 2012:

Net Pension Obligation (NPO)

Annual Required Contribution ("ARC")	$ 776,223
Interest on NPO	24,429
Adjustment to the ARC	(28,123)
Annual Pension Cost	772,529
Contributions made	635,684
Increase in NPO	136,845
NPO, beginning of year	348,984
NPO, end of year	$ 485,829

Schedule of Funding Progress

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

Actuarial Valuation Date, June 30	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
2012	$ 5,460	$ 10,310	$ (4,850)	53%	$ 8,770	55%
2011	5,898	9,531	(3,633)	62	7,973	46
2010	6,817	9,456	(2,639)	72	7,774	34

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

Three-Year Trend Information

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

	Annual Pension Cost ("APC")	Percentage APC Contributed	Net Pension Obligation
2012	$ 773	82%	$ 486
2011	726	73	349
2010	626	86	157

Note 14: Commitments and Contingencies

Visit Indy, Inc. (formerly, 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 Visit Indy, Inc. ("Visit Indy") annually in the form of a base amount, plus a quarterly incentive fee. The total payments to be made to Visit Indy in any year cannot exceed 40% of the 5% Marion County Innkeeper's Tax received by the CIB in the preceding tax year. 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 Visit Indy. The CIB agreed to continue to compensate Visit Indy 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.

The term of CIB's agreement with Visit Indy was set to expire on December 31, 2012, unless further extended. In December 2012, the CIB and Visit Indy agreed to extend the term of the agreement until December 31, 2014 and thereby continue to provide base compensation in the amount of $9,030,000 in 2013 and 2014. In addition, the CIB contributed $3,000,000 to Visit Indy in December 2012, portions of which may be credited against the base compensation or refunded to the CIB in 2013 or 2014, respectively, if certain conditions are not met by Visit Indy. This contribution is recorded as an asset at December 31, 2012, and will be recorded as contribution expense as eligibility requirements are satisfied by Visit Indy.

As mentioned previously in these notes, the CIB has also 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 Visit Indy.

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.

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, 2012

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Assets			
Current Assets			
Unrestricted			
Cash and cash equivalents	$ 83,262,215	$ 1,811,832	$ 85,074,047
Cash equivalents held with fiscal agent	-	9,652,034	9,652,034
Accounts receivable	7,223,964	11,291	7,235,255
Inventories	53,946	-	53,946
Prepaid expenses and other	1,980,832	-	1,980,832
Total unrestricted assets	92,520,957	11,475,157	103,996,114
Restricted Assets			
Cash and cash equivalents	10,614,932	-	10,614,932
Cash equivalents held with fiscal agent	-	51,310,164	51,310,164
Interest receivable	-	72	72
Receivable from State of Indiana	2,306,914	21,129,174	23,436,088
Total restricted assets	12,921,846	72,439,410	85,361,256
Total current assets	105,442,803	83,914,567	189,357,370
Noncurrent Assets			
Deferred debt issuance costs	-	123,486	123,486
Note receivable	35,000,000	-	35,000,000
Nondepreciable capital assets	131,608,147	-	131,608,147
Depreciable capital assets, net	1,137,916,812	-	1,137,916,812
Other assets	1,500,000	-	1,500,000
Total noncurrent assets	1,306,024,959	123,486	1,306,148,445
Total assets	$ 1,411,467,762	$ 84,038,053	$ 1,495,505,815
Liabilities and Net Position			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 5,777,043	$ -	$ 5,777,043
Unearned revenue	263,796	-	263,796
Accrued expenses and withholdings	671,513	-	671,513
Accrued interest payable	-	55,058	55,058
Total current liabilities payable from unrestricted assets	6,712,352	55,058	6,767,410
Payable From Restricted Assets			
Funds held for others - box office	2,980,817	-	2,980,817
Rental deposits	2,064,464	-	2,064,464
Accrued interest payable	-	1,183,490	1,183,490
Current portion of long-term debt	-	22,817,171	22,817,171
Total current liabilities payable from restricted assets	5,045,281	24,000,661	29,045,942
Total current liabilities	11,757,633	24,055,719	35,813,352
Noncurrent Liabilities			
Bonds and notes payable	-	68,700,076	68,700,076
Capital lease payable	-	1,134,174,469	1,134,174,469
Net pension obligation	485,829	-	485,829
Total noncurrent liabilities	485,829	1,202,874,545	1,203,360,374
Total liabilities	12,243,462	1,226,930,264	1,239,173,726
Net Position			
Net investment in capital assets	1,269,524,959	(1,173,932,716)	95,592,243
Restricted	7,876,565	72,439,410	80,315,975
Unrestricted	121,822,776	(41,398,905)	80,423,871
Total net position	1,399,224,300	(1,142,892,211)	256,332,089
Total liabilities and net position	$ 1,411,467,762	$ 84,038,053	$ 1,495,505,815

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 Position
Year Ended December 31, 2012

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Operating Revenues			
Rental income	$ 8,550,211	$ -	$ 8,550,211
Food service and concession commissions	3,970,814	-	3,970,814
Parking lot income	1,430,227	-	1,430,227
Labor reimbursements	14,088,686	-	14,088,686
Other operating income	1,056,423	-	1,056,423
	29,096,361	-	29,096,361
Operating Expenses			
Salaries and wages	15,457,602	-	15,457,602
Fringe benefits	3,563,643	-	3,563,643
Utilities	5,398,935	-	5,398,935
Repairs and maintenance	4,363,607	-	4,363,607
Insurance	1,515,684	-	1,515,684
Security	2,629,337	-	2,629,337
Nondepreciable equipment, parts and supplies	3,886,055	-	3,886,055
Other	9,325,541	-	9,325,541
Depreciation and amortization	40,413,230	-	40,413,230
	86,553,634	-	86,553,634
Operating Loss	(57,457,273)	-	(57,457,273)
Nonoperating Revenues (Expenses)			
Investment income	300,225	36,706	336,931
State and local taxes and other assistance	20,789,880	117,986,542	138,776,422
Interest expense	-	(51,007,964)	(51,007,964)
Compensation to Visit Indy, Inc.	(9,105,000)	-	(9,105,000)
Inducements/revenue sharing to Indianapolis Colts	(3,500,000)	-	(3,500,000)
Indianapolis Colts' Day-of-Game expenses	(1,700,000)	-	(1,700,000)
Grants to other organizations	(450,000)	-	(450,000)
Loss on sale/disposal of capital assets	(127,086)	-	(127,086)
Other	102,990	-	102,990
	6,311,009	67,015,284	73,326,293
Increase (Decrease) in Net Position Before Capital Contributions	(51,146,264)	67,015,284	15,869,020
Capital Contributions	812,137	-	812,137
Increase (Decrease) in Net Position	(50,334,127)	67,015,284	16,681,157
Net Position, Beginning of Year	1,407,851,027	(1,168,200,095)	239,650,932
Transfers from bond fund	41,707,400	(41,707,400)	-
Net Position, End of Year	$ 1,399,224,300	$ (1,142,892,211)	$ 256,332,089

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, 2012 and 2011

	2012	2011
Salaries and Wages		
Administration	$ 942,088	$ 851,260
Office	1,855,990	1,716,600
Supervision	1,021,804	870,357
Mechanical	3,496,514	3,322,489
Service	1,600,630	1,532,597
Temporary	6,540,576	4,516,265
	$ 15,457,602	$ 12,809,568
Fringe Benefits		
Social security taxes	$ 959,604	$ 795,690
Public employees' retirement fund	975,205	869,802
Employees' insurance	1,019,669	1,163,790
State unemployment taxes	88,077	79,591
Workers' compensation	174,997	82,068
Other	346,091	196,217
	$ 3,563,643	$ 3,187,158
Utilities		
Electricity	$ 2,190,116	$ 2,167,817
Steam	906,693	932,985
Chilled water	1,962,257	1,830,865
Water and sewer	313,794	463,367
Gas	26,075	32,872
	$ 5,398,935	$ 5,427,906
Repairs and Maintenance		
Control systems maintenance contract	$ 82,640	$ 104,738
Elevator and escalator maintenance contract	217,121	178,592
Computer maintenance contracts	146,883	165,273
Major repairs	3,199,700	1,598,269
Grounds maintenance	207,727	171,962
Fire extinguisher system	91,549	18,965
Sprinkler system	3,004	3,331
Trash removal	81,421	62,467
Communication repairs	130,142	54,584
LOS maintenance contracts	203,420	223,878
	$ 4,363,607	$ 2,582,059

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, 2012 and 2011

	2012	2011
Insurance		
Fire and extended coverage	$ 894,221	$ 821,071
Public liability	548,523	353,184
Fidelity bond	72,940	72,607
	$ 1,515,684	$ 1,246,862
Security		
Security staff	$ 2,629,337	$ 2,799,552
Nondepreciable Equipment, Parts and Supplies	$ 3,886,055	$ 4,862,951
Other		
Advertising and promotion	$ 325,271	$ 977,776
Telephone	79,848	115,449
Legal fees	940,552	1,198,183
Accounting and audit fees	83,352	91,842
Consulting fees	224,495	377,745
Architects and engineers	282,853	141,559
Equipment rental	476,725	437,485
Postage	9,236	10,631
Travel	17,951	21,812
Dues and subscriptions	6,130	5,455
Bad debts	267	2,880
Suite cable service	4,862	4,033
Medical services - Indianapolis Colts games	58,726	80,854
Parking	229,333	223,908
Set-up/installation and dismantling fees	2,777,679	2,354,361
Miscellaneous	3,808,261	165,434
	$ 9,325,541	$ 6,209,407

Statistical Section
(Unaudited)

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

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

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

Table I

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

	2003	2004	2005 [1]	2006
Net investment in capital assets	$ 28,575,553	$ 11,840,085	$ (13,784,985)	$ 2,835,109
Restricted	23,359,001	25,438,962	39,885,681	45,478,777
Unrestricted	27,184,109	28,612,119	66,826,463	54,066,813
Total net position	$ 79,118,663	$ 65,891,166	$ 92,927,159	$ 102,380,699

[1] - Change in net investment in capital assets is due to an increase in debt relating to the construction of Lucas Oil Stadium.

2007	2008	2009	2010	2011	2012
$ 23,170,426	$ 147,019,581	$ 134,281,780	$ 118,659,477	$ 116,153,760	$ 95,592,243
52,270,165	56,831,449	69,703,922	66,208,915	77,675,379	80,315,975
35,442,304	(6,523,360)	3,985,965	24,487,590	45,821,793	80,423,871
$ 110,882,895	$ 197,327,670	$ 207,971,667	$ 209,355,982	$ 239,650,932	$ 256,332,089

Table II

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

	2003	2004	2005	2006
Operating revenues				
Rental income	$ 6,259,493	$ 6,262,680	$ 5,839,044	$ 5,688,825
Food service and concession commissions	4,797,408	5,421,935	5,570,544	6,145,493
Parking lot income	805,680	750,267	359,422	417,013
Labor reimbursements	4,389,283	6,003,993	6,236,543	5,118,373
Advertising income	1,150,000	1,200,000	1,220,620	1,165,194
Other	861,817	867,313	1,653,322	982,432
Total operating revenues	18,263,681	20,506,188	20,879,495	19,517,330
Nonoperating revenues				
Investment income	643,808	852,243	1,982,455	3,747,243
State and local taxes and other assistance	48,074,416	51,301,827	65,295,285	93,512,062
Gain (loss) on sale/disposal of capital assets	-	-	40,419,560	15,318
Other	1,535,464	1,360,740	1,623,547	4,586,582
Total nonoperating revenues	50,253,688	53,514,810	109,320,847	101,861,205
Total Revenues	68,517,369	74,020,998	130,200,342	121,378,535
Operating expenses				
Salaries, wages and fringe benefits	12,520,287	13,880,615	14,696,686	13,563,112
Utilities	3,680,176	3,996,614	3,966,307	4,016,331
Repairs, maintenance, equipment, parts and supplies	2,077,979	4,554,102	2,448,289	2,115,986
Insurance	1,602,079	1,616,923	1,233,739	1,088,082
Security	1,027,228	1,017,292	1,099,567	1,372,344
Other	2,866,421	1,299,425	4,887,005	4,316,574
Depreciation and amortization	16,355,382	16,067,976	29,529,972	29,551,039
Total operating expenses	40,129,552	42,432,947	57,861,565	56,023,468
Nonoperating expenses				
Interest expense	20,368,132	21,344,759	21,137,501	20,711,441
Additional rental payment for swap termination	-	-	-	-
Compensation to Visit Indy, Inc.	6,137,891	6,354,407	6,726,445	7,052,924
Payments to Indianapolis Colts	4,951,712	5,222,915	5,838,335	5,993,335
Grants to other organizations	3,143,197	3,284,584	5,882,975	3,601,582
Contribution of Hudnut Commons	-	7,178,227	-	-
Other	1,443,715	1,442,623	5,717,528	18,542,245
Total nonoperating expenses	36,044,647	44,827,515	45,302,784	55,901,527
Total Expenses	76,174,199	87,260,462	103,164,349	111,924,995
Capital Contributions	10,452	11,967	-	-
Increase (Decrease) in Net Position	$ (7,646,378)	$ (13,227,497)	$ 27,035,993	$ 9,453,540

2007	2008	2009	2010	2011	2012
$ 6,354,696	$ 6,326,285	$ 6,791,593	$ 6,313,472	$ 9,059,609	$ 8,550,211
6,675,775	3,677,833	4,532,348	3,070,691	4,751,669	3,970,814
411,846	664,680	1,313,711	1,498,870	1,008,637	1,430,227
6,033,689	8,557,650	7,892,040	7,780,220	11,052,122	14,088,686
1,300,477	-	-	-	-	-
1,047,026	603,098	746,845	413,886	1,486,114	1,056,423
21,823,509	19,829,546	21,276,537	19,077,139	27,358,151	29,096,361
4,270,088	2,106,780	407,443	207,154	240,385	336,931
98,782,093	106,867,838	101,434,649	120,583,069	128,797,124	138,776,422
(28,588)	17,598	-	11,028	(1,059,636)	(127,086)
1,206,312	319,170	72,774	80,746	88,709	102,990
104,229,905	109,311,386	101,914,866	120,881,997	128,066,582	139,089,257
126,053,414	129,140,932	123,191,403	139,959,136	155,424,733	168,185,618
13,849,005	16,544,495	14,530,703	13,224,267	15,996,726	19,021,245
4,259,820	5,278,056	5,441,608	5,414,506	5,427,906	5,398,935
1,918,641	1,948,935	1,357,256	5,244,483	7,445,010	8,249,662
1,107,108	1,281,698	1,255,953	1,116,622	1,246,862	1,515,684
1,173,598	3,216,882	2,784,096	3,310,355	2,799,552	2,629,337
5,394,458	6,202,122	4,253,411	4,619,506	6,209,407	9,325,541
29,844,812	38,023,853	35,795,575	32,531,535	36,402,218	40,413,230
57,547,442	72,496,041	65,418,602	65,461,274	75,527,681	86,553,634
20,197,976	19,353,144	34,129,715	48,649,587	48,878,681	51,007,964
-	16,371,000	-	-	-	-
7,736,800	7,970,491	7,780,503	9,191,660	9,035,902	9,105,000
10,539,932	7,795,422	5,313,734	4,940,000	5,260,000	5,200,000
2,986,823	3,479,845	526,947	-	705,894	450,000
-	-	-	-	-	-
18,542,245	18,542,245	-	-	-	-
60,003,776	73,512,147	47,750,899	62,781,247	63,880,477	65,762,964
117,551,218	146,008,188	113,169,501	128,242,521	139,408,158	152,316,598
-	103,312,031	622,095	6,892,503	14,278,375	812,137
$ 8,502,196	$ 86,444,775	$ 10,643,997	$ 18,609,118	$ 30,294,950	$ 16,681,157

Table III

Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years

	2003	2004	2005	2006
Number of Events				
Entertainment	11	13	9	10
Trade Shows	13	20	17	20
Local, Business and Social	209	213	179	185
State Convention Business	46	59	71	71
National Convention Business	33	37	28	38
Sporting Events	33	30	34	40
Total Number of Events	345	372	338	364
Event Days				
Entertainment	11	13	9	12
Trade Shows	35	51	48	50
Local, Business and Social	306	290	251	237
State Convention Business	99	122	132	139
National Convention Business	131	131	95	131
Sporting Events	49	48	52	54
Total Event Days	631	655	587	623
Attendance				
Entertainment	59,412	66,186	59,404	47,548
Trade Shows	119,187	121,170	110,343	141,118
Local, Business and Social	156,992	151,175	137,768	122,689
State Convention Business	54,972	87,932	83,912	87,482
National Convention Business	340,078	372,568	353,930	298,994
Sporting Events	820,026	792,442	918,434	905,908
Total Attendance	1,550,667	1,591,473	1,663,791	1,603,739

Source: Sales Office - Capital Improvement Board of Managers.

2007	2008	2009	2010	2011	2012
8	12	12	10	5	6
21	22	18	15	19	19
238	308	163	174	148	130
64	83	72	79	84	74
34	42	69	43	83	85
45	47	67	62	101	97
410	514	401	383	440	411
8	15	17	15	7	8
48	54	45	39	47	66
348	401	192	206	175	163
118	139	126	137	129	118
113	130	182	123	216	270
66	78	103	92	155	149
701	817	665	612	729	774
49,380	127,078	155,346	93,344	11,886	52,709
117,177	102,289	85,449	160,239	168,136	652,201
204,449	248,436	83,716	77,008	71,640	57,067
92,685	85,516	126,368	85,331	66,408	69,687
293,984	317,815	333,576	303,882	468,324	413,477
936,939	1,044,627	1,080,090	1,103,387	1,222,636	1,196,333
1,694,614	1,925,761	1,864,545	1,823,191	2,009,030	2,441,474

Table IV

Capital Improvement Board of Managers
Largest Customers
Current Year

	December 31, 2012							
	Rental Income		Labor Reimbursements		Food Service Commissions [1]		Total	
	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total
Customer 1	$ -	0.00%	$ 2,472,405	17.55%	$ -	0.00%	$ 2,472,405	9.47%
Customer 2	250,000	3.11%	922,715	6.55%	-	0.00%	1,172,715	4.49%
Customer 3	510,497	6.34%	531,344	3.77%	111,219	2.80%	1,153,060	4.42%
Customer 4	467,408	5.81%	363,253	2.58%	80,760	2.04%	911,421	3.49%
Customer 5	273,681	3.40%	378,362	2.68%	61,845	1.56%	713,888	2.73%
Customer 6	13,281	0.16%	349,620	2.48%	239,606	6.04%	602,507	2.31%
Customer 7	181,117	2.25%	303,340	2.15%	59,734	1.50%	544,191	2.09%
Customer 8	228,071	2.83%	67,064	0.48%	167,256	4.21%	462,391	1.77%
Customer 9	147,899	1.84%	190,099	1.35%	75,547	1.90%	413,545	1.58%
Customer 10	127,207	1.58%	146,246	1.04%	137,578	3.46%	411,031	1.57%
Subtotal	2,199,161	27.32%	5,724,448	40.63%	933,545	23.51%	8,857,154	33.92%
Balance from other customers	5,851,050	72.68%	8,364,238	59.37%	3,037,269	76.49%	17,252,557	66.08%
	$ 8,050,211	100.00%	$ 14,088,686	100.00%	$ 3,970,814	100.00%	$ 26,109,711	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 2003 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Base Rent (Per Net Square Foot [1]):										
One to Four Open Days	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.80	$ 0.85	$ 0.90	$ 0.95	$ 0.98
Five to Seven Open Days	0.80	0.80	0.80	0.80	0.80	0.85	0.90	0.95	1.00	1.03
After Seven Days - ICC	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.05
After Seven Days - LOS	-	-	-	-	-	0.97	1.02	1.07	1.07	1.15

[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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.04	$ 0.04	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
RCA Dome	0.11	0.11	0.13	0.13	0.13	-	-	-	-	-
Sagamore Ballrooms	0.11	0.11	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16
Wabash Ballrooms	0.10	0.10	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16
500 Ballroom	0.07	0.07	0.11	0.11	0.11	0.11	0.11	0.11	0.15	0.15
White River Ballroom	0.11	0.11	0.10	0.10	0.10	-	-	-	-	-
Meeting Rooms [1]	0.10	0.10	0.13	0.13	0.13	0.12	0.12	0.12	0.16	0.17
Non-Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.06	$ 0.06	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07
RCA Dome	0.14	0.14	0.16	0.16	0.16	-	-	-	-	-
Sagamore Ballrooms	0.14	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.20
Wabash Ballrooms	0.14	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18
500 Ballroom	0.10	0.10	0.12	0.12	0.12	0.12	0.12	0.12	0.18	0.18
White River Ballroom	0.13	0.13	0.11	0.11	0.11	-	-	-	-	-
Meeting Rooms [1]	0.13	0.13	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.17
Lucas Oil Stadium										
Base Rent (Per Gross Square Footage):										
Stadium	$ -	$ -	$ -	$ -	$ -	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.24
Halls	-	-	-	-	-	0.05	0.05	0.05	0.05	0.05
Meeting Rooms	-	-	-	-	-	0.16	0.27	0.27	0.27	0.27
Party Plazas	-	-	-	-	-	0.38	0.18	0.18	0.18	0.18
Club Lounges	-	-	-	-	-	0.34	0.06	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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Position:										
Carpenters [2]	$ 27.65	$ 29.41	$ 30.41	$ 31.16	$ 31.76	$ 32.99	$ 32.99	$ 33.47	$ 34.44	$ 35.12
Painters [2]	25.89	27.53	28.47	29.16	29.72	30.87	30.87	31.32	32.23	32.86
Electricians [2]	30.09	32.03	33.11	33.92	34.59	35.93	35.93	36.45	37.52	38.25
Stagehands (House) [2]	28.85	29.80	30.72	31.48	32.10	33.38	34.52	35.54	36.55	37.20
Stagehands (Call In) [2]	28.85	29.80	30.72	31.48	32.10	33.38	34.52	35.54	36.55	37.20
Welders and Pipefitters 1	30.36	30.69	31.42	32.14	33.35	34.94	35.99	35.99	38.53	39.29
Housekeeping [1]	18.18	18.82	19.43	20.00	20.50	20.90	21.53	21.53	21.53	21.96
Set-up [1]	18.18	18.82	19.43	20.00	20.50	20.90	21.53	21.53	21.53	21.96
Change-Over Labor [2]	25.00	25.00	25.00	26.00	26.00	28.00	28.00	28.00	28.00	28.00
Riggers [2]	40.00	41.14	42.53	43.54	44.35	46.12	47.62	48.98	50.50	51.26
Rent-A-Buddy [2]	-	20.00	20.00	20.00	20.00	28.00	28.00	28.00	28.00	28.00
Ticket Sellers [2]	16.60	17.51	18.03	18.03	18.03	18.57	18.57	18.57	18.57	19.13
Assistant Treasurer/Treasurer [2]	18.90	19.94	20.53	21.15	21.78	22.43	22.43	22.43	22.43	23.10
Fire Marshalls [1]	16.88	17.50	17.50	17.50	17.50	17.50	17.50	17.56	17.50	17.50
Telecommunications	-	-	-	-	-	-	28.03	28.44	29.26	29.84
Part-Time Teamsters [1]:										
Expo Workers	19.69	20.38	21.09	-	-	-	-	-	-	-
Housekeeping	11.84	12.50	12.71	12.96	13.15	13.35	13.75	13.75	13.75	13.89
Set-Up	11.84	12.50	12.71	12.96	13.15	13.35	13.75	13.75	13.75	13.89
Installation and Dismantling	21.00	21.75	24.50	-	-	-	-	-	-	-
Installation and Dismantling (Advance Rate)	-	-	-	24.50	25.35	26.00	26.65	26.65	27.05	27.50
Installation and Dismantling (Show Rate)	-	-	-	29.50	30.50	31.25	32.00	32.00	32.50	33.00

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

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

Table VIII

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

	Revenues	Expenses	CIB Commission[1]	CIB Profit [2]	Total
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
2012	14,474,034	10,503,220	-	3,970,814	3,970,814

[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.

[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
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	1.34%
2008	33,759,000	24,570,000	66,946,403	931,455,268	16,371,000	1,073,101,671	557	624	1.56%
2009	33,759,000	23,190,000	185,038,966	926,049,285	9,000,000	1,177,037,251	631	675	1.78%
2010	33,759,000	21,745,000	265,535,629	900,730,275	18,000,000	1,239,769,904	680	706	1.81%
2011	33,759,000	20,235,000	-	1,152,047,761	18,000,000	1,224,041,761	609	688	1.70%
2012	33,759,000	18,655,000	-	1,143,268,830	18,000,000	1,213,682,830	497	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 were completed and the related lease payments for the facilities began, the related obligations were reclassified as capital lease obligations.

[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

	2003	2004	2005 [1]	2006
Innkeeper's Tax (5%)	$ 16,051,948	$ 17,483,328	$ 17,176,553	$ 19,164,522
Innkeeper's Tax (1%)	3,210,390	3,496,666	3,435,311	3,832,904
Food and Beverage Tax (1%)	15,617,516	17,567,107	16,959,958	18,649,983
Admissions Tax (5%)	4,541,774	4,968,613	5,434,476	5,015,698
Auto Rental Excise Tax (2%)	1,849,856	1,739,924	1,850,410	2,066,784
Cigarette Tax	350,000	350,000	350,000	350,000
PSDA Allocation	6,452,932	5,696,189	5,257,272	7,351,193
Total Original Excise Taxes and Original PSDA Revenues	48,074,416	51,301,827	50,463,980	56,431,084
Innkeeper's Tax (3%)	-	-	4,577,005	11,046,858
Food and Beverage Tax (1%)	-	-	7,389,454	18,044,932
Admissions Tax (1%)	-	-	457,580	1,003,140
Auto Rental Excise Tax (2%)	-	-	846,239	2,065,332
PSDA Allocation [2]	-	-	-	-
Regional Food and Beverage Tax (.5%)	-	-	1,561,027	4,673,376
Total 2005 New Tax Revenues and 2005 PSDA Revenues	-	-	14,831,305	36,833,638
Innkeeper's Tax (1%) [3]	-	-	-	-
PSDA Allocation [3]	-	-	-	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	-	-	-	-
Specialty License Plate Fees	-	-	-	247,340
Interlocal Agreement Funding	-	-	-	-
Total State and Local Taxes and Other Assistance	$ 48,074,416	$ 51,301,827	$ 65,295,285	$ 93,512,062

[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.

2007	2008	2009	2010	2011	2012
$ 19,716,399	$ 19,345,115	$ 16,586,647	$ 16,897,910	$ 20,058,708	$ 22,594,512
3,943,280	3,869,023	3,317,330	3,379,581	4,011,742	4,518,902
18,499,125	18,302,507	17,245,791	18,114,074	19,456,828	21,363,190
5,689,486	5,572,962	6,045,410	6,196,366	4,944,580	6,537,019
2,163,710	2,137,402	1,890,765	2,000,674	2,051,253	2,349,515
350,000	350,000	350,000	350,000	350,000	350,000
6,562,676	7,273,513	8,150,302	11,053,696	7,691,826	7,212,774
56,924,676	56,850,522	53,586,245	57,992,301	58,564,937	64,925,912
11,829,839	11,607,069	9,951,988	10,138,743	12,035,225	13,556,707
18,499,124	18,302,508	17,245,791	18,114,075	19,456,828	21,363,190
1,137,897	1,114,592	1,209,082	1,239,273	988,916	1,307,404
2,163,710	2,137,402	1,890,765	2,000,674	2,051,253	2,349,515
2,413,605	10,839,606	7,202,432	6,020,354	7,444,361	8,544,320
5,024,380	5,108,824	5,086,286	4,952,111	5,387,617	5,193,634
41,068,555	49,110,001	42,586,344	42,465,230	47,364,200	52,314,770
-	-	843,325	3,379,581	4,011,742	4,518,902
-	-	3,582,035	7,844,077	9,959,285	8,270,978
-	-	4,425,360	11,223,658	13,971,027	12,789,880
788,862	907,315	836,700	901,880	896,960	745,860
-	-	-	8,000,000	8,000,000	8,000,000
$ 98,782,093	$ 106,867,838	$ 101,434,649	$ 120,583,069	$ 128,797,124	$ 138,776,422

Table XI

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

	2003	2004	2005	2006
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	$ 16,051,948	$ 17,483,328	$ 17,176,553	$ 19,164,522
Innkeeper's Tax (1%)	3,210,390	3,496,666	3,435,311	3,832,904
Food and Beverage Tax (1%)	15,617,516	17,567,107	16,959,958	18,649,983
Admissions Tax (5%)	4,541,774	4,968,613	5,434,476	5,015,698
Auto Rental Excise Tax (2%)	1,849,856	1,739,924	1,850,410	2,066,784
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	41,621,484	45,605,638	45,206,708	49,079,891
Disbursements - Senior Lease Rental Obligations [1]				
1991 and 1993 Leases	(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	(2,723,470)	(3,589,560)	(4,624,000)	(4,846,705)
2003 Lease	(1,651,701)	(3,794,113)	(5,293,750)	(6,271,000)
2011 Lease	-	-	-	-
2012 Lease	-	-	-	-
Total Disbursements - Senior Lease Rental Obligations	(9,566,965)	(9,435,673)	(11,969,750)	(13,169,705)
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	32,054,519	36,169,965	33,236,958	35,910,186
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt				
PSDA Allocation	6,452,932	5,696,189	5,257,272	7,351,193
Disbursements - Subordinate Lease Rental Obligations and Other Debt [1]				
1997 Lease	(12,957,000)	(13,176,000)	(13,416,500)	(13,675,000)
1999 Subordinate Bonds/Notes	(4,604,638)	(4,684,888)	(4,766,763)	(4,827,638)
Junior Subordinate Notes and Lease Obligations	(40,790)	(58,352)	(63,988)	(72,881)
2011 Lease	-	-	-	-
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	(17,602,428)	(17,919,240)	(18,247,251)	(18,575,519)
Excess Available for CIB Operations	$ 20,905,023	$ 23,946,914	$ 20,246,979	$ 24,685,860
Coverage Ratio - Senior Obligations	4.35	4.83	3.78	3.73
Coverage Ratios - Senior and Subordinate Obligations [2]	1.77	1.88	1.67	1.78

[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.

2007	2008	2009	2010	2011	2012
$ 19,716,399	$ 19,345,115	$ 16,586,647	$ 16,897,910	$ 20,058,708	$ 22,594,512
3,943,280	3,869,023	3,317,330	3,379,581	4,011,742	4,518,902
18,499,125	18,302,507	17,245,791	18,114,074	19,456,828	21,363,190
5,689,486	5,572,962	6,045,410	6,196,366	4,944,580	6,537,019
2,163,710	2,137,402	1,890,765	2,000,674	2,051,253	2,349,515
350,000	350,000	350,000	350,000	350,000	350,000
50,362,000	49,577,009	45,435,943	46,938,605	50,873,111	57,713,138
-	-	-	-	-	-
(1,006,000)	(1,006,000)	(1,997,800)	(1,006,000)	(1,006,000)	(1,006,000)
(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(523,000)	-
(4,845,706)	(4,844,281)	(4,844,740)	(4,846,490)	(2,424,023)	-
(6,272,000)	(6,273,250)	(6,273,000)	(6,271,250)	(6,271,750)	(4,281,805)
-	-	-	-	(1,399,679)	(4,225,282)
-	-	-	-	-	(500,219)
(13,169,706)	(13,169,531)	(14,161,540)	(13,169,740)	(11,624,452)	(10,013,306)
37,192,294	36,407,478	31,274,403	33,768,865	39,248,659	47,699,832
6,562,676	7,273,513	8,150,302	11,053,696	7,691,826	7,212,774
(13,934,000)	(14,213,000)	(14,502,500)	(14,775,500)	(7,453,000)	-
(4,877,763)	(4,922,013)	(2,555,338)	(2,555,872)	(2,185,556)	(991,400)
(85,812)	(562,425)	[3] (50,301)	(46,250)	(24,306)	(31,058)
-	-	-	-	(2,989,100)	(9,098,125)
(18,897,575)	(19,697,438)	(17,108,139)	(17,377,622)	(12,651,962)	(10,120,583)
$ 24,857,395	$ 23,983,553	$ 22,316,566	$ 27,444,939	$ 34,288,523	$ 44,792,023
3.82	3.76	3.21	3.56	4.38	5.76
1.78	1.76	1.72	1.90	2.41	3.23

Table XI, continued

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

	2009	2010	2011	2012
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations				
Innkeeper's Tax (3%)	$ 9,951,988	$ 10,138,743	$ 12,035,225	$ 13,556,707
Marion County Food and Beverage Tax (1%)	17,245,791	18,114,075	19,456,828	21,363,190
Regional Food and Beverage Tax (.5%)	5,086,286	4,952,111	5,387,617	5,193,634
Admissions Tax (1%)	1,209,082	1,239,273	988,916	1,307,404
Auto Rental Excise Tax (2%)	1,890,765	2,000,674	2,051,253	2,349,515
PSDA Tax Allocation	7,202,432	6,020,354	7,444,361	8,544,320
Colts License Plate Fees	836,700	901,880	896,960	745,860
	43,423,044	43,367,110	48,261,160	53,060,630
Disbursements - Sublease Rental Obligations [2]				
Stadium Sublease Agreement	(20,000,000)	(41,000,000)	(39,077,337)	(35,827,338)
Convention Center Sublease Agreement	-	-	(4,501,609)	(9,588,640)
	(20,000,000)	(41,000,000)	(43,578,946)	(45,415,978)
2005 New Tax Revenues in Excess of Sublease Rental Obligations [1]	$ 23,423,044	$ 2,367,110	$ 4,682,214	$ 7,644,652
Coverage Ratio - Sublease Rental Obligations	2.17	1.06	1.11	1.17

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

[2] - Sublease Rental Obligation payments are gross and do not take into account amounts paid from capitalized interest or any other sources. 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**
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	38,338	4.4%
2007	1,697,656	65,848	38,841	3.9%
2008	1,720,796	68,703	39,297	6.7%
2009	1,743,658	65,993	37,887	8.4%
2010	1,756,241	68,429	38,862	8.4%
2011	1,778,568	72,161	40,572	8.2%
2012	n/a	n/a	n/a	8.0%

[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

	2012	
Employer Name	**Employees**	**% of Total**
I.U. Health	20,292	2.25%
St. Vincent Hospitals & Health Service	11,075	1.23%
Eli Lilly and Company	10,500	1.16%
Wal-Mart	9,000	1.00%
Marsh Supermarkets	8,890	0.99%
Community Health Network	8,100	0.90%
FedEx Express	6,000	0.67%
Franciscan St. Francis Health	5,576	0.62%
WellPoint	4,500	0.50%
Rolls-Royce	4,100	0.45%
AT&T	4,000	0.44%
Chase	3,810	0.42%
Roche Diagnostics	3,000	0.33%
	98,843	10.96%

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

Note: Information for 2003 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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Position:										
Carpenters	3	5	3	3	3	4	4	4	4	8
Electricians	23	23	24	21	17	20	16	13	15	20
Grounds	3	3	3	3	3	5	5	5	5	5
Housekeeping	60	61	82	67	62	64	51	40	37	33
Pipefitters	15	14	13	12	12	15	14	14	14	14
Painters	3	3	3	3	3	3	3	3	3	3
Sound and lighting	8	8	8	8	8	10	23	24	33	31
Set-up	37	49	46	31	25	27	23	15	14	13
Installation and dismantling	13	15	11	7	7	6	5	6	8	10
Box office	4	4	4	3	3	4	4	4	4	6
Administrative	65	64	69	64	69	76	61	65	69	76
Miscellaneous clerical	5	5	5	4	5	7	3	4	6	7
Telecommunications	-	-	-	-	-	2	3	4	6	5
Fire Marshals	-	-	-	-	-	1	-	-	-	-
Guest services	-	-	-	-	-	2	4	4	4	4
Total Full-Time Equivalent Employees	239	254	271	226	217	246	219	205	222	235

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	2003 Event Occupancy	2003 Total Occupancy	2004 Event Occupancy	2004 Total Occupancy
Exhibit Halls				
Hall A	29.9%	63.6%	33.3%	66.4%
Hall B	33.7%	71.0%	35.8%	72.4%
Hall C	34.0%	73.7%	37.7%	78.1%
Hall D	31.8%	69.0%	35.0%	73.5%
Hall E	33.2%	69.6%	36.6%	76.0%
Hall F	29.3%	57.5%	30.6%	60.4%
Hall G	26.6%	51.8%	30.3%	59.3%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	15.3%	41.4%	18.6%	40.2%
Ballrooms				
500 Ballroom	38.9%	50.7%	37.2%	51.9%
White River Ballroom	28.5%	42.5%	34.7%	48.9%
Sagamore Ballrooms [2]	39.2%	56.1%	39.3%	57.8%
Wabash Ballrooms [2]	40.5%	56.5%	40.3%	57.3%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

Venue	2008 Event Occupancy	2008 Total Occupancy	2009 Event Occupancy	2009 Total Occupancy
Exhibit Halls				
Hall A	30.3%	66.1%	30.1%	63.1%
Hall B	31.4%	66.7%	34.4%	68.9%
Hall C	32.2%	68.9%	31.7%	67.5%
Hall D	32.8%	67.2%	33.3%	68.3%
Hall E	29.2%	64.5%	26.2%	63.1%
Hall F	18.9%	41.0%	18.3%	39.1%
Hall G	17.8%	39.1%	15.6%	36.9%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	18.1%	44.8%	-	-
Ballrooms				
500 Ballroom	38.3%	50.8%	30.3%	43.7%
White River Ballroom	26.7%	34.3%	-	-
Sagamore Ballrooms [2]	40.6%	56.9%	36.0%	50.2%
Wabash Ballrooms [2]	38.6%	52.8%	35.9%	47.9%
Lucas Oil Stadium				
Stadium	32.2%	54.5%	39.2%	88.1%
Exhibit Halls [2]	22.0%	36.0%	32.6%	71.3%
Quarterback Club	28.0%	28.0%	33.6%	44.8%
Lounges [2]	24.5%	35.7%	33.3%	62.2%
Concourse	33.6%	46.2%	39.2%	76.2%
North Terrace	15.4%	26.6%	19.6%	49.7%

[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.

2005		2006		2007	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
33.4%	67.9%	33.4%	61.9%	30.1%	60.5%
33.4%	69.3%	35.3%	65.5%	31.5%	63.8%
35.6%	70.7%	30.7%	59.5%	31.8%	63.8%
34.2%	70.4%	29.9%	58.4%	29.9%	61.4%
32.9%	66.8%	28.5%	55.1%	29.9%	61.1%
31.5%	64.9%	29.3%	54.8%	31.5%	58.1%
31.8%	65.2%	27.9%	51.0%	25.5%	52.3%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18.4%	53.2%	18.9%	43.8%	20.5%	42.2%
35.9%	50.4%	34.2%	48.5%	36.4%	50.4%
28.8%	43.6%	27.9%	41.6%	29.9%	41.1%
39.3%	60.0%	41.2%	56.6%	38.0%	55.3%
36.7%	56.3%	37.0%	51.6%	34.2%	49.7%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

2010		2011		2012	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
29.3%	58.1%	31.2%	65.8%	25.7%	57.7%
29.0%	58.6%	28.8%	64.1%	29.5%	64.8%
29.6%	62.2%	26.0%	62.2%	23.5%	59.6%
31.5%	62.7%	30.7%	66.8%	27.3%	63.7%
27.9%	60.8%	25.5%	61.4%	26.8%	61.2%
20.0%	41.9%	23.0%	53.7%	28.4%	63.7%
14.2%	32.9%	21.1%	51.5%	21.3%	54.4%
-	-	18.5%	45.7%	23.5%	55.5%
-	-	19.7%	47.4%	25.7%	60.1%
-	-	23.4%	52.0%	29.5%	63.4%
-	-	19.9%	47.7%	23.2%	56.6%
-	-	-	-	-	-
22.7%	42.5%	30.7%	39.7%	33.6%	49.7%
-	-	-	-	-	-
23.7%	45.9%	31.6%	45.2%	32.2%	51.0%
23.2%	39.6%	39.8%	48.2%	30.8%	44.6%
16.2%	36.2%	18.4%	31.8%	17.3%	40.3%
14.9%	28.1%	14.1%	26.8%	14.2%	35.7%
18.9%	22.7%	12.1%	13.9%	14.6%	26.1%
14.7%	23.9%	13.4%	18.9%	14.4%	31.1%
18.4%	31.0%	19.2%	28.8%	18.1%	39.5%
-	-	-	-	-	-