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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 Years Ended December 31, 2013 and 2012

FILED
06/24/2014

Comprehensive Annual Financial Report

Fiscal Years Ended December 31, 2013 and 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, 2013 and 2012

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Introductory Section

May 31, 2014

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, 2013.

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 important drivers to the economic vitality of the strong and growing convention, cultural, entertainment and recreational businesses (public and private) serving the public and civic interests of the State of Indiana and particularly the central Indiana region. The public and civic interests 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. The overall adopted budget of the City (of which the CIB's budget is a part), is reviewed and certified by the Indiana Department of Local Government Finance ("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, 139 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. LOS is connected to the 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, 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 been recognized as the "Best Minor League Ballpark in America" by prominent publications such as *Baseball America* and *Sports Illustrated.* 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 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.

Major Initiatives of the CIB: The Indiana Convention Center & Lucas Oil Stadium are excellent venues that have hosted very diverse groups - Super Bowl XLVI® and NFL Experience, NCAA® Men’s and Women’s Final Four® Basketball Championships, North American Christian Annual Convention, National FFA Organization Convention, Indiana Black Expo and VFW Annual National Convention. Groups leading the Top 20 Conventions, based on direct visitor spending for 2013, include Gen Con LLC, Performance Racing Industry Show, Church of the Nazarene, Fire Department Instructors Conference, Nike Mideast Qualifier (Volleyball), Shriners International, Do It Best Corporation, JAMfest Super Nationals, Big Ten Football Championship, Drum Corps International and NCAA® Division 1 Men’s Midwest Regional Basketball Championship.

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

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

United Rentals, Inc., American Football Coaches Association Annual Convention, 2014 Monster Jam, JAMfest Cheer Super Nationals, 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, National Rifle Association of America Annual Meeting/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 Association Annual Scientific Conference, Music For All Grand National Championship, Percussive Arts Society International Convention, Circle City Classic, Big Ten Football Championship Game, Big Ten Football Fanfest, SEMA/PRI Show and Indianapolis Colts Football.

Major Events for 2015

Stanley Black & Decker, Inc. IAR National Sales Meeting, M-PACT, Door & Hardware Institute DHI CoNEXTions, 2015 USA Gymnastics National Championships, National Funeral Directors Association Annual Convention, Archery Trade Association Annual Trade Show, Circle of Stars Gymnastics Invitational, American Physical Therapy Association Combined Sections Meeting, National Truck Equipment Association National Convention & Expo, International Door Association/ International Garage Expo, Fire Department Instructors Conference, Do it Best May and October Markets, Subaru of America National Business Conference, American College Veterinary Internal Medicine Annual Conference, Pokémon U.S. National Championships, National Association of College & University Food Services, Enlisted Association of National Guard of United States Annual Conference, American Correctional Association 2015 Winter Conference, P.E.O. Sisterhood Biennial Fall Convention, American Society for Healthcare Risk Management Annual Convention, Big Ten Football Championship, Big Ten FANFEST, Monster Jam, Pumper & Cleaner Environmental Expo, NetVU Annual National Conference 2015, NCAA Men's Final Four, NABC Annual March National Convention, NCAA Men's Bracket Town, Kiwanis International Convention, Benevolent & Protective Order of Elks National Convention, AME Women's Missionary Society & Young People's Convention, Gen Con "The Best Four Days in Gaming", Indiana Black Expo 2015 Summer Celebration, Music For All Grand National Championship, DCI World Championships, EDUCAUSE Annual Conference, National Federation for Catholic Youth Ministry Conference, SEMA/PRI Show and Indianapolis Colts Football.

Economic Condition

State and Local Economy: Indiana's business environment consistently ranks near the top in both the Midwest and nationally when measured by national indexes and publications. In 2012, Indiana was ranked 1st in the Midwest and 11th nationally in the Tax Foundation's Business Climate Index. *Area Development* magazine ranked Indiana 1st in the Midwest and 5th nationally in its "Top States for Doing Business" study, while *Chief Executive* magazine ranked Indiana 1st in the Midwest and 6th nationally in its "Best and Worst States" survey. In 2012, Indiana's Real GDP growth outpaced all but seven states. Indiana's performance in several key industries illustrates the strength of its economy.

Indiana Life Sciences: 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's life sciences industry delivers a $55 billion impact to the state's economy and exported more than $9.7 billion in life sciences products in 2012 - the second largest of any state in the country. Indiana is home to more than 1,900 companies in the medical device, pharmaceutical, research and testing, biologistics and agriculture-biotech sectors. The State has long been a world leader in life sciences and is home to industry giants Biomet, Cook Medical, DePuy Orthopaedics, Dow AgroSciences, Eli Lilly and Company, WellPoint, Zimmer, and the North American headquarters of Roche Diagnostics. Beckman Coulter, Boston Scientific, Covance, and Mead Johnson also have major operations located within the State. 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.

In 2013, the Indiana Biosciences Research institute (IBRI) was created and is the first industry-led collaborative life sciences research institute in the country. IBRI will secure Indiana as a premier destination for life sciences research, development and growth.

Information Technology: In 2013, Forbes ranked Indianapolis 9th among major metropolitan areas for growth in technology sector jobs. From 2001-13, technology industry jobs grew by 50.4% in the Indianapolis metropolitan area.

In order to grow opportunities in the technology sector, Indiana offers a state Research and Development tax credit for companies that applies to laboratory equipment, computers, computer software and telecommunications equipment. In addition, the State's Telecommunications Reform Act has led to major new investments in broadband and fiber optic networks across the state.

Indiana's statewide technology trade group, Techpoint, promotes technology-based enterprise and economic development through lobbying and government advocacy, educational and networking programs, and strategic economic development initiatives.

High-tech companies are leveraging Indiana's world class universities, state of the art communications infrastructure and well-educated workforce to compete in the global marketplace. The State is home to many technology businesses such as Hurco Companies, Inc., ChaCha, Sony Digital Audio, Hitachi, ExactTarget, Angie's List and Interactive Intelligence.

Advanced Manufacturing: Indiana's manufacturing sector generates $84.2 billion in economic output and the State ranks second in the number of manufacturing jobs added since 2009. Indiana is home to the second largest motor vehicle industry in the nation, so 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.

Motorsports: Motorsports companies have also developed a clear industry cluster in the region. With more race tracks per capita than any other state, Indiana's racing industry is made up of over 1,600 businesses with over 12,000 employees and generates over $3 billion in revenue annually. 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.

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 100^{th} 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. In 2014, Indianapolis will host the Indianapolis 500, the Brickyard 400, the inaugural running of the Grand Prix of Indianapolis, and the Red Bull Indianapolis GP.

Energy, National Defense and Security, and Agriculture: Indiana is the third-fastest growing state in wind energy capacity, ranking 11th in the nation. Between 2009 and 2010, the State increased its wind capacity 10-fold. In addition, Indiana is already the 8th-largest biogas producer in the country and, as of 2010, was producing 20,345 megawatt-hours of energy.

Indiana leverages existing defense-related assets such as the Camp Atterbury-Muscatatuck Center for Complex Operation, Grissom Air Reserve Base, and Crane Naval Surface Warfare Center to provide opportunity and support for defense and national security industries.

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.

Airport: In addition to the various industries that create jobs, the Indianapolis Airport Authority has been a key player in economic growth to the area and has an estimated annual economic impact of \$4.5 billion dollars. In 2013, the Indianapolis International Airport (IND) served 7.2 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 2013, 1.1 million tons of cargo were transported through this facility. On average, there were 41 daily commercial cargo and 136 daily commercial passenger departures. In addition to 34 passenger nonstop locations, there are 43 additional direct destinations from IND.

Key business partners include 10 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, Rolls Royce, 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.

Indianapolis as a Destination

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.

Indianapolis is the nation's 13th largest city. According to the U.S. Census Bureau's Statistics for 2012, the estimated population of Marion County is 918,977 and 1,798,634 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. Indianapolis was recently ranked 3rd in the nation for Best Downtown by Livability.com. 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.

An urban cycling model has expanded in Indianapolis with the eight-mile Indy Cultural Trail. The path connects five downtown neighborhoods, including Fountain Square, to top downtown sites including the Capitol Building, City Market and White River State Park, a 250-acre park that hosts the Indianapolis Zoo and other major attractions. The Indy Cultural Trail joins the 18.5 mile Monon Trail, as well as 74 miles of on-street bike lanes, to expand commuter and recreational routes throughout the city. This expansion helped land Indianapolis on the New York Times list of 52 places in the world to visit in 2014.

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. Indianapolis recently won the distinction of Best Convention City by USA TODAY readers. 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, 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 research-driven brand strategy of Visit Indy, Inc. (Visit Indy), the official "destination marketing organization" for Indianapolis harnesses the positive connection visitors have of "Indy" compared to 'Indianapolis". Analysis has shown that "Indy" resonates with current and potential visitors and positions the city as hip, sophisticated, friendly and inviting. Visit Indy's brand promise is that visitors will have a safe, fun and uniquely Indy experience. Visit Indy's brand strategy highlights the destination's world-class infrastructure, including the Indiana Convention Center, Lucas Oil Stadium, Bankers Life Fieldhouse and Victory Field. 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. Over 4,700 hotel rooms are connected to the Indiana Convention Center and Lucas Oil Stadium, more than any other city in the country. Visit Indy is charged with maximizing the overall economic well-being of the region via conventions, meetings, events and leisure travel. The industry is powered by over 74,000 full-time equivalent dedicated service employees who help deliver an annual economic impact to Central Indiana of approximately $4.4 billion.

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, 2012. This was the 28th 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 L. Levengood

Augustus L. Levengood, Executive Director

Ann Lathrop

Ann Lathrop, President

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Improvement Board of Managers of Marion County Indiana

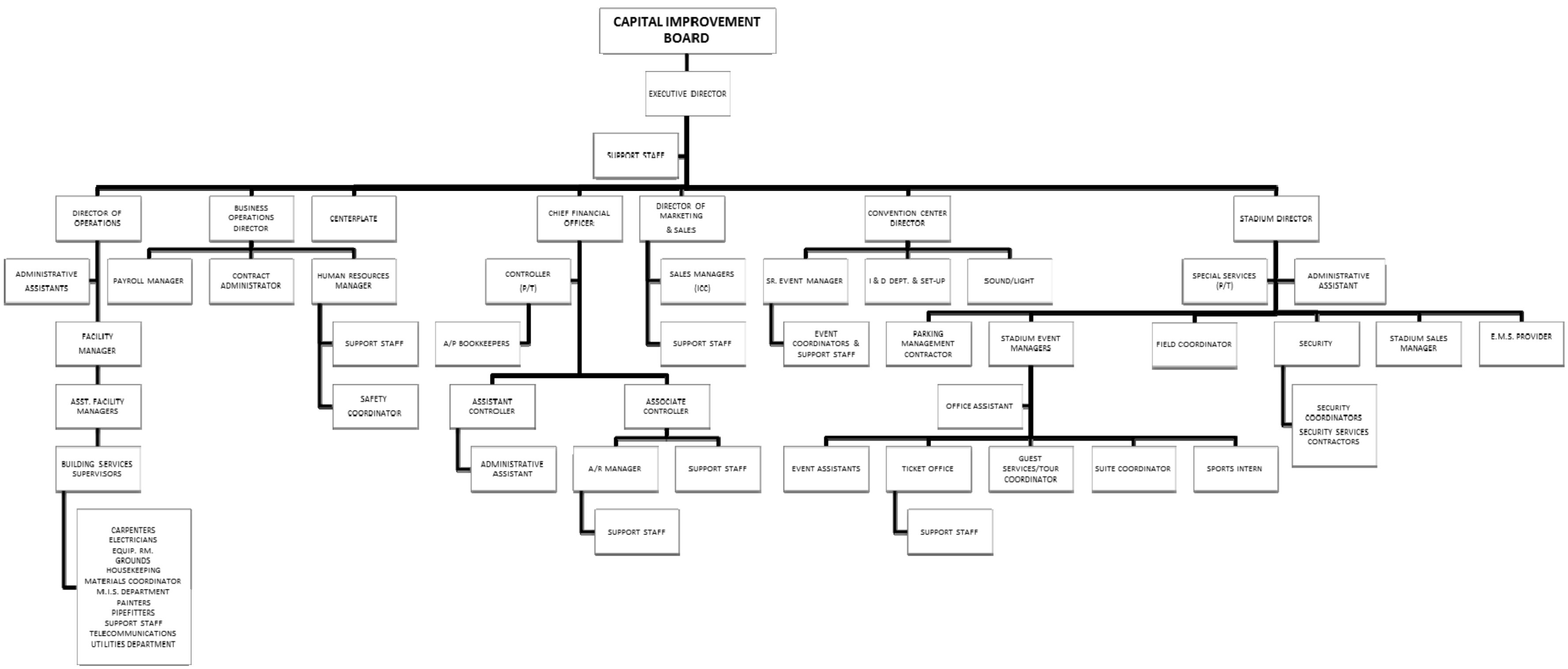
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2012

Jeffrey R. Emer

Executive Director/CEO

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 2013)

Name	Title	Term Ending	Years of Service	Occupation
Ann Lathrop	President	January 14, 2016	6	CPA, Crowe Horwath, LLP
David Shane	Treasurer	January 14, 2016	4	Retired President & CEO, LDI Ltd., LLC
Jim Dora, Jr.	Vice President	January 14, 2016	4	President & CEO, General Hotels Corporation
Douglas R. Brown	Secretary	January 14, 2016	13	Attorney, Bose McKinney & Evans LLP
Maggie Lewis	Member	January 14, 2016	2	City-County Council, District 7
Carolene Mays	Member	January 14, 2016	4	Commissioner, Indiana Utility Regulatory Commission
Milton O. Thompson	Member	January 14, 2016	3	Attorney, Bleeke Dillon Crandall
Brenda Myers	Member	January 14, 2016	4	Executive Director, Hamilton County Convention & Visitors Bureau
Jay K. Potesta	Member	January 14, 2016	13	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	23
Linda G. Addaman	Director of Marketing	18
Megan Ornellas	Chief Financial Officer	1
Patti Dean	Controller	4
Debbie Hennessey	Event Manager	1
Michael A. Fox	Stadium Director	29
Thomas L. Boyle	Director of Operations	19

Counsel to the Board

Bingham Greenebaum Doll, LLP
Indianapolis, Indiana

Financial
Section

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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 the Capital Improvement Board of Managers, a component unit of the Consolidated City of Indianapolis - Marion County, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Capital Improvement Board of Manager'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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 of Manager'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 opinion.

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 of Managers, as of December 31, 2013 and 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 an opinion on the financial statements that collectively comprise the Capital Improvement Board's basic financial statements. The accompanying Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses and Changes in Net Position, Analysis of Certain Operating Expenses, and Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses, and Changes in Net Position, and Analysis of Certain Operating Expenses 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 Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses, and Changes in Net Position, and Analysis of Certain Operating Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 it.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

May 15, 2014

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, 2013. 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, 2013:

- The CIB's financial position continued to improve in 2013. As was the case in 2012, the CIB ended 2013 with a positive net cash flow and an increase in operating cash balances. The CIB's 2014 budget anticipates meeting 2014 expenditures with budgeted revenues and cash reserves.
- The CIB experienced a decrease in *Total assets and deferred outflows of resources* of about $5.9 million, or .4% in 2013. *Current assets - restricted* increased by about $10.5 million primarily due to increases in the stadium and convention center sublease investment accounts, as well as, an increase in the receivable from the State of Indiana related to state and local taxes. *Current assets - unrestricted* increased about $20.7 million due to an increase in cash reserves, which was largely the result of tax receipts designated for operating purposes in excess of the 2013 cash outlay. *Capital assets* decreased by about $40.3 million. This represents depreciation expense, net of additions and disposals in 2013. *Other assets* increased $3.5 million related to loans and advances.
- *Total liabilities and deferred inflows of resources* decreased by about $22.8 million, or 1.8% in 2013. *Current liabilities* increased about $5.8 million in 2013 largely due to an increase in the current portion of long-term debt related to capital leases, while *Noncurrent liabilities* decreased about $27.1 million due to decreases in capital leases, and bonds and notes payable. *Deferred inflows of resources* decreased $1.5 million due to the amortization of these inflows related to bond refunding transactions.
- *Net position* increased by about $17.0 million, or 6.6% in 2013, primarily due to an increase in cash and investments, as well as a decrease in capital leases payable and a decrease in capital assets due to depreciation expense.

- *Operating revenues* increased by about $3.3 million, or 11.2% in 2013, primarily due to an increase in rental income and food service and concession income.
- *Nonoperating revenues* increased by about $4.2 million, or 3.0%. State and local taxes and other assistance increased by about $4.2 million due to the 2013 new tax revenues and fluctuations in the underlying activities from which all tax revenues are derived.
- *Operating expenses* in 2013 decreased by approximately $4.1 million, or 4.7%, in large part due to Super Bowl related expenses in 2012.
- *Nonoperating expenses* increased by about $11.6 million, or 17.6%. The largest part of this increase is due to $7.7 million in public safety support payments to the City of Indianapolis.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2013 and 2012:

- 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.

2013 to 2012 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2013 and 2012

	2013	2012 Restated	$ Variance	% Variance
Assets				
Current assets - unrestricted	$ 124,692	$ 103,996	$ 20,696	19.9 %
Current assets - restricted	95,814	85,361	10,453	12.2
Capital assets, net	1,229,230	1,269,525	(40,295)	(3.2)
Other assets	40,000	36,500	3,500	9.6
Total assets	1,489,736	1,495,382	(5,646)	(0.4)
Deferred Outflows of Resources	832	1,058	(226)	(21.4)
Total assets and deferred outflows of resources	$ 1,490,568	$ 1,496,440	$ (5,872)	(0.4)
Liabilities				
Current liabilities payable from unrestricted assets	$ 6,128	$ 6,767	$ (639)	(9.4)
Current liabilities payable from restricted assets	35,443	29,046	6,397	22.0
Noncurrent liabilities	1,164,240	1,191,293	(27,053)	(2.3)
Total liabilities	1,205,811	1,227,106	(21,295)	(1.7)
Deferred Inflows of Resources	11,580	13,126	(1,546)	(11.8)
Total liabilities and deferred inflows of resources	1,217,391	1,240,232	(22,841)	(1.8)
Net Position				
Net investment in capital assets	78,478	95,592	(17,114)	(17.9)
Restricted	89,459	80,316	9,143	11.4
Unrestricted	105,240	80,300	24,940	31.1
Total net position	273,177	256,208	16,969	6.6
Total liabilities, deferred inflows of resources and net position	$ 1,490,568	$ 1,496,440	$ (5,872)	(0.4)

Note: Dollars are in thousands.

The 2013 increase in *Current assets - unrestricted*, about $20.7 million, or 19.9 %, from the prior year is reflective of changes in the CIB's cash reserves and receivables. Cash and investments increased due to operating revenues and tax revenues available for operating purposes, in excess of operating expenses, including disbursements of operating loans and advances.

Current assets - restricted increased by about $10.5 million, or 12.2%, from the prior year, due to an increase in the stadium and convention center sublease investment accounts, as well as, an increase in the tax receivable.

Capital assets decreased by about $40.3 million, or 3.2%, from the prior year. This decrease is due to depreciation expense of approximately $40.5 million. In addition, the net book value of disposals exceeded capital additions by $.2 million.

The increase in *Other assets* of $3.5 million or 9.6% from 2012 to 2013 is due to the issuance of an additional $5 million note receivable to Pacers Basketball, LLC, less a $1.5 million decrease in other assets related to the Visit Indy contribution.

Deferred outflows of resources created from previous bond transactions decreased by $.23 million, or 21.4%, due to the amortization of losses on refunding.

Current liabilities payable from unrestricted assets decreased about $.64 million, or 9.4%, from the prior year. Accounts payable decreased by about $.81 million from the prior year and accrued interest payable increased by about $.15 million.

Current liabilities payable from restricted assets increased about $6.4 million, or 22.0%, from the prior year. Current portion of long-term debt and box office settlement funds increased by approximately $5.1 million and $1.6 million, respectively.

Noncurrent liabilities decreased by about $27.1 million, or 2.3%, from the prior year. The net decrease in noncurrent liabilities in 2013 is due to reductions of the capital lease obligations and other debt during the year.

Deferred inflows of resources created from previous bond transactions decreased by $1.5 million, or 11.8%, due to the amortization of gains on refunding.

Invested in Capital assets, net of related debt decreased about $17.1 million, or 17.9%, in 2013, as a result of depreciation expense in excess of both newly acquired capital assets and reductions of debt. *Restricted net position increased* about $9.1 million, or 11.4%, in 2013, as a result of an increase in cash equivalents held with fiscal agent of $6.2 million. This represents tax revenues received to be used to pay the CIB capital leases. There was also an increase in restricted taxes receivable of approximately $2.9 million. The approximate $24.9 million increase, or 31.1%, from the prior year in *Unrestricted net position* is primarily due to the continued increase of revenues available for operating purposes, including renewal and replacement expenditures.

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:

	2012 Restated	2011 Restated	$ Variance	% Variance
Assets				
Current assets - unrestricted	$ 103,996	$ 92,445	$ 11,551	12.5 %
Current assets - restricted	85,361	77,240	8,121	10.5
Capital assets, net	1,269,525	1,303,898	(34,373)	(2.6)
Other assets	36,500	20,000	16,500	82.5
Total assets	1,495,382	1,493,583	1,799	0.1
Deferred Outflows of Resources	1,058	-	1,058	100.0
Total assets and deferred outflows of resources	$ 1,496,440	$ 1,493,583	$ 2,857	0.2
Liabilities				
Current liabilities payable from unrestricted assets	$ 6,767	$ 8,392	$ (1,625)	(19.4)
Current liabilities payable from restricted assets	29,046	22,147	6,899	31.2
Noncurrent liabilities	1,191,293	1,208,008	(16,715)	(1.4)
Total liabilities	1,227,106	1,238,547	(11,441)	(0.9)
Deferred Inflows of Resources	13,126	15,534	(2,408)	(15.5)
Total liabilities and deferred inflows of resources	1,240,232	1,254,081	(13,849)	(1.1)
Net Position				
Net investment in capital assets	95,592	116,154	(20,562)	(17.7)
Restricted	80,316	72,405	7,911	10.9
Unrestricted	80,300	50,943	29,357	57.6
Total net position	256,208	239,502	16,706	7.0
Total liabilities, deferred inflows of resources and net position	$ 1,496,440	$ 1,493,583	$ 2,857	0.2

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 increased due to receipts of revenues available for operating purposes in excess of expenses. 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 82.5% from 2011 to 2012 is primarily due to the issuance of an additional note receivable to Pacers Basketball, LLC.

Deferred Outflow of Resources increased approximately $1.1 million due to a bond refunding transaction that took place during 2012.

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 $16.7 million, or 1.4%, from the prior year. The net decrease in noncurrent liabilities in 2012 is due to reductions of the capital lease obligations and other debt. 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.

Deferred Inflows of Resources decreased by $2.4 million due to the amortization of gains from bond refunding transactions.

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 57.6%, from the prior year in *Unrestricted net position* is primarily due to the continued increase of revenues available for operating purposes.

2013 to 2012 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, 2013 and 2012:

	2013	2012 Restated	$ Variance	% Variance
Operating Revenues				
Rental income	$ 10,416	$ 8,550	$ 1,866	21.8 %
Food service and concession commissions	7,101	3,971	3,130	78.8
Parking lot income	1,209	1,430	(221)	(15.5)
Labor reimbursements	13,058	14,089	(1,031)	(7.3)
Other operating income	579	1,056	(477)	(45.2)
Total operating revenues	32,363	29,096	3,267	11.2
Nonoperating Revenues				
Investment income	275	337	(62)	(18.4)
State and local taxes and other assistance	142,922	138,776	4,146	3.0
Other	221	103	118	114.6
Total nonoperating revenues	143,418	139,216	4,202	3.0
Total revenues	175,781	168,312	7,469	4.4
Operating Expenses				
Salaries and wages	15,040	15,458	(418)	(2.7)
Fringe benefits	3,775	3,564	211	5.9
Utilities	5,413	5,399	14	0.3
Repairs and maintenance	4,565	4,364	201	4.6
Insurance	1,400	1,516	(116)	(7.7)
Security	2,611	2,629	(18)	(0.7)
Nondepreciable equipment, parts and supplies	3,714	3,886	(172)	(4.4)
Other	5,411	9,325	(3,914)	(42.0)
Depreciation and amortization	40,528	40,413	115	0.3
Total operating expenses	82,457	86,554	(4,097)	(4.7)
Nonoperating Expenses				
Interest expense	52,018	50,982	1,036	2.0
Compensation to Visit Indy, Inc.	10,605	9,105	1,500	16.5
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,200	5,200	-	-
Public safety support payments	7,720	-	7,720	100.0
Other	1,900	577	1,323	100.0
Total nonoperating expenses	77,443	65,864	11,579	17.6
Total expenses	159,900	152,418	7,482	4.9
Income Before Capital Contributions	15,881	15,894	(13)	(0.1)
Capital Contributions	1,088	812	276	34.0
Increase in Net Position	16,969	16,706	263	1.6
Net Position, Beginning of Year	256,208	239,502	16,706	7.0
Net Position, End of Year	$ 273,177	$ 256,208	$ 16,969	6.6

Note: Dollars are in thousands.

Total operating revenues increased about $3.3 million, or 11.2%. Labor reimbursements decreased about $1.1 million, or 7.3%, mainly related to the additional revenue in 2012 due to the Super Bowl. Rental income and food service income increased by $1.9 million and $3.1 million, respectively, in part due to the increased event activity at ICC and LOS in 2013.

Total nonoperating revenues increased about $4.2 million, or 3.0%, due to an increase in the state and local taxes and other assistance. The most significant reason for this increase was due to the 2013 increases in Admissions and Auto Rental Excise taxes.

Total operating expenses decreased by $4.1 million, or 4.7%. Salaries and wages decreased by about $.4 million, or 2.7%. Fringe benefits increased $.2 million, or 5.9%, in large part due to employee insurance. Repairs and maintenance costs increased about $.2 million, or 4.6%. Both 2013 and 2012 were higher than previous years due to several large projects. Other expenses decreased by about $3.9 million, or 42.0%, due primarily to 2012 costs related to the Super Bowl.

Total nonoperating expenses increased about $11.6 million, or 17.6%. Interest expense increased approximately $1.0 million and compensation to Visit Indy increased $1.5 million. Public safety support payments increased $7.7 million as a result of an agreement with the City of Indianapolis. This agreement included a one-time $5 million public safety support payment made in 2013, as well as, monthly payments equal to 100% of the first twelve months of the revenues derived from the 2013 new tax increases.

Capital contributions recognized of approximately $1.1 million in 2013 represent both capital additions at Victory Field and Lucas Oil Stadium paid for by the Indianapolis Indians and the Indianapolis Colts, respectively. The *capital contributions* of about $.8 million in 2012 represent capital additions at Victory Field paid for by the Indianapolis Indians.

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:

	2012 Restated	2011 Restated	$ Variance	% Variance
Operating Revenues				
Rental income	$ 8,550	$ 9,060	$ (509)	(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	1,738	6.4
Nonoperating Revenues				
Investment income	337	240	97	40.2
State and local taxes and other assistance	138,776	128,797	9,979	7.7
Other	103	89	14	16.1
Total nonoperating revenues	139,216	129,126	10,090	7.8
Total revenues	168,312	156,485	11,827	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	50,982	48,851	2,131	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
Total nonoperating expenses	65,864	64,912	952	1.5
Total expenses	152,418	140,440	11,978	8.5
Income Before Capital Contributions	15,894	16,045	(151)	(0.9)
Capital Contributions	812	14,278	(13,466)	(94.3)
Increase in Net Position	16,706	30,323	(13,617)	(44.9)
Net Position, Beginning of Year	239,502	209,179	30,323	14.5
Net Position, End of Year	$ 256,208	$ 239,502	$ 16,706	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, due to normal fluctuations in event activity and space availability.

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 Tax revenues increased about $4.9 million and all other Excise Tax revenues increased approximately $5.2 million in 2012. The impact of the Super Bowl greatly increased the revenues from the Marion County Innkeepers Tax and the Food and Beverage Tax.

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 consists 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.

Overall Financial Analysis

The CIB's financial position continued to improve in 2013. As was the case in 2012, the CIB ended 2013 with a positive net cash flow and an increase in operating cash balances. The CIB's 2014 budget anticipates meeting 2014 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, 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 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 5, 6 and 7 to the financial statements for more detailed information on long-term debt activity.

Economic Factors and Other Matters

With the ICC expansion as a key driver, Indianapolis tourism and convention business continued to grow in 2013. 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 2014 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 2014 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, 2013 and 2012

	2013	2012 Restated
Assets		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 50,951,433	$ 85,074,047
Cash equivalents held with fiscal agent	15,242,407	9,652,034
Investments	53,418,225	-
Interest receivable	64,268	-
Accounts receivable	2,982,371	7,235,255
Inventories	38,946	53,946
Prepaid expenses and other	1,994,166	1,980,832
Total unrestricted assets	124,691,816	103,996,114
Restricted Assets		
Cash and cash equivalents	11,924,539	10,614,932
Cash equivalents held with fiscal agent	57,476,025	51,310,164
Interest receivable	49,670	72
Receivable from State of Indiana	26,364,120	23,436,088
Total restricted assets	95,814,354	85,361,256
Total current assets	220,506,170	189,357,370
Noncurrent Assets		
Note receivable	40,000,000	35,000,000
Nondepreciable capital assets	131,608,147	131,608,147
Depreciable capital assets, net	1,097,621,625	1,137,916,812
Other assets	-	1,500,000
Total noncurrent assets	1,269,229,772	1,306,024,959
Total assets	1,489,735,942	1,495,382,329
Deferred Outflows of Resources		
Deferred loss on capital lease refinancing	831,878	1,058,175
Total assets and deferred outflows of resources	$ 1,490,567,820	$ 1,496,440,504

	2013	2012 Restated
Liabilities and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 4,962,315	$ 5,777,043
Unearned revenue	241,283	263,796
Accrued expenses and withholdings	724,453	671,513
Accrued interest payable	200,255	55,058
Total current liabilities payable from unrestricted assets	6,128,306	6,767,410
Payable From Restricted Assets		
Funds held for others - box office	4,586,285	2,980,817
Rental deposits	1,768,840	2,064,464
Accrued interest payable	1,141,007	1,183,490
Current portion of long-term debt	27,947,098	22,817,171
Total current liabilities payable from restricted assets	35,443,230	29,045,942
Total current liabilities	41,571,536	35,813,352
Noncurrent Liabilities		
Bonds and notes payable	66,972,271	68,700,076
Capital leases payable	1,096,844,074	1,122,106,659
Net pension obligation	423,298	485,829
Total noncurrent liabilities	1,164,239,643	1,191,292,564
Total liabilities	1,205,811,179	1,227,105,916
Deferred Inflows of Resources		
Deferred gains on capital lease refinancings	11,579,742	13,125,985
Total liabilities and deferred inflows of resources	1,217,390,921	1,240,231,901
Net Position		
Net investment in capital assets	78,477,465	95,592,243
Restricted		
For debt service	79,476,711	72,439,410
For capital projects	5,569,415	5,531,060
For facility operating costs	4,413,104	2,345,505
Unrestricted	105,240,204	80,300,385
Total net position	273,176,899	256,208,603
Total liabilities, deferred inflows of recources and net position	$ 1,490,567,820	$ 1,496,440,504

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, 2013 and 2012

	2013	2012 Restated
Operating Revenues		
Rental income	$ 10,416,132	$ 8,550,211
Food service and concession commissions	7,100,477	3,970,814
Parking lot income	1,209,008	1,430,227
Labor reimbursements	13,057,670	14,088,686
Other operating income	579,418	1,056,423
	32,362,705	29,096,361
Operating Expenses		
Salaries and wages	15,039,746	15,457,602
Fringe benefits	3,775,228	3,563,643
Utilities	5,413,326	5,398,935
Repairs and maintenance	4,565,363	4,363,607
Insurance	1,399,559	1,515,684
Security	2,611,043	2,629,337
Nondepreciable equipment, parts and supplies	3,713,366	3,886,055
Other	5,411,222	9,325,541
Depreciation and amortization	40,528,314	40,413,230
	82,457,167	86,553,634
Operating Loss	(50,094,462)	(57,457,273)
Nonoperating Revenues (Expenses)		
Investment income	274,569	336,931
State and local taxes and other assistance	142,921,658	138,776,422
Interest expense	(52,017,898)	(50,981,983)
Compensation to Visit Indy, Inc.	(10,605,000)	(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	(488,501)	(450,000)
Public safety support payments	(7,720,125)	-
Loss on sale/disposal of capital assets	(1,411,290)	(127,086)
Other	221,136	102,990
	65,974,549	73,352,274
Increase in Net Position Before Capital Contributions	15,880,087	15,895,001
Capital Contributions	1,088,209	812,137
Increase in Net Position	16,968,296	16,707,138
Net Position, Beginning of Year, as previously reported	256,208,603	239,650,932
Change in Accounting Principle	-	(149,467)
Net Position, Beginning of Year, as restated	256,208,603	239,501,465
Net Position, End of Year	$ 273,176,899	$ 256,208,603

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, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities		
Receipts from customers and users	$ 37,999,055	$ 29,113,645
Payments to suppliers and others	(23,380,225)	(25,951,264)
Payments to employees	(18,824,565)	(19,040,577)
Net cash used in operating activities	(4,205,735)	(15,878,196)
Cash Flows From Noncapital Financing Activities		
Payments to Visit Indy, Inc.	(9,105,000)	(12,105,000)
State and local taxes and other assistance	58,343,820	55,835,886
Grants paid to other organizations	(488,501)	(450,000)
Public safety support payments	(7,720,125)	-
Payments to Indianapolis Colts	(5,200,000)	(5,200,000)
Net cash provided by noncapital financing activities	35,830,194	38,080,886
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(22,817,171)	(15,155,676)
Interest paid on long-term liabilities	(53,217,994)	(52,013,934)
Acquisition of capital assets	(3,066,603)	(3,983,303)
Proceeds from sale of capital assets	2,909,364	-
State and local taxes and other assistance	81,649,806	82,673,508
Baseball Park Capital Improvement Fund rental payments received	118,888	102,990
Net cash provided by capital and related financing activities	5,576,290	11,623,585
Cash Flows From Investing Activities		
Purchase of investment securities	(62,665,598)	-
Proceeds from sales and maturities of investment securities	9,000,000	-
Interest received on investment securities and cash equivalents	408,076	336,990
Disbursement of loan to Pacers Basketball, LLC	(5,000,000)	(15,000,000)
Net cash used in investing activities	(58,257,522)	(14,663,010)
Net Increase (Decrease) in Cash and Cash Equivalents	(21,056,773)	19,163,265
Cash and Cash Equivalents, Beginning of Year	156,651,177	137,487,912
Cash and Cash Equivalents, End of Year	$ 135,594,404	$ 156,651,177

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, 2013 and 2012

	2013	2012
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	$ 328,419	$ 873,963
Additions to capital assets due to Lucas Oil Stadium and Indiana Convention Center Expansion projects	944,513	2,854,509
Capital contributions	1,088,209	812,137
Increase in capital lease obligation	944,513	2,987,347
Amortization of call rights waiver credit	4,941	1,556,806
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (50,094,462)	$ (57,457,273)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	40,528,314	40,413,230
Nondepreciable equipment expense funded by capital lease obligation	-	132,839
Change in assets and liabilities		
Accounts receivable	4,350,191	(267,417)
Inventories	15,000	26,448
Prepaid expenses	(13,334)	(58,630)
Accounts payable	(269,184)	1,066,971
Unearned revenue	(22,513)	73,900
Accrued expenses and withholdings	(9,591)	(19,332)
Funds held for others - box office	1,605,468	(312,002)
Rental deposits	(295,624)	523,070
Net cash used in operating activities	$ (4,205,735)	$ (15,878,196)

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 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 and the City-County Council.

Measurement Focus and Basis of Accounting and Financial Reporting

The CIB is a business-type activity that prepares its financial statements on the accrual basis and economic resources measurement focus in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. 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.

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:

	2013	2012
State and local taxes	$ 26,008,920	$ 23,078,968
Specialty license plate fees	355,200	357,120
	$ 26,364,120	$ 23,436,088

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. 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 2013 or 2012.

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 $365,626 and $365,994 for accrued vacation and related benefits at December 31, 2013 and 2012, 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.

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.

Adoption of New Accounting Standard

The CIB also implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during 2013. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources and recognizes as expenses and revenues certain items that were previously reported as assets and liabilities. With the implementation of GASB Statement No. 65, the CIB eliminated $149,467 of deferred debt issuance costs that were previously classified as assets against the CIB's 2012 beginning net position. The CIB also reduced the December 31, 2012 interest expense by $25,981 to reflect the elimination of the 2012 amortization of deferred bond issuance costs. Finally, the CIB reclassified $13,125,985 of deferred gains on capital lease refinancings and a deferred loss on capital lease refinancing of $1,058,175 to deferred inflows of resources and deferred outflows of resources, respectively, in the balance sheet.

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.

The maturity ranges and credit ratings for the CIB's investment securities at December 31, 2013 follow:

			2013	
	Rating	Total	Less Than 1 Year	1 - 2 Years
U.S. Government-sponsored enterprise securities				
Federal National Mortgage Association	AA+/Aaa	$ 6,535,065	$ -	$ 6,535,065
Federal Home Loan Mortgage Corporation	AA+/Aaa	6,930,117	3,472,440	3,457,677
Federal Home Loan Bank	AA+/Aaa	3,482,286	-	3,482,286
Total U.S. Government-sponsored enterprise securities		16,947,468	3,472,440	13,475,028
U.S. Treasury notes	AA+/Aaa	36,470,757	14,085,241	22,385,516
Money market mutual funds	AAA/Aaa	72,824,530	72,824,530	-
		$ 126,242,755	$ 90,382,211	$ 35,860,544

At December 31, 2012, the CIB had $60,962,198 invested in open-end money market mutual funds with maturities of less than one year.

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 open-end 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.

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 open-end money market mutual funds are not subject to custodial credit risk at December 31, 2013 and 2012, 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:

	2013	2012
Carrying value		
Deposits	$ 62,769,874	$ 95,688,979
Investments	126,242,755	60,962,198
	$ 189,012,629	$ 156,651,177
Cash and cash equivalents		
Current - unrestricted	$ 66,193,840	$ 94,726,081
Current - restricted	69,400,564	61,925,096
Total cash and cash equivalents	135,594,404	156,651,177
Investment securities		
Current - unrestricted	53,418,225	-
Current - restricted	-	-
Total investment securities	53,418,225	-
	$ 189,012,629	$ 156,651,177

Investment Income

Investment income for the years ended December 31, 2013 and 2012 consisted of:

	2013	2012
Interest and dividend income	$ 274,569	$ 336,931

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

	2013	2012
Operating reserve - rental deposits	$ 1,768,839	$ 2,064,464
Bond fund	6,823,750	6,195,791
Renewal and replacement	5,000,000	5,000,000
Stadium and convention center sublease accounts	41,445,813	31,973,501
Stadium and convention center sublease reserve account	9,206,462	13,140,872
Cultural development fund	-	38,591
Box office	4,586,285	2,980,817
Baseball capital improvement fund	569,415	531,060
	$ 69,400,564	$ 61,925,096

Note 3: Capital Assets

A summary of changes to capital assets for the years ended December 31, 2013 and 2012 follows:

	2013			
	Beginning Balance, January 1, 2013	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2013
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	1,304,725,804	4,256,922	(6,583,200)	1,302,399,526
Land improvements	6,127,550	-	-	6,127,550
Equipment, furniture and fixtures and other	109,745,954	385,942	-	110,131,896
Total capital assets, being depreciated	1,420,599,308	4,642,864	(6,583,200)	1,418,658,972
Less accumulated depreciation for:				
Buildings and improvements	(222,820,529)	(32,828,823)	2,173,463	(253,475,889)
Land improvements	(3,894,948)	(249,633)	-	(4,144,581)
Equipment, furniture and fixtures and other	(55,967,019)	(7,449,858)	-	(63,416,877)
Total accumulated depreciation	(282,682,496)	(40,528,314)	2,173,463	(321,037,347)
Total capital assets, being depreciated, net	1,137,916,812	(35,885,450)	(4,409,737)	1,097,621,625
Capital assets, net	$ 1,269,524,959	$ (35,885,450)	$ (4,409,737)	$ 1,229,229,772

	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

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 outflow of resources 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 a 2003 refunding transaction for MCCRFA, the CIB recorded a deferred inflow of resources 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, $675,456 of the then unamortized balance of $809,010 of the 2003 deferred inflow of resources was included in the determination of the 2012 deferred outflow of resources on the restructuring of the Master Lease Agreement.

In November 2011, the CIB recorded a deferred inflow of resources 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 inflow of resources 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 inflow of resources 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, 2013, together with the present value of the net minimum lease payments, are as follows:

2014	$ 77,497,752
2015	83,223,181
2016	87,662,964
2017	87,664,243
2018	87,666,506
2019 - 2023	437,937,159
2024 - 2028	395,761,359
2029 - 2033	298,287,984
2034 - 2038	236,007,014
2039	9,068,475
	1,800,776,637
Amount representing interest	(677,725,465)
Present value of net minimum lease payments	1,123,051,172
Current portion of capital lease obligations	(26,207,098)
Total long-term portion of capital lease obligations	$ 1,096,844,074

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 2013 and 2012, no additional borrowing under such loans occurred. The aggregate balance of these loans at December 31, 2013 and 2012 is $33,759,000. Accrued and unpaid interest on these notes at December 31, 2013 and 2012 amounted to $20,255 and $31,058, 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 its succeeding 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, 2013 and 2012 was $6,350 and $11,291, respectively, and is recorded in accounts receivable in the balance sheets.

Information regarding the Series 1999 Subordinate Bonds at December 31, 2013 and 2012 follows:

	2013	2012
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
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
	17,000,000	18,655,000
Unamortized discount	(46,729)	(58,924)
Total Series 1999A	$ 16,953,271	$ 18,596,076

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 for the 2009 Note and December 1 for the 2010 Note.

The debt service requirements to maturity for long-term debt of the CIB (excluding capital lease obligations) are as follows at December 31, 2013:

	Principal	Interest	Total
2014	$ 1,740,000	$ 1,366,755	$ 3,106,755
2015	1,825,000	1,277,630	3,102,630
2016	1,915,000	1,184,130	3,099,130
2017	35,769,000	1,106,260	36,875,260
2018	2,115,000	962,625	3,077,625
2019 - 2022	25,395,000	1,551,875	26,946,875
	$ 68,759,000	$ 7,449,275	$ 76,208,275

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, 2013 and 2012:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	18,655,000	-	(1,655,000)	17,000,000	1,740,000
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	1,143,268,830	944,513	(21,162,171)	1,123,051,172	26,207,098
(Discount)/premium	(58,924)	-	12,195	(46,729)	-
	$ 1,213,623,906	$ 944,513	$ (22,804,976)	$ 1,191,763,443	$ 27,947,098

	Balance January 1, 2012	Additions	Reductions (Restated)	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	-
Due to State of Indiana	-			-	-
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)	-
	$ 1,223,969,455	$ 2,987,348	$ (13,332,897)	$ 1,213,623,906	$ 22,817,171

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"), and again in 2013 (effective March 1, 2013) by an additional 4% (the "2013 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"). Additionally, it was increased in 2013 (effective March 1, 2013) by an additional 2% (the "2013 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 receipts 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. All Covered Taxes generated within the designated area 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 expanded to include the LOS 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 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 January 1, 2041.

The expanded PSDA currently includes: (1) Bankers Life Fieldhouse (formerly, Conseco Fieldhouse), (2) the Indiana Convention Center & Lucas Oil Stadium, (3) Victory Field, (4) the Indianapolis Colts Practice Facility and (5) 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”).

2009 New Tax Revenues

The new 2009 Marion County Innkeeper's Tax receipts 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.

2013 New Tax Revenues

The new 2013 Marion County Admissions Tax and 2013 Marion County Supplemental Auto Rental Excise Tax receipts are to be distributed to the CIB and are restricted to paying operating expenses of the CIB facilities.

In connection with a Public Safety Support Agreement dated March 1, 2013, between the CIB and the Consolidated City of Indianapolis-Marion County, the CIB will pay to the Consolidated City of Indianapolis-Marion County 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 Consolidated City of Indianapolis-Marion County 25% of the revenue from these increases, but not to exceed $3,000,000 annually. The term of the Public Safety Support Agreement extends to February 28, 2017 and thereafter automatically renews for additional four-year periods until terminated.

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 2013 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 2013 and 2012 include the following components:

	2013	2012
Marion County food and beverage (1%)	$ 21,003,275	$ 21,363,190
Innkeeper's tax (5%)	22,146,073	22,594,512
Innkeeper's tax (1%)	4,429,215	4,518,902
Auto rental excise tax (2%)	2,143,664	2,349,515
Admissions tax (5%)	6,893,128	6,537,019
Cigarette tax	350,000	350,000
PSDA tax allocation	7,456,830	7,212,774
Total Original Excise Taxes and Original PSDA Revenues	64,422,185	64,925,912
Marion County food and beverage (1%)	21,003,275	21,363,190
Regional food and beverage (.5%)	5,208,134	5,193,634
Innkeeper's tax (3%)	13,287,644	13,556,707
Auto rental excise tax (2%)	2,143,664	2,349,515
Admissions tax (1%)	1,365,402	1,307,404
PSDA tax allocation	9,622,556	8,544,320
Total 2005 New Tax Revenues and 2005 PSDA Revenues	52,630,675	52,314,770
Innkeeper's tax (1%)	4,429,215	4,518,902
PSDA tax allocation	8,196,782	8,270,978
Total 2009 New Tax Revenues and 2009 PSDA Revenues	12,625,997	12,789,880
Auto rental excise tax (2%)	1,817,460	-
Admissions tax (4%)	2,688,901	-
Total 2013 New Tax Revenues	4,506,361	-
Specialty License Plate Fees	736,440	745,860
Interlocal Agreement funding	8,000,000	8,000,000
Total state and local taxes and other assistance	$ 142,921,658	$ 138,776,422

Total lease rental and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2013 and 2012 amounted to $75,640,361 and $65,549,867 respectively.

Note 8: Agreements With 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, 2013, the outstanding balance of cumulative advances aggregates $9,125,486. 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, 2013 and 2012 was $40,000,000 and $35,000,000, 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.

Subsequent to December 31, 2013, the CIB signed a new agreement with Pacers Basketball, LLC and related entities. The agreement calls for a ten-year term with three one-year options extending until 2027. As part of the agreement, the Pacers will create a separate entity that will manage and operate the Fieldhouse complex. The CIB will pay certain Fieldhouse operating expenses directly, at a total cost of approximately $3.7 million annually, and provide an operating reimbursement to the Fieldhouse manager of approximately $7.1 million annually, with a 3% escalator each year. The CIB will also provide $33.5 million for certain agreed-upon capital improvements over the term of the agreement. The CIB shall pay an annual license fee for the video/sound system during the initial ten-year term of the agreement and take title to the system at the end of the lease term. The total fee is approximately $9.1 million. The agreement also calls for scheduled forgiveness of previous operating loans and advances to the Pacers, as well as, stipulations and the right of first refusal in the event of the intent to sell the Pacers.

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 Lease 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, 2013 are as follows:

	Fixed Rentals	Additional Rentals	Total
2014	$ 500,000	$ 50,000	$ 550,000
2015	500,000	50,000	550,000
	$ 1,000,000	$ 100,000	$ 1,100,000

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, 2013 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 (9.75% for calendar year 2013) 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 2013, the CIB's pension expense was $973,580. 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, 2013 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, 2013 based on the June 30, 2103 actuarial valuation:

Net Pension Obligation (NPO)

Annual Required Contribution ("ARC")	$ 758,527
Interest on NPO	32,793
Adjustment to the ARC	(38,172)
Annual Pension Cost	753,148
Contributions made	815,679
Decrease in NPO	(62,531)
NPO, beginning of year	485,829
NPO, end of year	$ 423,298

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
2013	$ 6,098	$ 10,631	$ (4,533)	57%	$ 9,145	50%
2012	5,460	10,310	(4,850)	53	8,770	55
2011	5,898	9,531	(3,633)	62	7,973	46

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
2013	$ 753	108%	$ 423
2012	773	82	486
2011	726	73	349

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 years 2011 through 2014; therefore, allowing for funding in excess of the not to exceed percentage referred to above.

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 eligibility requirements are not met by Visit Indy. This contribution was recorded as an asset at December 31, 2012. Of this amount, $1,500,000 was recorded as contribution expense in 2013 as all eligibility requirements were 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, 2013

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Assets			
Current Assets			
Unrestricted			
Cash and cash equivalents	$ 49,240,188	$ 1,711,245	$ 50,951,433
Cash equivalents held with fiscal agent	-	15,242,407	15,242,407
Investments	53,418,225	-	53,418,225
Interest receivable	64,268	-	64,268
Accounts receivable	2,976,021	6,350	2,982,371
Inventories	38,946	-	38,946
Prepaid expenses and other	1,994,166	-	1,994,166
Total unrestricted assets	107,731,814	16,960,002	124,691,816
Restricted Assets			
Cash and cash equivalents	11,924,539	-	11,924,539
Cash equivalents held with fiscal agent	-	57,476,025	57,476,025
Interest receivable	49,584	86	49,670
Receivable from State of Indiana	4,413,104	21,951,016	26,364,120
Total restricted assets	16,387,227	79,427,127	95,814,354
Total current assets	124,119,041	96,387,129	220,506,170
Noncurrent Assets			
Note receivable	40,000,000	-	40,000,000
Nondepreciable capital assets	131,608,147	-	131,608,147
Depreciable capital assets, net	1,097,621,625	-	1,097,621,625
Total noncurrent assets	1,269,229,772	-	1,269,229,772
Total assets	1,393,348,813	96,387,129	1,489,735,942
Deferred Outflows of Resources			
Deferred loss on capital lease refinancing	-	831,878	831,878
Total assets and deferred outflows of resources	$ 1,393,348,813	$ 97,219,007	$ 1,490,567,820
Liabilities and Net Position			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 4,962,315	$ -	$ 4,962,315
Unearned revenue	241,283	-	241,283
Accrued expenses and withholdings	724,453	-	724,453
Accrued interest payable	-	200,255	200,255
Total current liabilities payable from unrestricted assets	5,928,051	200,255	6,128,306
Payable From Restricted Assets			
Funds held for others - box office	4,586,285	-	4,586,285
Rental deposits	1,768,840	-	1,768,840
Accrued interest payable	-	1,141,007	1,141,007
Current portion of long-term debt	-	27,947,098	27,947,098
Total current liabilities payable from restricted assets	6,355,125	29,088,105	35,443,230
Total current liabilities	12,283,176	29,288,360	41,571,536
Noncurrent Liabilities			
Bonds and notes payable	-	66,972,271	66,972,271
Capital lease payable	-	1,096,844,074	1,096,844,074
Net pension obligation	423,298	-	423,298
Total noncurrent liabilities	423,298	1,163,816,345	1,164,239,643
Total liabilities	12,706,474	1,193,104,705	1,205,811,179
Deferred Inflows of Resources			
Deferred gains on capital lease refinancings	-	11,579,742	11,579,742
Total liabilities and deferred inflows of resources	12,706,474	1,204,684,447	1,217,390,921
Net Position			
Net investment in capital assets	1,229,229,772	(1,150,752,307)	78,477,465
Restricted	10,032,103	79,427,127	89,459,230
Unrestricted	141,380,464	(36,140,260)	105,240,204
Total net position	1,380,642,339	(1,107,465,440)	273,176,899
Total liabilities, deferred inflows of resources and net position	$ 1,393,348,813	$ 97,219,007	$ 1,490,567,820

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, 2013

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Operating Revenues			
Rental income	$ 10,416,132	$ -	$ 10,416,132
Food service and concession commissions	7,100,477	-	7,100,477
Parking lot income	1,209,008	-	1,209,008
Labor reimbursements	13,057,670	-	13,057,670
Other operating income	579,418	-	579,418
	32,362,705	-	32,362,705
Operating Expenses			
Salaries and wages	15,039,746	-	15,039,746
Fringe benefits	3,775,228	-	3,775,228
Utilities	5,413,326	-	5,413,326
Repairs and maintenance	4,565,363	-	4,565,363
Insurance	1,399,559	-	1,399,559
Security	2,611,043	-	2,611,043
Nondepreciable equipment, parts and supplies	3,713,366	-	3,713,366
Other	5,411,222	-	5,411,222
Depreciation and amortization	40,528,314	-	40,528,314
	82,457,167	-	82,457,167
Operating Loss	(50,094,462)	-	(50,094,462)
Nonoperating Revenues (Expenses)			
Investment income	247,822	26,747	274,569
State and local taxes and other assistance	25,132,358	117,789,300	142,921,658
Interest expense	-	(52,017,898)	(52,017,898)
Compensation to Visit Indy, Inc.	(10,605,000)	-	(10,605,000)
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	(488,501)	-	(488,501)
Public safety support payments	(7,720,125)	-	(7,720,125)
Loss on sale/disposal of capital assets	(1,411,290)	-	(1,411,290)
Other	221,136	-	221,136
	176,400	65,798,149	65,974,549
Increase (Decrease) in Net Position Before Capital Contributions	(49,918,062)	65,798,149	15,880,087
Capital Contributions	1,088,209	-	1,088,209
Increase (Decrease) in Net Position	(48,829,853)	65,798,149	16,968,296
Net Position, Beginning of Year	1,399,224,300	(1,143,015,697)	256,208,603
Transfers from bond fund	30,247,892	(30,247,892)	-
Net Position, End of Year	$ 1,380,642,339	$ (1,107,465,440)	$ 273,176,899

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, 2013 and 2012

	2013	2012
Salaries and Wages		
Administration	$ 987,236	$ 942,088
Office	2,006,763	1,855,990
Supervision	1,162,849	1,021,804
Mechanical	3,686,005	3,496,514
Service	1,588,340	1,600,630
Temporary	5,608,553	6,540,576
	$ 15,039,746	$ 15,457,602
Fringe Benefits		
Social security taxes	$ 944,514	$ 959,604
Public employees' retirement fund	973,580	975,205
Employees' insurance	1,171,424	1,019,669
State unemployment taxes	109,825	88,077
Workers' compensation	208,153	174,997
Other	367,732	346,091
	$ 3,775,228	$ 3,563,643
Utilities		
Electricity	$ 2,242,697	$ 2,190,116
Steam	848,057	906,693
Chilled water	1,989,893	1,962,257
Water and sewer	286,800	313,794
Gas	45,879	26,075
	$ 5,413,326	$ 5,398,935
Repairs and Maintenance		
Control systems maintenance contract	$ 85,946	$ 82,640
Elevator and escalator maintenance contract	225,030	217,121
Computer maintenance contracts	175,463	146,883
Major repairs	3,275,318	3,199,700
Grounds maintenance	304,304	207,727
Fire extinguisher system	92,894	91,549
Sprinkler system	3,892	3,004
Trash removal	71,756	81,421
Communication repairs	122,380	130,142
LOS maintenance contracts	208,380	203,420
	$ 4,565,363	$ 4,363,607

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, 2013 and 2012

	2013	2012
Insurance		
Fire and extended coverage	$ 922,462	$ 894,221
Public liability	401,104	548,523
Fidelity bond	75,993	72,940
	$ 1,399,559	$ 1,515,684
Security		
Security staff	$ 2,611,043	$ 2,629,337
Nondepreciable Equipment, Parts and Supplies	$ 3,713,366	$ 3,886,055
Other		
Advertising and promotion	$ 326,275	$ 325,271
Telephone	61,908	79,848
Legal fees	1,065,303	940,552
Accounting and audit fees	76,648	83,352
Consulting fees	325,987	224,495
Architects and engineers	168,006	282,853
Equipment rental	476,459	476,725
Postage	10,203	9,236
Travel	12,831	17,951
Dues and subscriptions	7,831	6,130
Bad debts	1,172	267
Suite cable service	6,891	4,862
Medical services - Indianapolis Colts games	54,272	58,726
Parking	215,424	229,333
Set-up/installation and dismantling fees	2,390,204	2,777,679
Miscellaneous	211,808	3,808,261
	$ 5,411,222	$ 9,325,541

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

	2004	2005 [1]	2006	2007
Net investment in capital assets	$ 11,840,085	$ (13,784,985)	$ 2,835,109	$ 23,170,426
Restricted	25,438,962	39,885,681	45,478,777	52,270,165
Unrestricted	28,612,119	66,826,463	54,066,813	35,442,304
Total net position	$ 65,891,166	$ 92,927,159	$ 102,380,699	$ 110,882,895

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

2008	2009	2010	2011	2012	2013
$ 147,019,581	$ 134,281,780	$ 118,659,477	$ 116,153,760	$ 95,592,243	$ 78,477,465
56,831,449	69,703,922	66,208,915	77,675,379	80,315,975	89,459,230
(6,523,360)	3,985,965	24,487,590	45,821,793	80,300,385	105,240,204
$ 197,327,670	$ 207,971,667	$ 209,355,982	$ 239,650,932	$ 256,208,603	$ 273,176,899

Table II

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

	2004	2005	2006	2007
Operating revenues				
Rental income	$ 6,262,680	$ 5,839,044	$ 5,688,825	$ 6,354,696
Food service and concession commissions	5,421,935	5,570,544	6,145,493	6,675,775
Parking lot income	750,267	359,422	417,013	411,846
Labor reimbursements	6,003,993	6,236,543	5,118,373	6,033,689
Advertising income	1,200,000	1,220,620	1,165,194	1,300,477
Other	867,313	1,653,322	982,432	1,047,026
Total operating revenues	20,506,188	20,879,495	19,517,330	21,823,509
Nonoperating revenues				
Investment income	852,243	1,982,455	3,747,243	4,270,088
State and local taxes and other assistance	51,301,827	65,295,285	93,512,062	98,782,093
Gain (loss) on sale/disposal of capital assets	-	40,419,560	15,318	(28,588)
Other	1,360,740	1,623,547	4,586,582	1,206,312
Total nonoperating revenues	53,514,810	109,320,847	101,861,205	104,229,905
Total Revenues	74,020,998	130,200,342	121,378,535	126,053,414
Operating expenses				
Salaries, wages and fringe benefits	13,880,615	14,696,686	13,563,112	13,849,005
Utilities	3,996,614	3,966,307	4,016,331	4,259,820
Repairs, maintenance, equipment, parts and supplies	4,554,102	2,448,289	2,115,986	1,918,641
Insurance	1,616,923	1,233,739	1,088,082	1,107,108
Security	1,017,292	1,099,567	1,372,344	1,173,598
Other	1,299,425	4,887,005	4,316,574	5,394,458
Depreciation and amortization	16,067,976	29,529,972	29,551,039	29,844,812
Total operating expenses	42,432,947	57,861,565	56,023,468	57,547,442
Nonoperating expenses				
Interest expense	21,344,759	21,137,501	20,711,441	20,197,976
Additional rental payment for swap termination	-	-	-	-
Compensation to Visit Indy, Inc.	6,354,407	6,726,445	7,052,924	7,736,800
Payments to Indianapolis Colts	5,222,915	5,838,335	5,993,335	10,539,932
Grants to other organizations	3,284,584	5,882,975	3,601,582	2,986,823
Contribution of Hudnut Commons	7,178,227	-	-	-
Public safety support payments	-	-	-	-
Other	1,442,623	5,717,528	18,542,245	18,542,245
Total nonoperating expenses	44,827,515	45,302,784	55,901,527	60,003,776
Total Expenses	87,260,462	103,164,349	111,924,995	117,551,218
Capital Contributions	11,967	-	-	-
Increase (Decrease) in Net Position	$ (13,227,497)	$ 27,035,993	$ 9,453,540	$ 8,502,196

2008	2009	2010	2011	2012	2013
$ 6,326,285	$ 6,791,593	$ 6,313,472	$ 9,059,609	$ 8,550,211	$ 10,416,132
3,677,833	4,532,348	3,070,691	4,751,669	3,970,814	7,100,477
664,680	1,313,711	1,498,870	1,008,637	1,430,227	1,209,008
8,557,650	7,892,040	7,780,220	11,052,122	14,088,686	13,057,670
-	-	-	-	-	-
603,098	746,845	413,886	1,486,114	1,056,423	579,418
19,829,546	21,276,537	19,077,139	27,358,151	29,096,361	32,362,705
2,106,780	407,443	207,154	240,385	336,931	274,569
106,867,838	101,434,649	120,583,069	128,797,124	138,776,422	142,921,658
17,598	-	11,028	(1,059,636)	(127,086)	(1,411,290)
319,170	72,774	80,746	88,709	102,990	221,136
109,311,386	101,914,866	120,881,997	128,066,582	139,089,257	142,006,073
129,140,932	123,191,403	139,959,136	155,424,733	168,185,618	174,368,778
16,544,495	14,530,703	13,224,267	15,996,726	19,021,245	18,814,974
5,278,056	5,441,608	5,414,506	5,427,906	5,398,935	5,413,326
1,948,935	1,357,256	5,244,483	7,445,010	8,249,662	8,278,729
1,281,698	1,255,953	1,116,622	1,246,862	1,515,684	1,399,559
3,216,882	2,784,096	3,310,355	2,799,552	2,629,337	2,611,043
6,202,122	4,253,411	4,619,506	6,209,407	9,325,541	5,411,222
38,023,853	35,795,575	32,531,535	36,402,218	40,413,230	40,528,314
72,496,041	65,418,602	65,461,274	75,527,681	86,553,634	82,457,167
19,353,144	34,129,715	48,649,587	48,878,681	50,981,983	52,017,898
16,371,000	-	-	-	-	-
7,970,491	7,780,503	9,191,660	9,035,902	9,105,000	10,605,000
7,795,422	5,313,734	4,940,000	5,260,000	5,200,000	5,200,000
3,479,845	526,947	-	705,894	450,000	488,501
-	-	-	-	-	-
-	-	-	-	-	7,720,125
18,542,245	-	-	-	-	-
73,512,147	47,750,899	62,781,247	63,880,477	65,736,983	76,031,524
146,008,188	113,169,501	128,242,521	139,408,158	152,290,617	158,488,691
103,312,031	622,095	6,892,503	14,278,375	812,137	1,088,209
$ 86,444,775	$ 10,643,997	$ 18,609,118	$ 30,294,950	$ 16,707,138	$ 16,968,296

Table III

Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years

	2004	2005	2006	2007
Number of Events				
Entertainment	13	9	10	8
Trade Shows	20	17	20	21
Local, Business and Social	213	179	185	238
State Convention Business	59	71	71	64
National Convention Business	37	28	38	34
Sporting Events	30	34	40	45
Total Number of Events	372	338	364	410
Event Days				
Entertainment	13	9	12	8
Trade Shows	51	48	50	48
Local, Business and Social	290	251	237	348
State Convention Business	122	132	139	118
National Convention Business	131	95	131	113
Sporting Events	48	52	54	66
Total Event Days	655	587	623	701
Attendance				
Entertainment	66,186	59,404	47,548	49,380
Trade Shows	121,170	110,343	141,118	117,177
Local, Business and Social	151,175	137,768	122,689	204,449
State Convention Business	87,932	83,912	87,482	92,685
National Convention Business	372,568	353,930	298,994	293,984
Sporting Events	792,442	918,434	905,908	936,939
Total Attendance	1,591,473	1,663,791	1,603,739	1,694,614

Source: Sales Office - Capital Improvement Board of Managers.

2008	2009	2010	2011	2012	2013
12	12	10	5	6	2
22	18	15	19	19	13
308	163	174	148	130	130
83	72	79	84	74	71
42	69	43	83	85	115
47	67	62	101	97	78
514	401	383	440	411	409
15	17	15	7	8	2
54	45	39	47	66	37
401	192	206	175	163	145
139	126	137	129	118	128
130	182	123	216	270	304
78	103	92	155	149	108
817	665	612	729	774	724
127,078	155,346	93,344	11,886	52,709	7,420
102,289	85,449	160,239	168,136	652,201	209,611
248,436	83,716	77,008	71,640	57,067	133,327
85,516	126,368	85,331	66,408	69,687	74,510
317,815	333,576	303,882	468,324	413,477	509,242
1,044,627	1,080,090	1,103,387	1,222,636	1,196,333	1,188,153
1,925,761	1,864,545	1,823,191	2,009,030	2,441,474	2,122,263

Table IV

Capital Improvement Board of Managers
Largest Customers
Current Year

	December 31, 2013							
	Rental Income		Labor Reimbursements		Food Service Commissions		Total	
	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total
Customer 1	$ 520,816	5.25%	$ 672,746	5.15%	$ 149,155	2.10%	$ 1,342,717	4.47%
Customer 2	250,000	2.52%	868,307	6.65%	-	0.00%	1,118,307	3.72%
Customer 3	443,421	4.47%	523,704	4.01%	131,899	1.86%	1,099,024	3.65%
Customer 4	208,973	2.11%	514,592	3.94%	131,545	1.86%	855,110	2.84%
Customer 5	252,436	2.54%	387,686	2.96%	134,549	1.89%	774,671	2.58%
Customer 6	376,791	3.80%	49,188	0.38%	302,558	4.26%	728,537	2.42%
Customer 7	65,026	0.66%	160,029	1.23%	490,636	6.91%	715,691	2.38%
Customer 8	12,777	0.13%	266,020	2.04%	266,044	3.75%	544,841	1.81%
Customer 9	236,926	2.39%	81,405	0.62%	223,698	3.15%	542,029	1.80%
Customer 10	10,480	0.11%	180,105	1.38%	233,959	3.29%	424,544	1.41%
Subtotal	2,377,646	23.98%	3,703,782	28.36%	2,064,043	29.07%	8,145,471	27.08%
Balance from other customers	7,538,486	76.02%	9,353,888	71.64%	5,036,434	70.93%	21,928,808	72.92%
	$ 9,916,132	100.00%	$ 13,057,670	100.00%	$ 7,100,477	100.00%	$ 30,074,279	100.00%

Note: Information for 2004 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Base Rent (Per Net Square Foot [1]):										
One to Four Open Days	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.80	$ 0.85	$ 0.90	$ 0.95	$ 0.98	$ 1.01
Five to Seven Open Days	0.80	0.80	0.80	0.80	0.85	0.90	0.95	1.00	1.03	1.11
After Seven Days - ICC	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.05	1.16
After Seven Days - LOS	-	-	-	-	0.97	1.02	1.07	1.07	1.15	1.16

[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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.04	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.06
RCA Dome	0.11	0.13	0.13	0.13	-	-	-	-	-	-
Sagamore Ballrooms	0.11	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.17
Wabash Ballrooms	0.10	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.17
500 Ballroom	0.07	0.11	0.11	0.11	0.11	0.11	0.11	0.16	0.16	0.17
White River Ballroom	0.11	0.10	0.10	0.10	-	-	-	-	-	-
Meeting Rooms [1]	0.10	0.13	0.13	0.13	0.12	0.12	0.12	0.16	0.16	0.17
Non-Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.06	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.08
RCA Dome	0.14	0.16	0.16	0.16	-	-	-	-	-	-
Sagamore Ballrooms	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.19
Wabash Ballrooms	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.19
500 Ballroom	0.10	0.12	0.12	0.12	0.12	0.12	0.12	0.18	0.18	0.19
White River Ballroom	0.13	0.11	0.11	0.11	-	-	-	-	-	-
Meeting Rooms [1]	0.13	0.16	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	$ 0.24
Halls	-	-	-	-	0.05	0.05	0.05	0.05	0.05	0.05
Meeting Rooms	-	-	-	-	0.16	0.27	0.27	0.27	0.27	0.27
Party Plazas	-	-	-	-	0.38	0.18	0.18	0.18	0.18	0.18
Club Lounges	-	-	-	-	0.34	0.06	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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Position:										
Carpenters [2]	$ 29.41	$ 30.41	$ 31.16	$ 31.76	$ 32.99	$ 32.99	$ 33.47	$ 34.44	$ 35.12	$ 35.46
Painters [2]	27.53	28.47	29.16	29.72	30.87	30.87	31.32	32.23	32.86	33.18
Electricians [2]	32.03	33.11	33.92	34.59	35.93	35.93	36.45	37.52	38.25	38.62
Stagehands (House) [2]	29.80	30.72	31.48	32.10	33.38	34.52	35.54	36.55	37.20	37.57
Stagehands (Call In) [2]	29.80	30.72	31.48	32.10	33.38	34.52	35.54	36.55	37.20	37.57
Welders and Pipefitters [1]	30.69	31.42	32.14	33.35	34.94	35.99	35.99	38.53	39.29	39.69
Housekeeping [1]	18.82	19.43	20.00	20.50	20.90	21.53	21.53	21.53	21.96	21.96
Set-up [1]	18.82	19.43	20.00	20.50	20.90	21.53	21.53	21.53	21.96	21.96
Change-Over Labor [2]	25.00	25.00	26.00	26.00	28.00	28.00	28.00	28.00	28.00	28.00
Riggers [2]	41.14	42.53	43.54	44.35	46.12	47.62	48.98	50.50	51.26	51.76
Rent-A-Buddy [2]	20.00	20.00	20.00	20.00	28.00	28.00	28.00	28.00	28.00	28.00
Ticket Sellers [2]	17.51	18.03	18.03	18.03	18.57	18.57	18.57	18.57	19.13	19.13
Assistant Treasurer/Treasurer [2]	19.94	20.53	21.15	21.78	22.43	22.43	22.43	22.43	23.10	23.10
Fire Marshalls [1]	17.50	17.50	17.50	17.50	17.50	17.50	17.56	17.50	17.50	17.50
Telecommunications	-	-	-	-	-	28.03	28.44	29.26	29.84	30.12
Part-Time Teamsters [1]:										
Expo Workers	20.38	21.09	-	-	-	-	-	-	-	-
Housekeeping	12.50	12.71	12.96	13.15	13.35	13.75	13.75	13.75	13.89	13.89
Set-Up	12.50	12.71	12.96	13.15	13.35	13.75	13.75	13.75	13.89	13.89
Installation and Dismantling	21.75	24.50	-	-	-	-	-	-	-	-
Installation and Dismantling (Advance Rate)	-	-	24.50	25.35	26.00	26.65	26.65	27.05	27.50	27.50
Installation and Dismantling (Show Rate)	-	-	29.50	30.50	31.25	32.00	32.00	32.50	33.00	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
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
2013	22,374,396	15,273,919	-	7,100,477	7,100,477

[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 [4]	
Fiscal Year	Junior Subordinate Notes [1]	Subordinate Revenue Bonds [1, 3]	Due to State [2]	Capital Lease Obligations	Other	Total	Per Event Attendee	Per Capita	% of Personal Income
2004	$ 21,571,509	$ 37,678,862	$ -	$ 371,953,227	$ -	$ 431,203,598	$ 271	$ 266	0.75%
2005	24,636,416	34,670,567	70,808,932	365,131,054	-	495,246,969	298	301	0.83%
2006	27,144,492	31,463,466	248,557,010	356,456,643	-	663,621,611	414	397	1.03%
2007	33,759,000	28,058,319	474,121,857	347,064,809	-	883,003,985	521	520	1.33%
2008	33,759,000	24,450,944	66,946,403	931,455,268	16,371,000	1,072,982,615	557	624	1.56%
2009	33,759,000	23,087,579	185,038,966	926,049,285	9,000,000	1,176,934,830	631	675	1.76%
2010	33,759,000	21,658,178	265,535,629	900,730,275	18,000,000	1,239,683,082	680	706	1.80%
2011	33,759,000	20,162,694	-	1,152,047,761	18,000,000	1,223,969,455	609	688	1.67%
2012	33,759,000	18,596,076	-	1,143,268,830	18,000,000	1,213,623,906	497	675	1.57%
2013	33,759,000	16,953,271	-	1,123,051,172	18,000,000	1,191,763,443	562	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] - Amounts are net of discounts and premiums.

[4] - 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

	2004	2005 [1]	2006	2007
Innkeeper's Tax (5%)	$ 17,483,328	$ 17,176,553	$ 19,164,522	$ 19,716,399
Innkeeper's Tax (1%)	3,496,666	3,435,311	3,832,904	3,943,280
Food and Beverage Tax (1%)	17,567,107	16,959,958	18,649,983	18,499,125
Admissions Tax (5%)	4,968,613	5,434,476	5,015,698	5,689,486
Auto Rental Excise Tax (2%)	1,739,924	1,850,410	2,066,784	2,163,710
Cigarette Tax	350,000	350,000	350,000	350,000
PSDA Allocation	5,696,189	5,257,272	7,351,193	6,562,676
Total Original Excise Taxes and Original PSDA Revenues	51,301,827	50,463,980	56,431,084	56,924,676
Innkeeper's Tax (3%)	-	4,577,005	11,046,858	11,829,839
Food and Beverage Tax (1%)	-	7,389,454	18,044,932	18,499,124
Admissions Tax (1%)	-	457,580	1,003,140	1,137,897
Auto Rental Excise Tax (2%)	-	846,239	2,065,332	2,163,710
PSDA Allocation [2]	-	-	-	2,413,605
Regional Food and Beverage Tax (.5%)	-	1,561,027	4,673,376	5,024,380
Total 2005 New Tax Revenues and 2005 PSDA Revenues	-	14,831,305	36,833,638	41,068,555
Innkeeper's Tax (1%) [3]	-	-	-	-
PSDA Allocation [3]	-	-	-	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	-	-	-	-
Auto rental excise tax (2%) [4]	-	-	-	-
Admissions tax (4%) [4]	-	-	-	-
Total 2013 New Tax Revenues	-	-	-	-
Specialty License Plate Fees	-	-	247,340	788,862
Interlocal Agreement Funding	-	-	-	-
Total State and Local Taxes and Other Assistance	$ 51,301,827	$ 65,295,285	$ 93,512,062	$ 98,782,093

[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.

[4] - The 2013 2% Auto Rental Excise Tax and the 2013 4% Admissions Tax are effective March 1, 2013.

2008	2009	2010	2011	2012	2013
$ 19,345,115	$ 16,586,647	$ 16,897,910	$ 20,058,708	$ 22,594,512	$ 22,146,073
3,869,023	3,317,330	3,379,581	4,011,742	4,518,902	4,429,215
18,302,507	17,245,791	18,114,074	19,456,828	21,363,190	21,003,275
5,572,962	6,045,410	6,196,366	4,944,580	6,537,019	6,893,128
2,137,402	1,890,765	2,000,674	2,051,253	2,349,515	2,143,664
350,000	350,000	350,000	350,000	350,000	350,000
7,273,513	8,150,302	11,053,696	7,691,826	7,212,774	7,456,830
56,850,522	53,586,245	57,992,301	58,564,937	64,925,912	64,422,185
11,607,069	9,951,988	10,138,743	12,035,225	13,556,707	13,287,644
18,302,508	17,245,791	18,114,075	19,456,828	21,363,190	21,003,275
1,114,592	1,209,082	1,239,273	988,916	1,307,404	1,365,402
2,137,402	1,890,765	2,000,674	2,051,253	2,349,515	2,143,664
10,839,606	7,202,432	6,020,354	7,444,361	8,544,320	9,622,556
5,108,824	5,086,286	4,952,111	5,387,617	5,193,634	5,208,134
49,110,001	42,586,344	42,465,230	47,364,200	52,314,770	52,630,675
-	843,325	3,379,581	4,011,742	4,518,902	4,429,215
-	3,582,035	7,844,077	9,959,285	8,270,978	8,196,782
-	4,425,360	11,223,658	13,971,027	12,789,880	12,625,997
-	-	-	-	-	1,817,460
-	-	-	-	-	2,688,901
-	-	-	-	-	4,506,361
907,315	836,700	901,880	896,960	745,860	736,440
-	-	8,000,000	8,000,000	8,000,000	8,000,000
$ 106,867,838	$ 101,434,649	$ 120,583,069	$ 128,797,124	$ 138,776,422	$ 142,921,658

Table XI

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

	2004	2005	2006	2007
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	$ 17,483,328	$ 17,176,553	$ 19,164,522	$ 19,716,399
Innkeeper's Tax (1%)	3,496,666	3,435,311	3,832,904	3,943,280
Food and Beverage Tax (1%)	17,567,107	16,959,958	18,649,983	18,499,125
Admissions Tax (5%)	4,968,613	5,434,476	5,015,698	5,689,486
Auto Rental Excise Tax (2%)	1,739,924	1,850,410	2,066,784	2,163,710
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	45,605,638	45,206,708	49,079,891	50,362,000
Disbursements - Senior Lease Rental Obligations [1]				
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	(3,589,560)	(4,624,000)	(4,846,705)	(4,845,706)
2003 Lease	(3,794,113)	(5,293,750)	(6,271,000)	(6,272,000)
2011 Lease	-	-	-	-
2012 Lease	-	-	-	-
Total Disbursements - Senior Lease Rental Obligations	(9,435,673)	(11,969,750)	(13,169,705)	(13,169,706)
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	36,169,965	33,236,958	35,910,186	37,192,294
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt				
PSDA Allocation	5,696,189	5,257,272	7,351,193	6,562,676
Disbursements - Subordinate Lease Rental Obligations and Other Debt [1]				
1997 Lease	(13,176,000)	(13,416,500)	(13,675,000)	(13,934,000)
1999 Subordinate Bonds/Notes	(4,684,888)	(4,766,763)	(4,827,638)	(4,877,763)
Junior Subordinate Notes and Lease Obligations	(58,352)	(63,988)	(72,881)	(85,812)
2011 Lease	-	-	-	-
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	(17,919,240)	(18,247,251)	(18,575,519)	(18,897,575)
Excess Available for CIB Operations	$ 23,946,914	$ 20,246,979	$ 24,685,860	$ 24,857,395
Coverage Ratio - Senior Obligations	4.83	3.78	3.73	3.82
Coverage Ratios - Senior and Subordinate Obligations [2]	1.88	1.67	1.78	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, 2009 PSDA Revenues, and 2013 New Tax Revenues are not included in this schedule since they are not pledged to secure these Obligations.

	2008	2009	2010	2011	2012	2013
	$ 19,345,115	$ 16,586,647	$ 16,897,910	$ 20,058,708	$ 22,594,512	$ 22,146,073
	3,869,023	3,317,330	3,379,581	4,011,742	4,518,902	4,429,215
	18,302,507	17,245,791	18,114,074	19,456,828	21,363,190	21,003,275
	5,572,962	6,045,410	6,196,366	4,944,580	6,537,019	6,893,128
	2,137,402	1,890,765	2,000,674	2,051,253	2,349,515	2,143,664
	350,000	350,000	350,000	350,000	350,000	350,000
	49,577,009	45,435,943	46,938,605	50,873,111	57,713,138	56,965,355
	(1,006,000)	(1,997,800)	(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)
	(1,046,000)	(1,046,000)	(1,046,000)	(523,000)	-	-
	(4,844,281)	(4,844,740)	(4,846,490)	(2,424,023)	-	-
	(6,273,250)	(6,273,000)	(6,271,250)	(6,271,750)	(4,281,805)	(2,134,413)
	-	-	-	(1,399,679)	(4,225,282)	(5,827,617)
	-	-	-	-	(500,219)	(3,192,081)
	(13,169,531)	(14,161,540)	(13,169,740)	(11,624,452)	(10,013,306)	(12,160,111)
	36,407,478	31,274,403	33,768,865	39,248,659	47,699,832	44,805,244
	7,273,513	8,150,302	11,053,696	7,691,826	7,212,774	7,456,830
	(14,213,000)	(14,502,500)	(14,775,500)	(7,453,000)	-	-
	(4,922,013)	(2,555,338)	(2,555,872)	(2,185,556)	(991,400)	(2,540,400)
	(562,425) [3]	(50,301)	(46,250)	(24,306)	(31,058)	(20,255)
	-	-	-	(2,989,100)	(9,098,125)	(13,561,925)
	(19,697,438)	(17,108,139)	(17,377,622)	(12,651,962)	(10,120,583)	(16,122,580)
	$ 23,983,553	$ 22,316,566	$ 27,444,939	$ 34,288,523	$ 44,792,023	$ 36,139,494
	3.76	3.21	3.56	4.38	5.76	4.68
	1.76	1.72	1.90	2.41	3.23	2.28

Table XI, continued

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

	2009	2010	2011	2012	2013
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	$ 13,287,644
Marion County Food and Beverage Tax (1%)	17,245,791	18,114,075	19,456,828	21,363,190	21,003,275
Regional Food and Beverage Tax (.5%)	5,086,286	4,952,111	5,387,617	5,193,634	5,208,134
Admissions Tax (1%)	1,209,082	1,239,273	988,916	1,307,404	1,365,402
Auto Rental Excise Tax (2%)	1,890,765	2,000,674	2,051,253	2,349,515	2,143,664
PSDA Tax Allocation	7,202,432	6,020,354	7,444,361	8,544,320	9,622,556
Colts License Plate Fees	836,700	901,880	896,960	745,860	736,440
	43,423,044	43,367,110	48,261,160	53,060,630	53,367,115
Disbursements - Sublease Rental Obligations [2]					
Stadium Sublease Agreement	(20,000,000)	(41,000,000)	(39,077,337)	(35,827,338)	(34,565,458)
Convention Center Sublease Agreement	-	-	(4,501,609)	(9,588,640)	(12,792,212)
	(20,000,000)	(41,000,000)	(43,578,946)	(45,415,978)	(47,357,670)
2005 New Tax Revenues in Excess of Sublease Rental Obligations [1]	$ 23,423,044	$ 2,367,110	$ 4,682,214	$ 7,644,652	$ 6,009,445
Coverage Ratio - Sublease Rental Obligations	2.17	1.06	1.11	1.17	1.13

[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, 2009 PSDA Revenues, and 2013 New Tax 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**
2004	1,622,935	$ 57,289	$ 35,633	4.7%
2005	1,645,027	60,018	36,485	4.9%
2006	1,671,898	64,679	38,686	4.4%
2007	1,697,656	66,396	39,110	3.9%
2008	1,720,796	68,804	39,984	6.7%
2009	1,743,658	66,989	38,419	8.4%
2010	1,756,241	68,888	39,225	8.4%
2011	1,778,568	73,298	41,212	8.2%
2012	1,798,634	77,492	43,084	7.9%
2013	n/a	n/a	n/a	5.8%

[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

	2013	
Employer Name	**Employees**	**% of Total**
I.U. Health	20,292	2.16%
St. Vincent Hospitals & Health Service	11,075	1.18%
Eli Lilly and Company	10,500	1.12%
Wal-Mart	9,000	0.96%
Marsh Supermarkets	8,890	0.95%
Community Health Network	8,100	0.86%
FedEx Express	6,000	0.64%
Franciscan St. Francis Health	5,576	0.59%
WellPoint	4,200	0.45%
Rolls-Royce	4,100	0.44%
AT&T	4,000	0.43%
Chase	3,810	0.41%
Roche Diagnostics	3,000	0.32%
	98,543	10.51%

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

Note: Information for 2004 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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Position:										
Carpenters	5	3	3	3	4	4	4	4	8	4
Electricians	23	24	21	17	20	16	13	15	20	17
Grounds	3	3	3	3	5	5	5	5	5	5
Housekeeping	61	82	67	62	64	51	40	37	33	29
Pipefitters	14	13	12	12	15	14	14	14	14	13
Painters	3	3	3	3	3	3	3	3	3	3
Sound and lighting	8	8	8	8	10	23	24	33	31	44
Set-up	49	46	31	25	27	23	15	14	13	13
Installation and dismantling	15	11	7	7	6	5	6	8	10	9
Box office	4	4	3	3	4	4	4	4	6	4
Administrative	64	69	64	69	76	61	65	69	76	79
Miscellaneous clerical	5	5	4	5	7	3	4	6	7	7
Telecommunications	-	-	-	-	2	3	4	6	5	5
Fire Marshals	-	-	-	-	1	-	-	-	-	-
Guest services	-	-	-	-	2	4	4	4	4	5
Total Full-Time Equivalent Employees	254	271	226	217	246	219	205	222	235	237

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	2004 Event Occupancy	2004 Total Occupancy	2005 Event Occupancy	2005 Total Occupancy
Exhibit Halls				
Hall A	33.3%	66.4%	33.4%	67.9%
Hall B	35.8%	72.4%	33.4%	69.3%
Hall C	37.7%	78.1%	35.6%	70.7%
Hall D	35.0%	73.5%	34.2%	70.4%
Hall E	36.6%	76.0%	32.9%	66.8%
Hall F	30.6%	60.4%	31.5%	64.9%
Hall G	30.3%	59.3%	31.8%	65.2%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	18.6%	40.2%	18.4%	53.2%
Ballrooms				
500 Ballroom	37.2%	51.9%	35.9%	50.4%
White River Ballroom	34.7%	48.9%	28.8%	43.6%
Sagamore Ballrooms [2]	39.3%	57.8%	39.3%	60.0%
Wabash Ballrooms [2]	40.3%	57.3%	36.7%	56.3%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

	2009 Event Occupancy	2009 Total Occupancy	2010 Event Occupancy	2010 Total Occupancy
Exhibit Halls				
Hall A	30.1%	63.1%	29.3%	58.1%
Hall B	34.4%	68.9%	29.0%	58.6%
Hall C	31.7%	67.5%	29.6%	62.2%
Hall D	33.3%	68.3%	31.5%	62.7%
Hall E	26.2%	63.1%	27.9%	60.8%
Hall F	18.3%	39.1%	20.0%	41.9%
Hall G	15.6%	36.9%	14.2%	32.9%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	-	-	-	-
Ballrooms				
500 Ballroom	30.3%	43.7%	22.7%	42.5%
White River Ballroom	-	-	-	-
Sagamore Ballrooms [2]	36.0%	50.2%	23.7%	45.9%
Wabash Ballrooms [2]	35.9%	47.9%	23.2%	39.6%
Lucas Oil Stadium				
Stadium	39.2%	88.1%	16.2%	36.2%
Exhibit Halls [2]	32.6%	71.3%	14.9%	28.1%
Quarterback Club	33.6%	44.8%	18.9%	22.7%
Lounges [2]	33.3%	62.2%	14.7%	23.9%
Concourse	39.2%	76.2%	18.4%	31.0%
North Terrace	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.

2006		2007		2008	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
33.4%	61.9%	30.1%	60.5%	30.3%	66.1%
35.3%	65.5%	31.5%	63.8%	31.4%	66.7%
30.7%	59.5%	31.8%	63.8%	32.2%	68.9%
29.9%	58.4%	29.9%	61.4%	32.8%	67.2%
28.5%	55.1%	29.9%	61.1%	29.2%	64.5%
29.3%	54.8%	31.5%	58.1%	18.9%	41.0%
27.9%	51.0%	25.5%	52.3%	17.8%	39.1%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18.9%	43.8%	20.5%	42.2%	18.1%	44.8%
34.2%	48.5%	36.4%	50.4%	38.3%	50.8%
27.9%	41.6%	29.9%	41.1%	26.7%	34.3%
41.2%	56.6%	38.0%	55.3%	40.6%	56.9%
37.0%	51.6%	34.2%	49.7%	38.6%	52.8%
-	-	-	-	32.2%	54.5%
-	-	-	-	22.0%	36.0%
-	-	-	-	28.0%	28.0%
-	-	-	-	24.5%	35.7%
-	-	-	-	33.6%	46.2%
-	-	-	-	15.4%	26.6%

2011		2012		2013	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
31.2%	65.8%	25.7%	57.7%	26.8%	54.2%
28.8%	64.1%	29.5%	64.8%	27.1%	55.3%
26.0%	62.2%	23.5%	59.6%	26.6%	59.2%
30.7%	66.8%	27.3%	63.7%	28.5%	61.9%
25.5%	61.4%	26.8%	61.2%	26.0%	59.2%
23.0%	53.7%	28.4%	63.7%	27.1%	60.5%
21.1%	51.5%	21.3%	54.4%	22.2%	53.2%
18.5%	45.7%	23.5%	55.5%	27.9%	59.2%
19.7%	47.4%	25.7%	60.1%	27.7%	63.3%
23.4%	52.0%	29.5%	63.4%	28.8%	63.3%
19.9%	47.7%	23.2%	56.6%	28.5%	62.2%
-	-	-	-	-	-
30.7%	39.7%	33.6%	49.7%	35.1%	47.4%
-	-	-	-	-	-
31.6%	45.2%	32.2%	51.0%	35.3%	51.7%
39.8%	48.2%	30.8%	44.6%	36.7%	48.3%
18.4%	31.8%	17.3%	40.3%	19.5%	43.2%
14.1%	26.8%	14.2%	35.7%	14.0%	33.5%
12.1%	13.9%	14.6%	26.1%	11.1%	12.7%
13.4%	18.9%	14.4%	31.1%	10.9%	23.4%
19.2%	28.8%	18.1%	39.5%	16.0%	30.4%
-	-	-	-	-	-