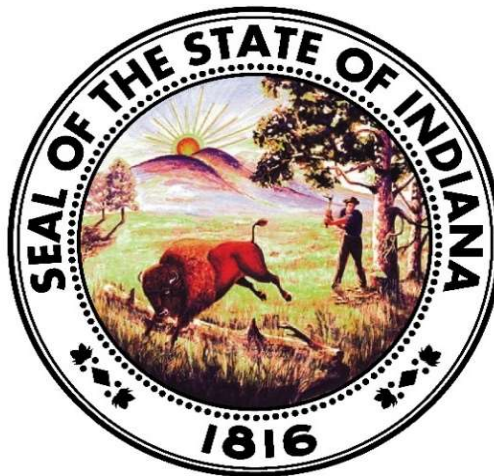


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AUDIT REPORT
OF
CAPITAL IMPROVEMENT BOARD OF MANAGERS
MARION COUNTY, INDIANA
January 1, 2023 to December 31, 2023



FILED
08/07/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

August 7, 2024

Board of Directors
Capital Improvement Board of Managers
Marion County, Indiana

We have reviewed the Annual Comprehensive Financial Report of the Capital Improvement Board of Managers which was opined upon by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the Annual Comprehensive Financial Report present fairly, in all material respects, the financial position of the Capital Improvement Board of Managers as of December 31, 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, Katz, Sapper & Miller, LLP, prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for the Capital Improvement Board of Managers was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

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

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



Annual Comprehensive Financial Report For the Fiscal Years Ended December 31, 2023 and 2022

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Annual Comprehensive Financial Report

Fiscal Years Ended December 31, 2023 and 2022
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 and Accounting Department

Marci Reddick, President

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Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated
City of Indianapolis-Marion County)
December 31, 2023 and 2022

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Introductory Section

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June 6, 2024

Capital Improvement Board of Managers (of Marion County, Indiana),
Citizens of Marion County and of the State of Indiana
Indianapolis, Indiana

We are pleased to present the Annual Comprehensive Financial Report of the Capital Improvement Board of Managers (of Marion County, Indiana) (“CIB”), for the fiscal years ended December 31, 2023 and 2022.

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 Indiana State Board of Accounts oversees the financial audit and the preparation of the financial statements. 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. Five board members are appointed by the Mayor of the City of Indianapolis, two are appointed by the Governor of the State of Indiana, one is appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County (“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. Marci Reddick was appointed to the CIB board by the Mayor of the City of Indianapolis, Joe Hogsett, and was thereafter elected as the board president.

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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.

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 Metropolitan Statistical Area (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, a significant driver that allows 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. 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.

Long-Term Financial Planning: The CIB is authorized to finance, construct, equip, operate and maintain facilities which promote convention, cultural, entertainment and recreational activities. In order to achieve this, a Long-Term Financial Plan is vital. The CIB prepares a long range financial plan including a schedule for the retirement of debt, estimated operating budget, estimated capital budget, and estimated income to pay these items. This long range financial plan is updated at least annually as the CIB continues to provide the highest level of operational efficiencies and quality of its facilities.

Relevant Financial Policies: The CIB has adopted a comprehensive set of financial policies. During the current year, the following policies were particularly relevant.

Financial Reporting - The CIB has a policy to submit to the board a monthly report of its accounts exhibiting the revenues, receipts and disbursements and the sources from which they were derived and the purpose and manner in which they were disbursed.

Investments - The CIB established an Investment Policy. All investments must comply with Statutory Requirements and contractual restrictions. The primary objectives of the CIB investment activities are to ensure the safety of principal, to maintain sufficient liquidity, and to pursue a due and prudent return on investments. Investment decisions are to be made with appropriate care and sound business judgement.

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.

- (1) 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 online at www.budgetnotices.in.gov.
- (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 Lucas Oil Stadium ("LOS"). The ICC covers a 6 city block area in downtown Indianapolis. The LOS site covers a 6½ city block area just south of the Convention Center. Both facilities are connected 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 566,600 square feet of clear span convention and exhibition space, 71 meeting rooms and 3 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, ranked as the #1 NFL stadium experience for 2018 by *Stadium Journey* magazine, 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 shares in the maintenance of Victory Field, Gainbridge Fieldhouse and various parking garages.

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 backs and arm rests. The ballpark also features many modern-day amenities, such as 28 luxury suites and cup holders at most seats, digital video boards, state-of-the-art sound system and new home plate club.

Gainbridge Fieldhouse (formerly known as Bankers Life Fieldhouse and 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 17,923 that includes 52 suites, a courtside club and two sideline clubs, Lexus Loft with 112 loge seats and 120 theater seats, Gainbridge 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, Gainbridge Fieldhouse has four seating levels: Key Bank Suite Level, Main Concourse Level, Krieg DeVault Mezzanine Level and Balcony Level. 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. The window theme is continued on both the Pennsylvania and Delaware Street sides of the Entry Pavilion. 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 rodeo 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, Salesforce Practice Court and multi-use spaces 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. Between 2020-2023 Gainbridge Fieldhouse underwent a three year \$360 million

renovation which included reconfigured seating, guest amenities, technology improvements, social gathering spaces and a new outdoor plaza.

Major Initiatives of the CIB: The Indiana Convention Center and Lucas Oil Stadium are excellent venues that have hosted very diverse groups - Super Bowl XLVI® and NFL Experience, NCAA® Men's entire March Madness tournament, NCAA® Women's Final Four® Basketball Championships, Big Ten Football Championship, North American Christian Annual Convention, National FFA Organization Convention, Indiana Black Expo, Fire Department Instructors Conference (FDIC), Gen Con "The Best Four Days in Gaming", Performance Racing Industry Show, and VFW Annual National Convention.

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 (2023) Events

Archery Trade Association, JAMfest Super Nationals, Central Zone Invitational, National ESEA Conference, Circle of Stars, Monster Jam, Indiana Home and Garden Show, WWETT, National Football Scouting Combine, NTEA Work Truck Show, Supercross, Nike Mideast Qualifier, American Chemical Society, Indiana State Robotics Championships, Luke Combs, National Rifle Association, FDIC, IUPUI Commencement, ComicCon, SLEEP Annual Meeting, Church of the Nazarene General Assembly, National Athletic Trainers Association, United Church of Christ Biennial, AHRA Annual Meeting, Gen Con, DCI World Championships, NCSL Legislative Summit, Do it Best Fall Market, American Orthotic & Prosthetic Association, Louisville vs Indiana College Football, United Pentecostal Church General Conference, Structural Building Components Association, The Gospel Coalition National Conference, Railway Interchange, BOA Super Regional Competition, Jack Henry & Associates, Society of Actuaries Annual Meeting, Music For All Grand Nationals, Percussive Arts Society, Performance Racing Industry Show, Indianapolis Colts Football, VeeFriends, Unicorn World, Brick Fest Live, Champion Force Athletics, IBE, Delta Sigma Theta Sorority, HorrorHound, PopCon, National FFA Convention, Percussive Arts Society International Convention, Champion Force Athletics

Major Events for 2024

JAMfest, WWETT, Central Zone Invitational, Monster Jam, NBA All-Star, Circle of Stars Gymnastics, Unicorn World, National Football Scouting Combine, NTEA Work Truck Week, Nike Mideast Qualifier, Supercross, ComicCon, Morgan Wallen, FDIC, PopCon, George Strait, American Coatings, Pokemon Regionals, National Confectioners Sweets and Snacks, Tyler Technologies, IUPUI Commencements, Brick Fest Live, Southern Baptist Convention, USA Swimming, Gospel Coalition- National Women's Conference, IBE, Church of God International General Assembly, National Eucharistic Congress, Zeta Phi Beta Sorority, Gen Con, DCI, Indianapolis Colts Football, Do it Best Fall Market, P!nk, BOA Super Regional Competition, National FFA Convention, Taylor Swift, American Academy of Optometry, Beyond Monumental, ISSMA, Percussive Arts Society International Convention, Music for All, Junior Volleyball Association, IHSA State Football Championships, Big Ten Football Championships, Performance Racing Industry Show

Major Events for 2025

Indianapolis Colts Football, Archery Trade Association, JAMfest, Central Zone Invitational, Circle of Stars, WWETT, National Football Scouting Combine, NTEA Work Truck Week, Supercross, Monster Jam, ComicCon, Nike Mideast Qualifier, M-PACT, FDIC, Craft Brewers Conference, National Confectioners Sweets and Snacks, IUPUI Commencement, Railway Interchange, IEDC

Global Entrepreneurship Network Congress, HITEC, Christian & Missionary Alliance LIFE Conference, United Pentecostal Church, Gen Con, DCI, UC Home Football Game, Revive our Hearts, American Academy of Otolaryngology, BOA Regional, National FFA Convention, Advanced Textiles Association, Monumental Health, ISSMA Marching Band Finals, Music for All, Percussive Arts Society International Convention, National Catholic Youth Convention, Performance Racing Industry

Indianapolis as a Destination

Often referred to as “the Crossroads of America,” Indianapolis is at the center of our nation’s heartland, with more interstates converging in the city than in any other city in the United States, a key selling point to draw groups to CIB facilities. Indiana benefits from its proximity to major markets and population centers - both nationally and internationally.

The Indianapolis International Airport, often named the best in North America, continues to work to increase the presence of airlines at the airport. The additions of nonstop flights to cities from coast to coast, as well as international destinations in recent years has made it more convenient for visitors to reach Indianapolis.

With more visitors coming to the city than ever before, the Indianapolis has seen a strong growth in its culinary scene with new restaurants opening and restaurateurs expanding successful concepts. Neighborhoods like Mass Ave, Fountain Square, and Fletcher Place are bustling with foot and bicycle traffic from visitors looking to experience authentic Indianapolis fare. Fletcher Place’s Milktooth was named one of the best restaurants in the world by *Condé Nast Traveler* while Bluebeard’s Abbi Merriss continues to get annual recognition from the James Beard Awards.

According to the U.S. Census Bureau’s Statistics for 2020, Indy is the nation’s 15th largest city with an estimated population of 887,642 and 2,126,804 for the Indianapolis Metropolitan Area. Indianapolis offers a multitude of cultural, educational, sporting, shopping and dining opportunities to both residents and visitors alike.

The NFL’s Indianapolis Colts, NBA’s Indiana Pacers, WNBA’s Indiana Fever, USL’s Indy Eleven, ECHL’s Indy Fuel hockey team, and IL’s AAA Indianapolis Indians baseball team are among the city’s prominent sporting attractions, as well as countless amateur sporting events like the Big Ten Football Championship and the Men’s and Women’s Big Ten Basketball Tournaments.

The Indianapolis Cultural Trail and White River State Park offer prominent attractions within walking distance of downtown hotels and CIB facilities. White River State Park is home to a scenic Central Canal Walk and seven major attractions, including the NCAA Headquarters and Hall of Champions, Indianapolis Zoo, Indiana State Museum, and the Eiteljorg Museum of American Indians and Western Art.

A short distance from downtown, visitors can enjoy the world’s largest children’s museum - the Children’s Museum of Indianapolis, Indianapolis Motor Speedway, and Indianapolis Museum of Art at Newfields.

Indy’s already robust arts and cultural scene continues to grow. Staples like the Indiana Repertory Theatre and Indianapolis Symphony Orchestra have been joined by First Friday gallery tours and smaller fringe theaters such as The Cabaret and Phoenix Theatre.

Indianapolis has garnered media attention for its livability, attractions, and way of life.

- #1 Convention City in the U.S. – *USA Today*
- World’s Greatest Places 2021 – *TIME Magazine*
- Best Places to Go in 2021 - *Condé Nast Traveler*

- Best Places to Travel in 2021 – *Travel + Leisure*
- America’s Favorite Places – *Travel + Leisure*
- America’s Most Underrated City – *Forbes*
- Airbnb’s Top Destinations for 2021 – *USA Today*
- Best Places to View the 2024 Solar Eclipse – *Roadtrippers*
- Best Airport in North America (for 11 consecutive years) – *Airports Council International*

As recovery continue beyond the 2020 pandemic, Indianapolis welcomed more than 28.1 million visitors in 2022, providing \$4.2 billion in economic impact, producing \$1.3 billion in tax receipts, and generating 73,000 full and part-time jobs with wages of \$2.6 billion in Central Indiana.

According to the Indiana Business Review, after the U.S. posts expected real GDP growth of 2.0% in 2023, growth is predicted to be slightly lower at 1.6% in 2024. The same numbers are 0.5% in 2023 and 0.3% in 2024 for Indiana and 0.6% in 2023 and 0.5% in 2024 for the Indianapolis metropolitan area. In a normal year, real GDP grows between 2.0% and 3.0%. National durable goods spending is expected to shrink between 2.5% and 3.0% at an annual rate during the first half of 2024. Because durable goods manufacturing represents a higher-than-average share of the state and metropolitan area economies, this shrinkage disproportionately impacts Indiana and Indianapolis and explains why they will grow more slowly than the nation in 2024.

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 boasts of diverse strengths in the manufacturing, distribution, retail and service sectors while 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 venues, such as Victory Field, Gainbridge Fieldhouse, Circle Centre Mall, Lucas Oil Stadium and the Indiana 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 destination and the reason it won the distinction of ‘Best Convention City’ by *USA TODAY* readers.

Visit Indy, Inc. (Visit Indy), the official “destination marketing organization” for Indianapolis, reports continued growth in convention market share since the completion of the latest ICCLOS expansion and the opening of the 1,012-room JW Marriott Indianapolis in 2011. In 2023, Visit Indy booked 825,000 future group hotel room-nights (conventions, major meetings, amateur sporting events in partnership with the Indiana Sports Corp., etc.).

Efforts to drive leisure travel to Indianapolis, which generates tax revenue for the CIB through hotel stays, food and beverage purchases, event tickets, car rentals and other spending, helped generate 1,039,974 Friday/Saturday non-group hotel room-nights in 2023. The ability to maintain and grow the city’s convention and leisure business, and thus the CIB’s tax and operations revenues, will be dependent in part on national/global economic conditions (which significantly influence travel), improvements to the visitor product in competitive cities, improvements to Indianapolis’ own visitor product, and adequate resources to successfully promote the city and CIB assets.

Awards and Acknowledgements

Independent Audit: The CIB has an annual audit of its financial statements performed by Katz, Sapper & Miller, LLP, which was contracted 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 annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the 38th consecutive year that the CIB has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,

Andrew J. Mallon, Executive Director

Marci Reddick, President

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

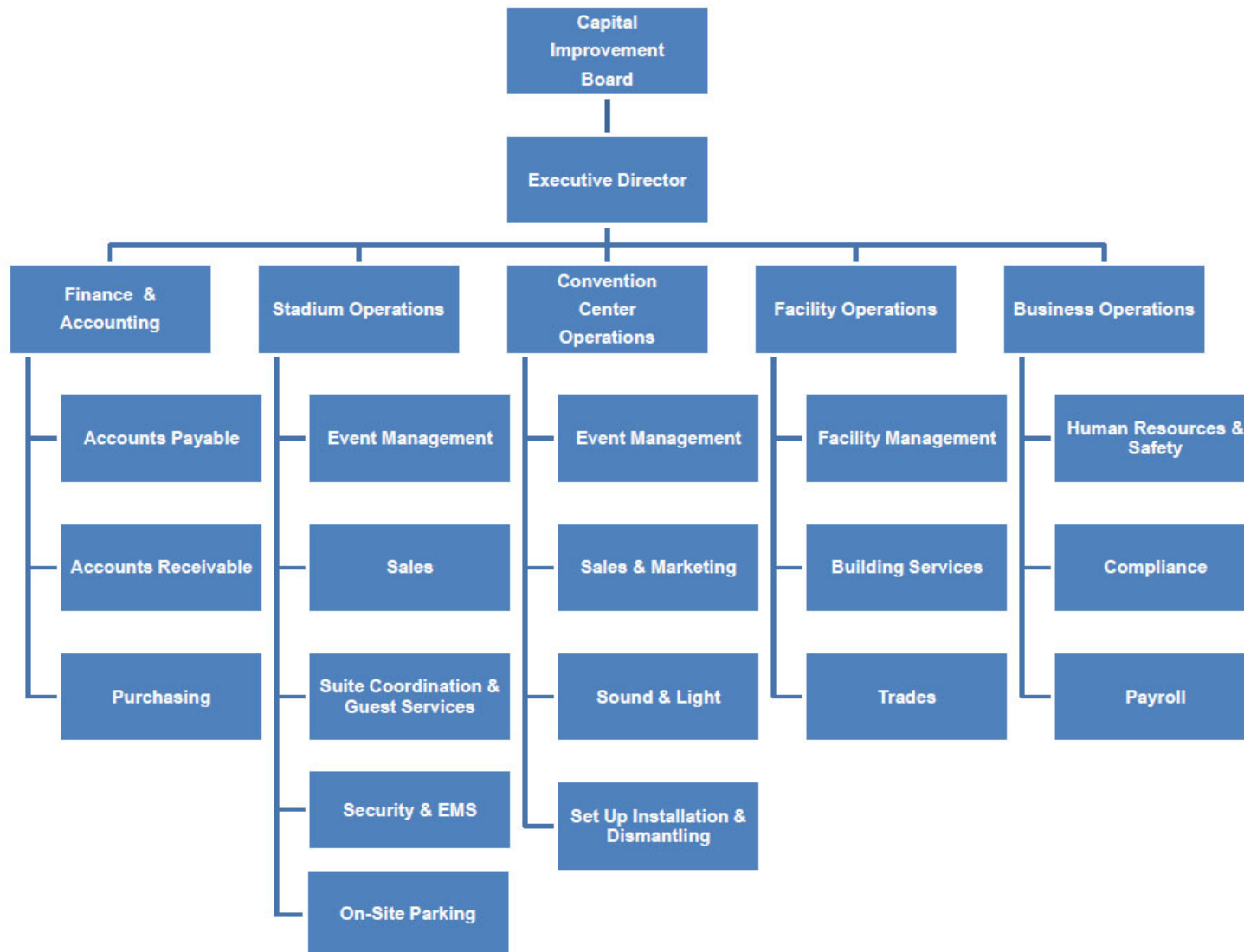
**Capital Improvement Board of Managers
of Marion County, Indiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

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**Capital Improvement Board of Managers
of Marion County, Indiana
Organization Table**



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

Mayor, City of Indianapolis - The Honorable Joe Hogsett

Board Members (during 2023)

Name	Title	Term Ending	Years of Service	Occupation
Marci Reddick	President	January 14, 2024	1	Attorney, Taft Stettinius & Hollister LLP
David E. Corbitt	Vice President	January 14, 2024	8	Partner, Krieg Devault LLP
Michael Terrell	Treasurer	January 14, 2024	8	Partner, Taft Stettinius & Hollister LLP
David Ruhmkorff	Secretary	January 14, 2024	8	International Vice President (Retired), IBEW Sixth District Office
Jim Dora, Jr.	Member	January 14, 2024	14	President & CEO, General Hotels Corporation
Sarah Fisher	Member	January 14, 2025	5	CEO and Owner, SMO Entertainment
Earl Goode	Member	January 14, 2025	5	Chief of Staff, Office of the Governor
Maggie Lewis	Member	January 14, 2024	12	City-County Councilor, District 10
Jaime Bohler Smith	Member	January 14, 2024	2	Executive Director/CEO Visit Hendricks County

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

Administrative Personnel

Name	Position	Years of Service
Andy Mallon	Executive Director	5
Timothy M. Kuehr	Chief Financial Officer	10
Eric Neuburger	Stadium Director	7
Thomas L. Boyle	Director of Operations	29
Kobi M. Wright	Senior Staff Counsel and Business Operations Director	7

Counsel to the Board - Dentons Bingham Greenebaum, LLP
Indianapolis, Indiana

Financial Section

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Independent Auditor's Report

The Officials of the
Capital Improvement Board of Managers of
Marion County, Indiana.

Report on the Audit of Financial Statements***Opinion***

We have audited the accompanying financial statements of Capital Improvements Board of Managers of Marion County, Indiana (the CIB), a component unit of the Consolidated City of Indianapolis - Marion County, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the CIB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CIB as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CIB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CIB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CIB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CIB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedule of CIB's proportionate share of the net pension liability and CIB contributions and related notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CIB's basic financial statements. The accompanying 2023 analysis of certain operating expenses is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 analysis of certain operating expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2024 on our consideration of the CIB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CIB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CIB's internal control over financial reporting and compliance.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
June 6, 2024

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 years ended on December 31, 2023 and 2022. 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 to finance, construct, equip, operate, and maintain 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 ("ICC") & Lucas Oil Stadium ("LOS"), and its use arrangements related to Victory Field and Gainbridge Fieldhouse.

Financial Highlights

The following are some highlights from the CIB's financial statements for the year ended December 31, 2023:

- The CIB's net position increased in 2023 due to an increase in Operating Revenues of \$7 million and Tax Revenues increased \$14 million to record levels in 2023 as the economy improved. The CIB's 2024 budget anticipates meeting 2024 expenditures with budgeted revenues and cash reserves.
- The CIB experienced an increase in *Total assets and deferred outflows of resources* of about \$41 million, or 2.4%, in 2023. *Current assets - unrestricted* decreased by \$10 million mainly due to investments that matured in 2023 being reinvested in longer term maturities. *Current assets - restricted* increased by about \$78 million due to increased ticket sales for concerts to be held in 2024. *Capital assets, net* decreased by \$42 million due to depreciation expense and expensing costs related to the Convention Center expansion that had previously been capitalized and were distributed in the current year to the City of Indianapolis. *Other noncurrent assets* increased by \$15 million due to an increase in long-term investments. *Deferred outflows of resources* increased by \$1 million due mainly to deferrals associated with the net pension liability.
- *Total liabilities and deferred inflows of resources* increased by about \$24 million, or 2.3% in 2023. *Current liabilities* increased by about \$80 million in 2023 largely due to an increase in the liabilities associated with ticketed events sales for concerts to be held in 2024. *Noncurrent liabilities* decreased by about \$54 million due to the principal reductions of long term debt. *Deferred inflows of resources* decreased by about \$2 million due mainly to deferrals associated with the net pension liability and a reduction in the deferred gain on refunding.
- *Net position* increased by about \$17 million, or 2.5%, in 2023.
- *Operating revenues* increased by \$7 million, or 21.4%, in 2023, primarily due to the increases in labor reimbursements and food service and concession income as the number of events and attendance increased to pre-pandemic levels.

- *Nonoperating revenues* decreased by \$38 million, or 13.4% in 2023 due mostly to a \$50 million grant that was received in 2022 and not repeated in 2023. That reduction was partially offset by a higher level of investment income of \$17 million and higher tax revenues of \$14 million.
- *Operating expenses* in 2023 increased by \$17 million, or 16.8%, in 2023 due to the increases in spending related to the consulting costs associated with the Convention Center expansion project, increased costs relating to more events held during 2023, and a higher level of depreciation expense.
- *Nonoperating expenses* increased by \$78 million, or 99.4%, due to the loss on disposal of assets that were replaced as part of the Gainbridge Fieldhouse renovation project and \$71 million distribution of the Convention Center expansion to the City of Indianapolis.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2023 and 2022:

- Statements of Net Position
- 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. 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 financed purchase 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 Statements of Net Position reflect the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the CIB using the accrual basis of accounting. 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.

2023 to 2022 Comparative Statements of Net Position

The comparative analysis below is a summary of the Statements of Net Position for the fiscal years ended December 31, 2023 and 2022:

	2023	2022	\$ Variance	% Variance
Assets				
Current assets - unrestricted	\$ 172,587	\$ 182,294	\$ (9,707)	(5.3) %
Current assets - restricted	345,760	268,111	77,649	29.0
Capital assets, net	1,239,493	1,281,655	(42,162)	(3.3)
Other noncurrent assets	22,724	7,753	14,971	193.1
Total assets	1,780,564	1,739,813	40,751	2.3
Deferred Outflows of Resources	3,174	2,533	641	25.3
Total assets and deferred outflows of resources	\$ 1,783,738	\$ 1,742,346	\$ 41,392	2.4 %
Liabilities				
Current liabilities payable from unrestricted assets	\$ 11,318	\$ 20,803	\$ (9,485)	(45.6) %
Current liabilities payable from restricted assets	142,911	52,948	89,963	169.9
Noncurrent liabilities	931,042	984,833	(53,791)	(5.5)
Total liabilities	1,085,271	1,058,584	26,687	2.5
Deferred Inflows of Resources	5,722	8,162	(2,440)	(29.9)
Total liabilities and deferred inflows of resources	1,090,993	1,066,746	24,247	2.3
Net Position				
Net investment in capital assets	282,467	286,440	(3,973)	(1.4)
Restricted	229,446	223,535	5,911	2.6
Unrestricted	180,832	165,625	15,207	9.2
Total net position	692,745	675,600	17,145	2.5
Total liabilities, deferred inflows of resources and net position	\$ 1,783,738	\$ 1,742,346	\$ 41,392	2.4 %

Note: Dollars above are in thousands.

The 2023 decrease in *Current assets - unrestricted*, about \$10 million, or 5.3%, from the prior year is due to investments that matured in 2023 being reinvested in long term investments.

Current assets - restricted increased by about \$78 million, or 29.0%, from the prior year, due to the large amount of ticket sales for concerts taking place in 2024.

Capital assets, net decreased by about \$42 million, or 3.3%, from the prior year. This decrease is due to the expensing of previously capitalized Construction in Progress related to the Convention Center expansion project was distributed to the City of Indianapolis in 2023.

The increase in *Other noncurrent assets* of \$15 million, or 193.1%, from the prior year is due to investments that matured in 2023 being reinvested in long term investments.

Deferred outflows of resources increased by \$1 million, or 25.3%, due to amounts associated with the CIB's net pension liability.

Current liabilities payable from unrestricted assets decreased by about \$9 million, or 45.6%, from the prior year due mainly to the decrease in accounts payable due to timing of expenses near year end.

Current liabilities payable from restricted assets increased \$90 million, or 169.9%, from the prior year. Most of the increase (\$76 million) was due to funds held for others for events happening in 2024. The remaining increase of \$13 million was due to the increase in the current portion of long-term debt.

Noncurrent liabilities decreased by \$54 million, or 5.5%, from the prior year. The decrease is due mostly to a reduction in long term debt of \$55 million.

Deferred inflows of resources decreased by \$2 million, or 29.9% from the prior year due to amounts associated with the CIB's pension plan and a reduction in the deferred gain on refunding.

Net position- net investment in capital assets decreased by about \$4 million, or 1.4%, in 2023, as a result of distributing the Convention Center expansion project to the City of Indianapolis.

Restricted net position increased about \$6 million, or 2.6%, in 2023, as a result of the increase in cash and cash equivalents.

The approximate \$15 million, or 9.2%, increase from the prior year in *Unrestricted net position* is primarily due to the overall increase in net position in 2023.

2022 to 2021 Comparative Statements of Net Position

The comparative analysis below is a summary of the Statements of Net Position for the fiscal years ended December 31, 2022 and 2021:

	2022	2021	\$ Variance	% Variance
Assets				
Current assets - unrestricted	\$ 182,294	\$ 105,145	\$ 77,149	73.4 %
Current assets - restricted	268,111	241,993	26,118	10.8
Capital assets, net	1,281,655	1,264,350	17,305	1.4
Other noncurrent assets	7,753	27,997	(20,244)	(72.3)
Total assets	1,739,813	1,639,485	100,328	6.1
Deferred Outflows of Resources	2,533	1,469	1,064	72.4
Total assets and deferred outflows of resources	\$ 1,742,346	\$ 1,640,954	\$ 101,392	6.2 %
Liabilities				
Current liabilities payable from unrestricted assets	\$ 20,803	\$ 33,708	\$ (12,905)	(38.3) %
Current liabilities payable from restricted assets	52,948	45,006	7,942	17.6
Noncurrent liabilities	984,833	1,023,000	(38,167)	(3.7)
Total liabilities	1,058,584	1,101,714	(43,130)	(3.9)
Deferred Inflows of Resources	8,162	12,882	(4,720)	(36.6)
Total liabilities and deferred inflows of resources	1,066,746	1,114,596	(47,850)	(4.3)
Net Position				
Net investment in capital assets	286,440	252,853	33,587	13.3
Restricted	223,535	176,824	46,711	26.4
Unrestricted	165,625	96,681	68,944	71.3
Total net position	675,600	526,358	149,242	28.4
Total liabilities, deferred inflows of resources and net position	\$ 1,742,346	\$ 1,640,954	\$ 101,392	6.2 %

Note: Dollars above are in thousands.

The 2022 increase in *Current assets - unrestricted*, about \$77 million, or 73.4%, from the prior year is due to the receipt of a \$50 million grant from The City of Indianapolis and an \$18 million increase in short term investments that were in noncurrent assets at the end of 2021.

Current assets - restricted increased by about \$26 million, or 10.8%, from the prior year, due to the increase in taxes collected increasing cash reserves and in state tax receivables at the end of the year.

Capital assets increased by about \$17 million, or 1.4%, from the prior year. This increase is due to the spending on new capital assets in excess of the amount of depreciation during the year.

The decrease in *Other noncurrent assets* of \$20 million from the prior year is due to the long term investments held at the end of 2021 becoming short term at the end of 2022 and investments that matured in 2022 not reinvested in long term investments.

Deferred outflows of resources increased by \$1 million due to amounts associated with the CIB's net pension liability.

Current liabilities payable from unrestricted assets decreased by about \$13 million, or 38.3%, from the prior year due mainly to the decrease in accounts payable.

Current liabilities payable from restricted assets increased \$8 million, or 17.6%, from the prior year. Most of the increase (\$5.1 million) was due to funds held for others for events happening in early 2023. The remaining increase was due the increase in the current portion of long-term debt.

Noncurrent liabilities decreased by \$38 million, or 3.7%, from the prior year. The decrease is due mostly to a reduction in long term debt.

Deferred inflows of resources decreased by \$5 million, or 36.6% from the prior year due to amounts associated with the CIB's pension plan and a reduction in the deferred gain on refunding.

Net position- Net investment in capital assets increased about \$34 million, or 13.3%, in 2022, as a result of newly acquired capital assets and reductions of capital-related debt.

Restricted net position increased about \$47 million, or 26.4%, in 2022, as a result of the increase in cash, cash equivalents, and state tax receivables.

The approximate \$69 million, or 71.3%, increase from the prior year in *Unrestricted net position* is primarily due to the increase in unrestricted current assets of \$77 million, arising mostly from the \$50 million unrestricted grant from The City of Indianapolis.

2023 to 2022 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, 2023 and 2022:

	2023	2022	\$ Variance	% Variance
Operating Revenues				
Rental income	\$ 10,152	\$ 9,955	\$ 197	2.0 %
Food service and concession commissions	5,470	2,443	3,027	123.9
Parking lot income	1,165	820	345	42.1
Labor reimbursements	23,273	18,753	4,520	24.1
Other operating income	1,082	1,905	(823)	(43.2)
Total operating revenues	41,142	33,876	7,266	21.4
Nonoperating Revenues				
Investment income	20,757	3,587	17,170	478.7
State and local taxes and other assistance	227,545	213,602	13,943	6.5
City of Indianapolis ARPA funds grant	-	50,000	(50,000)	(100.0)
Other	-	19,514	(19,514)	(100.0)
Total nonoperating revenues	248,302	286,703	(38,401)	(13.4)
Total revenues	289,444	320,579	(31,135)	(9.7)
Operating Expenses				
Salaries and wages	16,602	13,863	2,739	19.8
Fringe benefits	6,318	4,184	2,134	51.0
Utilities	8,044	8,297	(253)	(3.0)
Repairs and maintenance	3,937	3,934	3	0.1
Insurance	3,465	3,121	344	11.0
Security	4,877	3,903	974	25.0
Contractual labor	13,638	12,286	1,352	11.0
Nondepreciable equipment, parts and supplies	5,774	4,953	821	16.6
Other	9,800	4,285	5,515	128.7
Depreciation and amortization	43,373	40,355	3,018	7.5
Total operating expenses	115,828	99,181	16,647	16.8
Nonoperating Expenses				
Interest expense	40,187	43,297	(3,110)	(7.2)
Compensation to Visit Indy, Inc.	13,450	10,760	2,690	25.0
Bankers Life Fieldhouse operating expenses and reimbursements	12,710	13,783	(1,073)	(7.8)
Pacers Basketball note receivable forgiveness	2,000	2,000	-	-
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,720	5,709	11	0.2
Public safety support payments	2,715	2,318	397	17.1
Loss on sale/disposal of capital assets	5,416	-	5,416	N/A
Distribution to primary government	70,500	-	70,500	N/A
Other	3,773	606	3,167	522.6
Total nonoperating expenses	156,471	78,473	77,998	99.4
Total expenses	272,299	177,654	94,645	53.3
Increase in Net Position Before Capital Contributions	17,145	142,925	(125,780)	(88.0)
Capital Contributions	-	6,317	(6,317)	(100.0)
Increase in Net Position	17,145	149,242	(132,097)	(88.5)
Net Position, Beginning of Year	675,600	526,358	149,242	28.4
Net Position, End of Year	\$ 692,745	\$ 675,600	\$ 17,145	2.5 %

Note: Dollars above are in thousands.

Operating revenues increased by \$7 million, or 21.4% in 2023 due to an increase in food service and concession commissions and labor reimbursements from events as the number of events and attendance increased to pre-pandemic levels.

Nonoperating revenues decreased by \$38 million, or 13.4% in 2023 due to the \$50 million grant from The City of Indianapolis received in 2022 that was not repeated in 2023. That reduction was partially offset by a higher level of investment income of \$17 million and higher tax revenues of \$14 million.

Operating expenses in 2023 increased by \$17 million, or 16.8% due to the increase in spending related to the expenses related to the Convention Center expansion, increased costs relating to more events held during 2023, and a higher level of depreciation expense.

Nonoperating expenses increased by about \$78 million, or 99.4%, due to the loss on disposal of capital assets replaced for the Gainbridge Fieldhouse renovation project and \$71 million distribution of the Convention Center expansion project to the City of Indianapolis.

Capital contributions decreased by \$6 million in 2023 due to receiving no capital contributions in 2023.

2022 to 2021 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, 2022 and 2021:

	2022	2021	\$ Variance	% Variance
Operating Revenues				
Rental income	\$ 9,955	\$ 6,871	\$ 3,084	44.9 %
Food service and concession commissions	2,443	2,804	(361)	(12.9)
Parking lot income	820	533	287	53.8
Labor reimbursements	18,753	11,902	6,851	57.6
Other operating income	1,905	1,534	371	24.2
Total operating revenues	33,876	23,644	10,232	43.3
Nonoperating Revenues				
Investment income	3,587	377	3,210	851.5
State and local taxes and other assistance	213,602	163,474	50,128	30.7
City of Indianapolis ARPA funds grant	50,000	-	50,000	N/A
Other	19,514	20,612	(1,098)	(5.3)
Total nonoperating revenues	286,703	184,463	102,240	55.4
Total revenues	320,579	208,107	112,472	54.0
Operating Expenses				
Salaries and wages	13,863	10,949	2,914	26.6
Fringe benefits	4,184	3,048	1,136	37.3
Utilities	8,297	6,774	1,523	22.5
Repairs and maintenance	3,934	2,746	1,188	43.3
Insurance	3,121	2,636	485	18.4
Security	3,903	3,284	619	18.8
Contractual labor	12,286	6,536	5,750	88.0
Nondepreciable equipment, parts and supplies	4,953	3,270	1,683	51.5
Other	4,285	3,172	1,113	35.1
Depreciation and amortization	40,355	40,125	230	0.6
Total operating expenses	99,181	82,540	16,641	20.2
Nonoperating Expenses				
Interest expense	43,297	34,540	8,757	25.4
Compensation to Visit Indy, Inc.	10,760	10,760	-	-
Bankers Life Fieldhouse operating expenses and reimbursements	13,783	13,960	(177)	(1.3)
Pacers Basketball note receivable forgiveness	2,000	4,000	(2,000)	(50.0)
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,709	5,663	46	0.8
Public safety support payments	2,318	1,002	1,316	131.3
Loss on sale/disposal of capital assets	-	148	(148)	(100.0)
Other	606	839	(233)	(27.8)
Total nonoperating expenses	78,473	70,912	7,561	10.7
Total expenses	177,654	153,452	24,202	15.8
Increase in Net Position Before Capital Contributions	142,925	54,655	88,270	161.5
Capital Contributions	6,317	53,470	(47,153)	(88.2)
Increase in Net Position	149,242	108,125	41,117	38.0
Net Position, Beginning of Year	526,358	418,233	108,125	25.9
Net Position, End of Year	\$ 675,600	\$ 526,358	\$ 149,242	28.4 %

Note: Dollars above are in thousands.

Operating revenues increased by \$10 million, or 43.3% in 2022 due to a full year of events in 2022 compared to a partial year of events in 2021, when events were postponed or cancelled due to the pandemic.

Nonoperating revenues increased by \$102 million, or 55.4% in 2022 due to the increase in tax revenues that come from hotels, restaurants, and admissions taxes and a \$50 million grant from The City of Indianapolis.

Operating expenses in 2022 increased by \$17 million, or 20.2% due to the increase in spending related to events that took place in 2022 canceled in 2021 due to the pandemic.

Nonoperating expenses increased by about \$8 million, or 10.7% due to the full year impact of the new financed purchase obligation for the Gainbridge Fieldhouse renovation project.

Capital contributions decreased by \$47 million, or 88.2% in 2022 due to receiving two large capital contributions for Bicentennial Unity Plaza and The Gainbridge Fieldhouse renovation project in 2021 that were not repeated in 2022.

Capital Asset and Debt Administration

Capital Assets

As discussed, the CIB is organized to finance, construct, equip, operate, and maintain 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 other governmental units 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 financed purchases and are depreciated along with other assets owned by the CIB. Readers are referred to footnotes 4 and 5 to the financial statements for more detailed information on capital asset activity. These capital improvements (capital assets) consist primarily of the following:

Indiana Convention Center and Lucas Oil Stadium

Among the facilities managed by the CIB is a multi-purpose sports and convention facility, the Indiana Convention Center (ICC) and Lucas Oil Stadium (LOS). 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 and Lucas Oil Stadium each 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 and Lucas Oil Stadium were 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 the Marion County Convention and Recreational Facilities Authority ("MCCRFA") and the Indiana Finance Authority ("IFA"). MCCRFA-CIB lease agreements relating to the ICC securing the related MCCRFA bonds with certain state and local taxes were terminated and MCCRFA transferred its ownership rights in the ICC to the CIB. IFA bonds relating to the ICC & LOS are secured by leases and subleases to be paid by the CIB from certain pledged state and local taxes. Such state and local taxes also secure certain bond and other indebtedness of the CIB and other lease obligations of the CIB.

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.

Gainbridge Fieldhouse (formerly Bankers Life Fieldhouse and Conseco Fieldhouse)

Gainbridge Fieldhouse (including a connected parking facility) was completed in 1999 and is used for a variety of sporting events, concerts and other special events. Pacers Basketball, LLC, a National Basketball Association franchise (“Pacers”), is the exclusive operator of the facility. Other frequent users include the Indiana Fever (a Women’s National Basketball Association basketball franchise).

Gainbridge Fieldhouse was originally built using a mix of private and public funds, including the proceeds from a tax-exempt and taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Gainbridge Fieldhouse secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals.

In 2019, the CIB entered into a Second Amended and Restated Operating Agreement with the Pacers, which has been supplemented and amended multiple times. The 2019 agreement provided for a twenty-five-year commitment by the Pacers to play their home NBA games in Indianapolis and also granted the Pacers three one-year options. The current agreement requires the Pacers to pay the CIB up to \$750 million in certain situations related principally to a failure to play its required home games in Gainbridge Fieldhouse while the agreement is in effect. In exchange, the CIB agreed to assume certain operating expenses, such as off-site storage, daily security and utilities and to make about \$313 million of refresh improvements, together with other replacements and improvements over the term of the amended agreement. Annual payments or reimbursements by the CIB totaling between about \$12 million and about \$16 million will be made to the Pacers for expenses related to the operating or maintaining of the fieldhouse complex.

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.

The site for Victory Field was made available in 1995 under a lease agreement with the White River State Park Development Commission (“WRSP”). Victory Field was built using a mix of public and private funds, including the proceeds from a taxable bond offering of MCCRFA, which bonds were retired in 2015. In 2016, a new lease agreement between WRSP and the CIB and a new sublease agreement between the CIB and the Indians were concurrently executed and are now in effect until 2036. See Note 11 for further information.

Long-Term Debt

The CIB’s long-term debt is comprised of financed purchase obligations and bond indebtedness. The CIB has acquired certain of its existing capital assets through finance purchasing arrangements involving MCCRFA, 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.

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.

In addition to its lease obligations, the CIB has a direct outstanding revenue bond 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 financed purchase obligations and bond indebtedness, certain provisions of Indiana law also limit the amount of bond and note indebtedness that it may incur.

In 2021, the CIB issued a \$22,925,000 revenue bond indebtedness for repair, maintenance and improvement obligations at Gainbridge Fieldhouse. The State of Indiana's constitution limits the amount of non-lease debt that the CIB may issue to approximately 0.66% of its current certified assessed value. By this limit, based on an assessed value of \$58,115,081,827 applicable to CIB for 2023, the CIB's 2023 non-lease debt limit was \$383,559,540.

Readers are referred to footnotes 5, 6, 7 and 8 to the financial statements for more detailed information on long-term debt activity and associated funding mechanisms.

Economic Factors and Other Matters

The Indianapolis economy continued its recovery throughout 2023, with output, employment and incomes trending back toward where they were at the end of 2019. The CIB will pursue continuing efforts, including 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.

As a convention and tourism business, the CIB is charged with the public purpose of promoting and publicizing Indianapolis and the central Indiana region. It continues to pursue this core purpose. The CIB's focus for the business of the Indiana Convention Center & Lucas Oil Stadium in 2023 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).

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 and Accounting 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)
Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 130,355,438	\$ 143,735,373
Investments	10,247,972	27,926,596
Interest receivable	229,783	92,930
Accounts receivable	24,005,946	6,069,020
Current portion of note receivable	2,000,000	2,000,000
Prepaid expenses and other	5,747,464	2,469,628
Total unrestricted assets	<u>172,586,603</u>	<u>182,293,547</u>
Restricted Assets		
Cash and cash equivalents	97,721,691	31,642,232
Cash equivalents held with fiscal agent	205,536,652	195,378,366
Investments	4,948,100	-
Interest receivable	595,442	143,563
Receivable from State of Indiana	36,958,664	40,946,546
Total restricted assets	<u>345,760,549</u>	<u>268,110,707</u>
Total current assets	<u>518,347,152</u>	<u>450,404,254</u>
Noncurrent Assets		
Investments	21,724,384	4,754,127
Note receivable	1,000,000	3,000,000
Nondepreciable capital assets	203,896,905	222,639,253
Depreciable capital assets, net	1,035,596,109	1,059,015,963
Total noncurrent assets	<u>1,262,217,398</u>	<u>1,289,409,343</u>
Total assets	<u>1,780,564,550</u>	<u>1,739,813,597</u>
Deferred Outflows of Resources	<u>3,173,705</u>	<u>2,532,799</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,783,738,255</u></u>	<u><u>\$ 1,742,346,396</u></u>

	<u>2023</u>	<u>2022</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	\$ 10,160,827	\$ 19,231,659
Unearned revenue	172,760	188,922
Accrued expenses and withholdings	984,787	883,582
Current portion of grants payable	-	500,000
Total current liabilities payable from unrestricted assets	<u>11,318,374</u>	<u>20,804,163</u>
Payable From Restricted Assets		
Funds held for others	84,408,781	7,989,804
Rental deposits	2,613,858	2,055,782
Accrued interest payable	451,250	526,447
Current portion of long-term debt	55,437,166	42,375,473
Total current liabilities payable from restricted assets	<u>142,911,055</u>	<u>52,947,506</u>
Total current liabilities	<u>154,229,429</u>	<u>73,751,669</u>
Noncurrent Liabilities		
Bonds payable, net	26,604,600	27,283,911
Financed purchase obligations	898,474,813	952,554,946
Net pension liability	5,962,457	4,994,093
Total noncurrent liabilities	<u>931,041,870</u>	<u>984,832,950</u>
Total liabilities	<u>1,085,271,299</u>	<u>1,058,584,619</u>
Deferred Inflows of Resources	<u>5,721,972</u>	<u>8,162,136</u>
Total liabilities and deferred inflows of resources	<u>1,090,993,271</u>	<u>1,066,746,755</u>
Net Position		
Net investment in capital assets	282,467,407	286,439,922
Restricted		
For debt service	213,397,867	207,286,975
For capital projects	5,000,000	5,000,000
For facility operating costs	4,184,198	3,986,338
For economic development	6,863,556	7,261,633
Unrestricted	<u>180,831,956</u>	<u>165,624,773</u>
Total net position	<u>692,744,984</u>	<u>675,599,641</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,783,738,255</u>	<u>\$ 1,742,346,396</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Rental income	\$ 10,152,354	\$ 9,955,173
Food service and concession commissions	5,469,988	2,443,413
Parking lot income	1,164,565	819,760
Labor reimbursements	23,273,171	18,752,567
Other operating income	1,082,301	1,905,115
	<u>41,142,379</u>	<u>33,876,028</u>
Operating Expenses		
Salaries and wages	16,601,554	13,862,672
Fringe benefits	6,318,497	4,184,451
Utilities	8,044,480	8,296,920
Repairs and maintenance	3,937,118	3,933,899
Insurance	3,465,253	3,121,482
Security	4,877,467	3,902,804
Contractual labor	13,637,605	12,286,082
Nondepreciable equipment, parts and supplies	5,773,721	4,953,453
Other	9,799,550	4,284,495
Depreciation and amortization	43,372,618	40,354,550
	<u>115,827,863</u>	<u>99,180,808</u>
Operating Loss	<u>(74,685,484)</u>	<u>(65,304,780)</u>
Nonoperating Revenues (Expenses)		
Investment income	20,757,088	3,586,944
State and local taxes and other assistance	227,545,222	213,601,734
Interest expense	(40,187,297)	(43,296,922)
Compensation to Visit Indy, Inc.	(13,450,000)	(10,759,865)
Bankers Life Fieldhouse operating expenses and reimbursements	(12,709,638)	(13,783,251)
Pacers Basketball note receivable forgiveness	(2,000,000)	(2,000,000)
Inducements/revenue sharing to Indianapolis Colts	(3,500,000)	(3,500,000)
Indianapolis Colts' Day-of-Game expenses	(2,220,000)	(2,209,000)
Grants to other organizations	(2,274,088)	(606,249)
Public safety support payments	(2,714,785)	(2,317,895)
Loss on sale/disposal of capital assets	(5,415,675)	-
City of Indianapolis ARPA funds grant	-	50,000,000
Distribution to primary government	(70,500,000)	-
Other	(1,500,000)	19,514,259
	<u>91,830,827</u>	<u>208,229,755</u>
Increase in Net Position Before Capital Contributions	17,145,343	142,924,975
Capital Contributions	<u>-</u>	<u>6,316,825</u>
Increase in Net Position	17,145,343	149,241,800
Net Position, Beginning of Year	<u>675,599,641</u>	<u>526,357,841</u>
Net Position, End of Year	<u>\$ 692,744,984</u>	<u>\$ 675,599,641</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 100,138,720	\$ 38,737,584
Payments to suppliers and others	(56,171,745)	(54,858,421)
Payments to employees	(23,422,080)	(18,902,587)
Net cash provided (used) by operating activities	<u>20,544,895</u>	<u>(35,023,424)</u>
Cash Flows From Noncapital Financing Activities		
Payments to Visit Indy, Inc.	(13,450,000)	(10,759,865)
State and local taxes and other assistance	129,820,054	114,152,704
Federal government assistance	-	50,000,000
Grants paid to other organizations	(2,774,088)	(1,106,249)
Gainbridge Fieldhouse operating expenses and reimbursements	(12,709,638)	(13,783,251)
Payments out of Bid Fund	(1,500,000)	(500,000)
Public safety support payments	(2,714,785)	(2,317,895)
Payments to Indianapolis Colts	(5,720,000)	(5,709,000)
Net cash provided by noncapital financing activities	<u>90,951,543</u>	<u>129,976,444</u>
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(33,370,473)	(31,184,981)
Interest paid on long-term liabilities	(41,825,433)	(31,053,517)
Acquisition of capital assets	(37,253,585)	(56,698,535)
Payments of capital grants	(70,500,000)	-
Proceeds from capital grants	17,241,859	6,316,825
State and local taxes and other assistance	101,140,381	88,702,010
Net cash used by capital and related financing activities	<u>(64,567,251)</u>	<u>(23,918,198)</u>
Cash Flows From Investing Activities		
Purchase of investment securities	(36,539,783)	(10,305,414)
Proceeds from sales and maturities of investment securities	33,545,600	10,460,000
Interest received on investment securities and cash equivalents	18,922,806	4,017,693
Net cash provided by investing activities	<u>15,928,623</u>	<u>4,172,279</u>
Net Increase in Cash and Cash Equivalents	62,857,810	75,207,101
Cash and Cash Equivalents, Beginning of Year	<u>370,755,971</u>	<u>295,548,870</u>
Cash and Cash Equivalents, End of Year	<u>\$ 433,613,781</u>	<u>\$ 370,755,971</u>

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Noncash Noncapital Financing Activities		
Forgiveness of Pacers Basketball note receivable	\$ 2,000,000	\$ 2,000,000
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	1,653,044	7,284,073
Loss on disposal of assets	(5,415,675)	-
Increase in financed purchase obligations	12,446,200	12,446,200
Capital assets distributed to primary government	24,724,252	-
Amortization of deferred gains and loss on lease refinancings	1,562,939	1,562,939
Reconciliation of Operating Loss to Net Cash Provided (Used) in Operating Activities		
Operating loss	\$ (74,685,484)	\$ (65,304,780)
Adjustment to reconcile operating loss to net cash provided (used) in operating activities		
Depreciation and amortization	43,372,618	40,354,550
Change in assets and liabilities		
Accounts receivable	(17,936,926)	(340,643)
Prepaid expenses	(3,277,836)	163,071
Deferred outflows related to pensions	(640,906)	(1,063,708)
Accounts payable	(3,439,804)	(14,059,702)
Unearned revenue	(16,162)	83,832
Accrued expenses and withholdings	101,205	111,206
Funds held for others	76,418,977	5,067,789
Rental deposits	558,076	(132,076)
Deferred inflows related to pensions	(877,227)	(3,156,584)
Net pension liability	968,364	3,253,621
Net cash provided (used) in operating activities	<u>\$ 20,544,895</u>	<u>\$ (35,023,424)</u>

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2023 and 2022

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. Five of the nine board members are appointed by the Mayor of the City of Indianapolis, two are appointed by the Governor of the State of Indiana, one is appointed by the City-County Council of the Consolidated City of Indianapolis-Marion County (“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 the City County Council 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. The City-County Council approves the CIB’s budget and may, at its discretion, choose to modify it;
- c. The CIB is fiscally dependent upon the City County Council and the Mayor of Indianapolis in that it may not issue revenue bond or general obligation bond debt without approval by both.

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.

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2023 and 2022

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, deferred outflows of resources, liabilities and deferred inflows of resources as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Investments

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.

Investments are recorded at fair value (generally based upon quoted market prices).

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:

	<u>2023</u>	<u>2022</u>
State and local taxes	\$ 36,743,164	\$ 40,720,526
Specialty license plate fees	<u>215,500</u>	<u>226,020</u>
	<u>\$ 36,958,664</u>	<u>\$ 40,946,546</u>

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2023 and 2022

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 (referred to as financed purchase obligations) and other obligations of the CIB discussed later in the notes.

Capital Assets

Purchased capital assets are stated at cost. Donated capital assets and capital assets received in a service concession arrangement are stated at acquisition value. 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:

	<u>Years</u>
Buildings and Improvements	10-50
Land Improvements	10-20
Equipment, furniture and fixtures and other	3-25

Compensated Absences

Employees earn vacation time based on their anniversary date. Employees may carry over from the previous year up to 30 unused earned vacation days. The CIB has recorded a current liability of \$633,821 and \$524,092 for accrued vacation and related benefits at December 31, 2023 and 2022, 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.

Cost-Sharing Defined-Benefit Pension Plan

The CIB participates in a cost-sharing multiple-employer defined-benefit pension plan ("Plan"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2023 and 2022

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.

Deferred Outflows of Resources

As of December 31, 2023 and 2022, deferred outflows of resources consisted of the following:

	2023	2022
Net difference between projected and actual earnings on pension plan investments	\$ 1,366,611	\$ 616,324
Changes in assumptions - pension	325,145	676,425
Changes in proportion and differences between contributions recognized and proportionate share of contributions - pension	538,443	523,668
Difference between expected and actual experience - pension	121,990	107,691
CIB's contributions made subsequent to the measurement date of the net pension liability	821,516	608,691
	<u>3,173,705</u>	<u>2,532,799</u>
Total deferred outflows of resources	<u>\$ 3,173,705</u>	<u>\$ 2,532,799</u>

Deferred Inflows of Resources

As of December 31, 2023 and 2022, deferred inflows of resources consisted of the following:

	2023	2022
Changes in proportion and differences between contributions recognized and proportionate share of contributions - pension	\$ 381,930	\$ 1,026,498
Difference between expected and actual experience - pension	-	18,993
Changes in assumptions - pension	-	213,664
Deferred gains on financed purchase obligation refinancings	5,340,042	6,902,981
	<u>5,721,972</u>	<u>8,162,136</u>
Total deferred inflows of resources	<u>\$ 5,721,972</u>	<u>\$ 8,162,136</u>

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2023 and 2022

Revenue and Expense Recognition

Operating revenues of the CIB are derived primarily from convention, trade show, sporting and other special events held at the Indiana Convention Center & Lucas Oil Stadium and 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. All revenues and expenses not meeting these definitions 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, if applicable, first, then unrestricted resources as they are needed.

Annual Budget

The CIB incurs 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 does 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.

Net Position

The CIB financial statements utilize a net position presentation. The components of net position are categorized as follows:

- *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. 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 restrictions (which principally relate to trust agreements under which financed purchase 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. When both unrestricted and restricted resources are available for use, it is the CIB's policy to use unrestricted resources first, then restricted resources as they are needed based upon its purpose. For example, if the purpose is for a restricted use then restricted resources would be used.

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2023 and 2022

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.

Type of Investments Authorized

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, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, certificates of deposit and open-end money market mutual funds.

The maturity ranges for the CIB's investment securities at December 31, 2023 and 2022 follow:

	2023		
	Total Fair Value	Less Than 1 Year	1-2 Years
U.S. Treasury notes/bonds	\$ 36,920,456	15,196,072	\$ 21,724,384
State external investment pool	48,360,367	48,360,367	-
Money market mutual funds	268,086,023	268,086,023	-
	<u>\$ 353,366,846</u>	<u>\$ 331,642,462</u>	<u>\$ 21,724,384</u>

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	2022		
	Total	Less Than	1-2
	Fair Value	1 Year	Years
U.S. Treasury notes/bonds	\$ 32,680,723	\$ 27,926,596	\$ 4,754,127
State external investment pool	6,318,773	6,318,773	-
Money market mutual funds	206,727,164	206,727,164	-
	<u>\$ 245,726,660</u>	<u>\$ 240,972,533</u>	<u>\$ 4,754,127</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the CIB is limited to investing in securities with a stated maturity of not more than five 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 statute IC 5-13-9-5.6. The investment policy expires on February 9, 2025. Money market mutual funds are considered to have a maturity of less than one year because they are immediately redeemable in full.

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. Further, Indiana statute IC 5-13-9-2.5 requires that if the CIB invests in money market mutual funds, the underlying securities be rated AAAm by Standard and Poor's or Aaa by Moody's Investor's Service. The U.S. Government-sponsored enterprise securities are rated AA+/Aaa and the money market mutual funds are rated AAA/Aaa. The investments in the state external investment pool are not rated.

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 and The State of Indiana's external investment pool were not subject to custodial credit risk at December 31, 2023 and 2022, as their existence is not evidenced by securities that exist in physical or book entry form. The CIB's investment policy states that collateral securities and securities underlying repurchase agreements are to be held by an independent third party that is in compliance with Indiana statute IC 5-13-8.

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Concentration of Credit Risk - All deposits of funds must be made with at least two financial institutions. The amount of funds on deposit in any one depository should not exceed the lesser of \$70 million or 60% of CIB's total investable funds. Except for securities backed by the US Treasury, money market mutual funds and interest-bearing deposit accounts, the CIB's total portfolio should consist of not more than 20% of any other type of investment.

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 statements of net position are classified as follows:

	<u>2023</u>	<u>2022</u>
Carrying value		
Cash	\$ 117,167,391	\$ 157,710,034
Cash equivalents and investment securities	<u>353,366,846</u>	<u>245,726,660</u>
	<u><u>\$ 470,534,237</u></u>	<u><u>\$ 403,436,694</u></u>
Cash and cash equivalents		
Current - unrestricted	\$ 130,355,438	\$ 143,735,373
Current - restricted	<u>303,258,343</u>	<u>227,020,598</u>
Total cash and cash equivalents	<u>433,613,781</u>	<u>370,755,971</u>
Investment securities		
Current - unrestricted	10,247,972	27,926,596
Current - restricted	4,948,100	-
Noncurrent - unrestricted	<u>21,724,384</u>	<u>4,754,127</u>
Total investment securities	<u>36,920,456</u>	<u>32,680,723</u>
	<u><u>\$ 470,534,237</u></u>	<u><u>\$ 403,436,694</u></u>

Investment Income

Investment income for the years ended December 31, 2023 and 2022 consisted of:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 18,127,371	\$ 4,115,291
Realized gain/(loss) on investments	1,233,985	-
Unrealized gain/(loss) on investments	<u>1,395,732</u>	<u>(528,347)</u>
	<u><u>\$ 20,757,088</u></u>	<u><u>\$ 3,586,944</u></u>

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Cash Restrictions

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

	<u>2023</u>	<u>2022</u>
Operating reserve - rental deposits	\$ 2,623,882	\$ 2,055,782
Bid fund	6,863,556	7,261,633
Bond fund	7,452,824	31,588,959
Renewal and replacement	5,000,000	5,000,000
Restricted Grants	1,431,255	5,985,268
Restricted City of Indianapolis Grant	795,160	632,839
Stadium and convention center sublease accounts	32,555,046	29,233,292
Stadium and convention center sublease reserve account	166,114,537	136,502,428
Box office	83,453,331	7,125,877
Meridian Center parking fund	1,916,852	1,634,520
	<u><u>\$ 308,206,443</u></u>	<u><u>\$ 227,020,598</u></u>

Note 3: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

At December 31, 2023					
Fair Value Measurements Using					
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (A)
State external investment pools	\$ 48,360,367	\$ -	\$ -	\$ -	\$ 48,360,367
U.S. Treasury notes/bonds	36,920,456	36,920,456	-	-	-
Money market mutual funds	268,086,023	268,086,023	-	-	-
	<u>\$ 353,366,846</u>	<u>\$ 305,006,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,360,367</u>

At December 31, 2022					
Fair Value Measurements Using					
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (A)
State external investment pools	\$ 6,318,773	\$ -	\$ -	\$ -	\$ 6,318,773
U.S. Treasury notes/bonds	32,680,723	32,680,723	-	-	-
Money market mutual funds	206,727,164	206,727,164	-	-	-
	<u>\$ 245,726,660</u>	<u>\$ 239,407,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,318,773</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Position.

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The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2023 and 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Money market mutual funds invest in short-term debt securities and seek to provide greater returns than cash deposits. There are no unfunded commitments or restrictions on redemptions.

Investments at NAV

The State External Investment Pool (TrustIndiana) seeks to allow local units of government, as well as the State of Indiana, to invest in a common pool of investment assets that preserves the principal of the public's funds, remains highly-liquid, and maximizes the return on the investment. The Indiana Treasurer of State has been designated by statute as the administrator of the pool and the Deputy Treasurer of State maintains general oversight over the daily operation of the pool. The unit of account is each share held and the value of the CIB's position is equal to the fair value of the pool's share price multiplied by the number of shares held. There are no unfunded commitments or restrictions on redemptions.

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Note 4: Capital Assets

A summary of changes to capital assets for the year ended December 31, 2023 and 2022 follows:

	Beginning Balance January 1, 2023	Transfers and Additions	Transfers and Disposals	Ending Balance December 31, 2023
Capital assets, not being depreciated:				
Land and land improvements	\$ 129,743,132	\$ -	\$ -	\$ 129,743,132
Construction in progress	92,896,121	31,622,557	(50,364,905)	74,153,773
Total capital assets, not being depreciated	222,639,253	31,622,557	(50,364,905)	203,896,905
Capital assets, being depreciated:				
Buildings and improvements	1,576,377,077	13,057,968	(16,678,464)	1,572,756,581
Land improvements	6,113,315	-	-	6,113,315
Equipment, furniture and fixtures and other	122,531,047	12,310,472	(21,420,417)	113,421,102
Total capital assets, being depreciated	1,705,021,439	25,368,440	(38,098,881)	1,692,290,998
Less accumulated depreciation for:				
Buildings and improvements	(542,853,971)	(36,672,067)	12,157,071	(567,368,967)
Land improvements	(4,161,448)	(176,261)	-	(4,337,709)
Equipment, furniture and fixtures and other	(98,990,057)	(6,524,290)	20,526,134	(84,988,213)
Total accumulated depreciation	(646,005,476)	(43,372,618)	32,683,205	(656,694,889)
Total capital assets, being depreciated, net	1,059,015,963	(18,004,178)	(5,415,676)	1,035,596,109
Capital assets, net	\$ 1,281,655,216	\$ 13,618,379	\$ (55,780,581)	\$ 1,239,493,014

	Beginning Balance January 1, 2022	Transfers and Additions	Transfers and Disposals	Ending Balance December 31, 2022
Capital assets, not being depreciated:				
Land and land improvements	\$ 129,743,132	\$ -	\$ -	\$ 129,743,132
Construction in progress	38,872,783	54,034,287	(10,949)	92,896,121
Total capital assets, not being depreciated	168,615,915	54,034,287	(10,949)	222,639,253
Capital assets, being depreciated:				
Buildings and improvements	1,575,167,470	1,233,057	(23,450)	1,576,377,077
Land improvements	6,089,865	23,450	-	6,113,315
Equipment, furniture and fixtures and other	120,128,102	2,402,945	-	122,531,047
Total capital assets, being depreciated	1,701,385,437	3,659,452	(23,450)	1,705,021,439
Less accumulated depreciation for:				
Buildings and improvements	(507,325,911)	(35,544,480)	16,420	(542,853,971)
Land improvements	(3,983,057)	(178,391)	-	(4,161,448)
Equipment, furniture and fixtures and other	(94,341,957)	(4,648,100)	-	(98,990,057)
Total accumulated depreciation	(605,650,925)	(40,370,971)	16,420	(646,005,476)
Total capital assets, being depreciated, net	1,095,734,512	(36,711,519)	(7,030)	1,059,015,963
Capital assets, net	\$ 1,264,350,427	\$ 17,322,768	\$ (17,979)	\$ 1,281,655,216

Accumulated depreciation includes amortization of property and equipment acquired under financed purchase obligations.

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Note 5: Financed Purchase Obligations

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 originally 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 ("ICC Expansion"). Since then, the IFA issued multiple series of bonds to refund certain funding bonds. 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, the CIB.

In connection with the above, 2005 legislation generally enabled an increase in 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. The 2005 legislation and its resulting actions are further explained later in these notes.

The ISCBA leases the LOS and ICC Expansion facilities 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, certain of the CIB's previously 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 IOMB-CIB the Subleases constitutes payment of the lease rentals under the ISCBA-IOMB Leases and payment of amounts due under the respective IFA-ISCBA loan agreements.

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MCCRFA was created pursuant to IC 36-10-9.1 and is authorized thereunder to acquire one or more capital improvements for 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.

MCCRFA originally issued approximately \$230,705,000 in Excise Taxes Lease Rental Revenue Subordinate Bonds, Series 1997A and 1997B, to fund the construction of the then Conseco Fieldhouse and an attached garage facility. Later the name changed to Bankers Life Fieldhouse and in 2021 to Gainbridge Fieldhouse.

A number of MCCRFA bond financings and refundings have resulted under the CIB's Master Lease Agreements with MCCRFA. The results and effects of certain of these transactions are described in the paragraphs that follow.

In 2011, MCCRFA issued Excise Taxes Lease Rental Revenue Refunding Subordinate bonds, Series 2011A (the "2011A Subordinate Bonds") to refund the 1997 MCCRFA bonds.

In March 2021, the CIB caused certain financing and cash transactions to be undertaken that resulted in the funding of improvements to Gainbridge Fieldhouse, the refunding of the 2011A Subordinate Bonds related to the Gainbridge Fieldhouse, and the early retirement of the 1999A Subordinate Bonds, 2011A Senior Bonds, 2012A Senior Bonds and 2011B Senior Bonds. As part of the March 2021 financings, the CIB entered into a new Master Lease Agreement with MCCRFA for Gainbridge Fieldhouse ending on June 1, 2041. Under the 2021 Master Lease, 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 to operate, insure and maintain the leased facilities. The CIB's 2021 Master Lease payment obligations are payable from and secured by a pledge of certain state and local taxes to be received by the CIB. As part of the March 2021 financings, CIB revenue bonds, in the amount of \$22,925,000, were issued to fund the Gainbridge Fieldhouse improvements.

As part of the 2021 refunding, there was a deferred gain on financed purchase obligations recognized with a balance of \$5,340,042 and \$6,902,982 at December 31, 2023 and 2022, respectively, that is recorded as a deferred inflow of resources. The deferred gain is being amortized over the remaining life of the lease.

During 2022, the CIB signed amendments to the financing agreements for the LOS and ICC Expansion rentals. The amendment for the LOS agreement increased semi-annual rent payments to \$21,548,231 for payments beginning July 1, 2023 and \$21,648,356 for payments beginning July 1, 2024. Payments beginning on July 1, 2025 were lowered accordingly based on the terms of the original agreement. The amendment for the ICC Expansion agreement increased semi-annual rent payments to \$8,467,381 beginning July 1, 2023 and \$8,591,256 for payments beginning July 1, 2024. Payments beginning on July 1, 2025 were lowered accordingly based on the terms of the original agreement.

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As part of the March 2021 financings, MCCRFA issued approximately \$401,410,000 in Excise Taxes Lease Rental Revenue Bonds (Series 2021A). Lease rentals under the 2021 Master Lease are payable solely from, and are secured exclusively by a pledge of the Original Innskeeper's Tax Revenues, 1997 Innskeeper's Tax Revenues, Original Food and Beverage Tax Revenues, Original Admissions Tax Revenues, Original Auto Rental Tax Revenues, Original Sports PSDA Tax Revenues, 2009 Innskeeper's Tax Revenues, 2013 Auto Rental Tax Revenues, Hotel PSDA Tax Revenues and the Cigarette Tax Revenues. Such amounts are pledged in accordance with an Amended and Restated Revenue Deposit Agreement between the CIB and the Deposit Trustee.

Assets held under these financed purchases include the majority of the CIB's land and depreciable capital assets. See Note 4 for a breakdown of assets by major asset class.

Future minimum payments at December 31, 2023, together with the present value of the net minimum payments, are as follows:

2024	\$ 89,854,074
2025	94,313,390
2026	92,146,156
2027	75,955,656
2028	71,714,656
2029-2033	414,443,780
2034-2038	380,318,453
2039-2041	<u>92,553,886</u>
Total future minimum lease payments	1,311,300,051
Amount representing interest	<u>(357,388,072)</u>
Present value of minimum lease payments	953,911,979
Current portion of financed purchase obligations	<u>(55,437,166)</u>
 Total long-term portion of financed purchase obligations	 <u><u>\$ 898,474,813</u></u>

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Note 6: Long-Term Debt

Long-term debt of the CIB (excluding financed purchase obligations) consists of the following:

Series 2021A Bond

During 2021, the CIB issued \$22,925,000 of Excise Taxes Revenue Subordinate Bonds, Series 2021A (the "2021A Bond"). Proceeds from this debt issue will be used to finance certain maintenance and technology improvements to Gainbridge Fieldhouse. Information regarding the Series 2021A Bond at December 31, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
Term bonds, maturing June 1, 2029. Interest at 5%, due semiannually on June 1 and December 1	\$ 22,925,000	\$ 22,925,000
Unamortized premium	<u>3,679,600</u>	<u>4,358,911</u>
Total Series 2021A Bond	<u><u>\$ 26,604,600</u></u>	<u><u>\$ 27,283,911</u></u>

The debt service requirements to maturity for long-term debt of the CIB (excluding financed purchase obligations) are as follows at December 31, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 1,146,250	\$ 1,146,250
2025	-	1,146,250	1,146,250
2026	-	1,146,250	1,146,250
2027	-	1,146,250	1,146,250
2028	13,855,000	799,875	14,654,875
2029	9,070,000	226,750	9,296,750
	<u><u>\$ 22,925,000</u></u>	<u><u>\$ 5,611,625</u></u>	<u><u>\$ 28,536,625</u></u>

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Note 7: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2023 and 2022:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Current Portion
Long-term obligations					
Bonds	\$ 22,925,000	\$ -	\$ -	\$ 22,925,000	\$ -
Financed Purchase Obligations	994,930,419	12,446,200	(53,464,640)	953,911,979	55,437,166
Bond Premium	4,358,911	-	(679,311)	3,679,600	-
Net Pension Liability	4,994,093	968,364	-	5,962,457	-
Grants Payable	500,000	-	(500,000)	-	-
	<u>\$ 1,027,708,423</u>	<u>\$ 13,414,564</u>	<u>\$ (54,643,951)</u>	<u>\$ 986,479,036</u>	<u>\$ 55,437,166</u>
	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Current Portion
Long-term obligations					
Bonds	\$ 22,925,000	\$ -	\$ -	\$ 22,925,000	\$ -
Financed Purchase Obligations	1,032,108,700	12,446,200	(49,624,481)	994,930,419	42,375,473
Bond Premium	5,038,221	-	(679,310)	4,358,911	-
Net Pension Liability	1,740,472	3,253,621	-	4,994,093	-
Grants Payable	1,000,000	-	(500,000)	500,000	500,000
	<u>\$ 1,062,812,393</u>	<u>\$ 15,699,821</u>	<u>\$ (50,803,791)</u>	<u>\$ 1,027,708,423</u>	<u>\$ 42,875,473</u>

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Note 8: State and Local Taxes and Other Assistance

A summary of the various sources of state and local taxes and other assistance received by the CIB follows. These include certain Excise Taxes, PSDA Revenues, Ticket Fees, Specialty License Plate Fees, Visiting Athlete Tax, and Interlocal funding.

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 recodifications of IC 6-9-8 in 1980, an original 5% 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.

The Marion County Innkeeper's Tax was increased in 1997 by an additional 1% (the "1997 Marion County Innkeeper's Tax"), 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"). In accordance with IC 6-9-8 (as amended), the 1997 Marion County Innkeeper's Tax is to be used solely to fund lease rental payments or other obligations related to convention center expansion projects.

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").

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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.

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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.

Professional Sports Development Area Revenues

Sports PSDA. Pursuant to IC 36-7-31, the Metropolitan Development Commission of the City of Indianapolis, Indiana, and of Marion County, Indiana (the “Commission”), was permitted to establish a professional sports development area which 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 (“Sports PSDA”). Certain state and local taxes generated in the Sports PSDA 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 related to the Sports PSDA include the Indiana Gross Retail Tax, the Indiana Use Tax, the Indiana Adjusted Gross Income Tax imposed on an individual, the Local Income Tax and the 2% Marion County Food and Beverage Tax as previously described (the “Sports PSDA Covered Taxes”). The capture for the Sports PSDA comes from Sports PSDA Covered Taxes generated at facilities which currently includes: (1) Gainbridge Fieldhouse, (2) the Indiana Convention Center, (3) Lucas Oil Stadium, (4) Victory Field and (5) the Indianapolis Colts Practice Facility.

In 1997, the Commission adopted a resolution establishing the Sports PSDA and the State Budget Agency approved such resolution. All Sports PSDA Covered Taxes generated within the designated area are to be deposited into the PSDA Fund (the “Original Sports 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 Original Sports PSDA may not exceed \$5,000,000 per year for 20 consecutive years (the “Sports PSDA State Revenue Cap”). The Original Sports PSDA Revenues were distributed to the CIB to be used to pay obligations relating to Gainbridge Fieldhouse.

In 2005, the Sports PSDA was expanded to include the Lucas Oil Stadium (“LOS”) site and the site for an expansion of the Indiana Convention Center (“ICC Expansion”) such that, commencing July 1, 2007, there may be captured in the Sports PSDA up to \$11,000,000 per year in Sports PSDA Covered Taxes comprising state revenues for up to 34 consecutive years ending December 31, 2040 (the “2005 Sports PSDA Revenues Increase”) in addition to the up to \$5,000,000 in Sports PSDA Covered Taxes comprising state revenues originally to be captured in the Sports PSDA. Such action also permitted the original \$5,000,000 per year Sports PSDA State Revenue Cap to be

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extended beyond the original 20 years (which would have expired in 2017) to January 1, 2041 (the “Post-2017 Original Sports PSDA Revenues”), so that the maximum amount of state revenue that may be captured by the Sports PSDA is \$16,000,000 per year. The Post-2017 Original Sports PSDA Revenues and the 2005 Sports PSDA Revenues Increase are collectively referred to as the 2005 Sports PSDA Revenues. The 2005 Sports PSDA Revenues are distributed to the CIB to be used to pay obligations relating to LOS and the ICC Expansion.

The Sports PSDA Covered Taxes to be collected within the Sports PSDA 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	3.23%
Marion County Local Income Tax for Individuals (resident and nonresident)	6-3.6-4-1	2.02%
Marion County Food and Beverage Tax	6-9-12-5	2.00%

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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 Local 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.

Hotel PSDA. In 2009, pursuant to Indiana Code 36-7-31, as amended, the Commission originally adopted a resolution authorizing and approving a portion of the Marion County Professional Sports Development Area related to hotel activity (“Hotel PSDA”) and the Indiana State Budget Agency approved such resolution, which area included seven hotel facilities in downtown Indianapolis. In 2019, the Commission adopted a resolution authorizing and approving an expansion of the Hotel PSDA and the State Budget Agency approved such resolution (the “2019 Hotel PSDA Resolution”). The 2019 expanded Hotel PSDA added eight specified areas upon which are located nine additional hotel facilities in downtown Indianapolis. As of December 31, 2023, the following identified hotels were located in the Hotel PSDA, doing business under the following names and having informed Visit Indy, Inc., as to below set out number of guest rooms available as part of their operations: (a) the following seven (7) hotel facilities had their covered taxes from their activity captured under the Hotel PSDA before and after the effectiveness of the 2019 Hotel PSDA Resolution: (1) Hyatt Regency Indianapolis (with approximately 499 guest rooms), (2) The Westin Indianapolis (with approximately 575 guest rooms), (3) Indianapolis Marriott Downtown (with approximately 650 guest rooms), (4) JW Marriott Indianapolis (with approximately 1,013 guest rooms), (5) Fairfield Inn & Suites by Marriott

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Indianapolis Downtown (with approximately 168 guest rooms), (6) Courtyard by Marriott Indianapolis Downtown (with approximately 297 guest rooms), and (7) SpringHill Suites by Marriott Indianapolis Downtown (with approximately 156 guest rooms); and (b) the following nine (9) hotel facilities had their covered taxes from their activity captured under the Hotel PSDA in effect after the effectiveness of the 2019 Hotel PSDA Resolution: (1) Hyatt Place and Hyatt House (with approximately 316 guest rooms), (2) Crowne Plaza Indianapolis - Downtown - Union Station (with approximately 273 guest rooms), (3) Omni Severin Hotel (with approximately 424 guest rooms), (4) Embassy Suites by Hilton Indianapolis Downtown (with approximately 360 guest rooms), (5) Conrad Indianapolis (with approximately 247 guest rooms), (6) Hilton Indianapolis Hotel & Suites (with approximately 352 guest rooms), (7) Sheraton Indianapolis City Centre Hotel (with approximately 378 guest rooms), (8) The Alexander (with approximately 152 guest rooms), and (9) Le Méridien Indianapolis (with approximately 100 guest rooms). Prior to the effectiveness of the 2019 Hotel PSDA Resolution, the maximum annual amount of covered taxes permitted by state law to be captured under the Hotel PSDA was limited to an \$8,000,000 per year cap in any State fiscal year ending June 30 (“SFY”) during which the original Hotel PSDA resolution was effective. Following the effectiveness of the 2019 Hotel PSDA Resolution, the maximum annual amount of covered taxes permitted by state law to be captured under the Hotel PSDA is limited as follows: (a) \$8,000,000 per year in the SFYs ending June 30, 2020 and 2021; (b) \$17,000,000 in the SFY ending June 30, 2022; (c) \$20,000,000 in the SFY ending June 30, 2023; (d) \$24,000,000 per year in the SFYs ending June 30, 2024 through and including 2033; and (e) \$26,000,000 per year in the SFYs ending June 30, 2034 through and including 2041.

The Hotel Covered Taxes to be collected within the Hotel PSDA (“Hotel PSDA Revenue”) 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	3.23%
Marion County Local Income Tax for Individuals (resident and nonresident)	6-3.6-4-1	2.02%
Marion County Food and Beverage Tax	6-9-12-5	2.00%

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The following table sets forth the amount of covered taxes captured under the Hotel PSDA and received by the Board on a monthly basis for the calendar years indicated:

<u>Month</u>	<u>2023</u>	<u>2022</u>
Jan	\$ 1,421,443	\$ 1,739,166
Feb	1,636,527	1,193,715
Mar	2,474,942	2,147,406
Apr	2,150,955	2,152,442
May	311,159	1,337,472
Jun	-	-
Jul	1,978,509	1,888,107
Aug	2,374,523	2,127,807
Sept	2,430,891	1,979,079
Oct	2,701,187	2,429,246
Nov	2,175,615	2,070,611
Dec	<u>1,581,650</u>	<u>1,510,124</u>
Total	<u>\$ 21,237,401</u>	<u>\$ 20,575,175</u>

Specialty License Plate Fees

The Indiana Bureau of Motor Vehicles issues a National Football League franchised football team license plate as a specialty group recognition license plate, 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 2023 and 2022. 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.

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In January 2021, the CIB entered into an agreement with the Consolidated City of Indianapolis and Marion County, Indiana (the “Consolidated City”), which anticipates an expansion of the Indiana Convention Center on the Pan Am Plaza site, directly across the street from the existing Indiana Convention Center, to include an approximately 50,000 square foot ballroom, additional meeting space and common facilities. The expansion is funded by the Consolidated City causing the Metropolitan Development Commission of the Consolidated City to issue tax increment financing bonds (the “TIF bonds”). While the TIF bonds are not going to be payable from CIB revenues, the Interlocal Agreement funding of \$8,000,000 may be reduced in connection with the issuance of the TIF Bonds.

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 paid to the Consolidated City of Indianapolis-Marion County 100% of the revenue from these increases for the first twelve months the increases were in effect. Thereafter, the CIB is to 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, 2025 and thereafter automatically renews for additional four-year periods until terminated.

Restrictions on Revenues

The 2009 Marion County Innkeeper’s Tax receipts, 2013 Marion County Admissions Tax receipts and 2013 Marion County Supplemental Auto Rental Excise Tax receipts, and the Hotel PSDA Revenue, are to be distributed to the CIB and are restricted to (i) paying usual and customary operating expenses with respect to the capital improvements that are owned, leased, or operated by the CIB, or (ii) pledging money therein to secure and provide for the payment of bond or lease obligations of the CIB related to the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including by a deposit or transfer of revenues into the capital improvement bond fund under IC 36-10-9-11.

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As of March 1, 2021, the CIB had entered into a Fifth Amended and Restated Capital Improvement Bond Fund Revenue Deposit Agreement, with The Bank of New York Mellon Trust Company, N.A., as deposit trustee (the “Local Revenue Deposit Agreement”), pursuant to which the Original Marion County Innkeeper’s Tax receipts, 1997 Marion County Innkeeper’s Tax receipts, 2009 Marion County Innkeeper’s Tax receipts, Original Marion County Food and Beverage Tax receipts, Original Marion County Admissions Tax receipts, Original Marion County Supplemental Auto Rental Excise Tax receipts, 2013 Marion County Supplemental Auto Rental Excise Tax receipts, CIB’s Indiana Cigarette Tax revenues, Original Sports PSDA Revenues and Hotel PSDA Revenue (collectively, the “Local Revenue Deposit Agreement Pledged Revenues”), as distributed to the CIB, are currently required to be used to pay its outstanding obligations (other than those relating to LOS and the ICC Expansion) and otherwise is made available for its operating purposes subject to applicable requirements of law.

As of December 7, 2010, the CIB had entered into a Restated Stadium and Convention Special Fund Revenue Deposit Agreement with the Indiana Stadium and Convention Building Authority, Indiana Office of Management and Budget, Indiana Finance Authority, the Budget Director of the State of Indiana and The Bank of New York Mellon Trust Company, N.A., as deposit trustee (the “State Revenue Deposit Agreement”), pursuant to which the 2005 Marion County Innkeeper’s Tax receipts, 2005 Marion County Food and Beverage Tax receipts, 2005 Marion County Admissions Tax receipts, 2005 Marion County Supplemental Auto Rental Excise Tax receipts, 2005 Regional County Food and Beverage Tax receipts, 2005 Sports PSDA Revenues, Specialty License Plate Fees and, then starting in 2028, certain of the CIB’s original state and local assistance tax revenues (collectively, the “State Revenue Deposit Agreement Pledged Revenues”), are to be distributed to the CIB and used to pay obligations relating to LOS and the ICC Expansion subject to applicable requirements of law.

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Summary of State and Local Taxes and Other Assistance

State and local taxes and other assistance received or accrued by the CIB in 2023 and 2022 include the following components:

	<u>2023</u>	<u>2022</u>
<u>Local Revenue Deposit Agreement Pledged Revenues</u>		
Original Marion County Food and Beverage Tax (1%)	\$ 33,129,764	\$ 30,934,636
Original Marion County Innkeeper's Tax (5%)	35,301,891	32,994,819
1997 Marion County Innkeeper's Tax (1%)	7,060,378	6,598,964
Original Marion County Supplemental Auto Rental Excise Tax (2%)	3,310,730	3,137,451
Original Marion County Admissions Tax (5%)	9,270,635	8,548,552
CIB's Indiana Cigarette Tax Revenues	350,000	350,000
Original Sports PSDA Revenue	8,766,673	7,431,945
2009 Marion County Innkeeper's Tax (1%)	7,060,378	6,598,964
2013 Marion County Supplemental Auto Rental Excise tax (2%)	3,310,730	3,137,451
Hotel PSDA Revenue	21,237,401	20,575,175
Total Local Revenue Deposit Agreement Pledged Revenues	<u>128,798,580</u>	<u>120,307,957</u>
<u>State Revenue Deposit Agreement Pledged Revenues</u>		
2005 Marion County Food and Beverage Tax (1%)	33,129,149	30,934,635
2005 Regional County Food and Beverage Tax (1%)	5,000,000	5,000,000
2005 Marion County Innkeeper's Tax (3%)	21,181,134	19,796,892
2005 Marion County Supplemental Auto Rental Excise tax (2%)	3,310,730	3,137,451
2005 Marion County Admissions Tax (1%)	1,854,127	1,709,710
2005 Sports PSDA tax allocation	17,860,085	16,916,113
Specialty License Plate Fees	422,240	437,780
Total State Revenue Deposit Agreement Pledged Revenues	<u>82,757,465</u>	<u>77,932,581</u>
<u>Other Revenues</u>		
2013 Marion County Admissions Tax (4%)	7,416,508	6,838,842
Visiting Athletes Tax	572,669	522,354
Interlocal Funding Agreement	8,000,000	8,000,000
Total Other Revenues	<u>15,989,177</u>	<u>15,361,196</u>
Total State and Local Taxes and Other Assistance	<u>\$ 227,545,222</u>	<u>\$ 213,601,734</u>

Total financed purchase payments and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2023 and 2022 amounted to \$82,375,734 and \$61,595,389, respectively.

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Note 9: Agreements with Pacers Basketball, LLC

During 1997, the CIB approved new Operating and Financial Agreements with Pacers Basketball, LLC (“Pacers”) that, among other things, governed the use of Gainbridge Fieldhouse (formerly known as Bankers Life Fieldhouse and Conseco Fieldhouse). The agreements had a twenty-year initial term, commencing in 1999, with ten five-year extension options. In connection with these agreements, the Pacers received revenues from Fieldhouse operations, naming rights, signage, advertising and broadcast revenues and were responsible for making daily repairs to keep the facility operational. The CIB, however, was responsible for major repairs on the facility.

The Financial Agreement provided for targeted profitability for the Pacers. If this target was not reached, the CIB was required to reimburse the Pacers for certain operating expenses. In addition, the Pacers remained 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 December 31, 2023 and 2022, the outstanding unamortized balance of advances aggregated \$796,669 and \$1,593,339, respectively.

In 2012 and 2010, the CIB, MCCRFA and the Pacers entered into amendments to the Operating Agreement which provided various amendatory and additional covenants. Under these amendments, the CIB agreed to provide three noninterest-bearing operating loans to the Pacers, which totaled \$40,000,000. The loans were subject to certain approval, repayment and forgiveness provisions. The amendments also required the CIB to make capital improvements to Gainbridge Fieldhouse of up to \$3,500,000.

During 2014, the CIB signed an Amended and Restated Operating Agreement with MCCRFA, Pacers Basketball, LLC and certain entities related to Pacers Basketball, LLC. This agreement, as further amended in 2015, supersedes the original Operating and Financial Agreements and related amendments. The initial term of the Amended and Restated Operating Agreement expires in 2024, with the Pacers possessing a unilateral option to extend the agreement for one year. The Amended and Restated Operating Agreement provides generally that the Pacers may terminate the agreement under certain circumstances as follows: (i) CIB’s failure to obtain, prior to any fiscal year, approval of an annual budget or other appropriation sufficient to satisfy its obligations under the Amended and Restated Operating Agreement, including its obligation to pay certain operating expense reimbursements (approximately \$7,100,000 in year one with 3% annual increases), pay certain operating expense items, pay the video/sound system license fee (approximately \$923,000 per year), fund its obligations with respect to scheduled capital repairs and replacements (aggregating \$7,000,000) and fund its obligations with respect to refresh improvements (aggregating \$26,500,000); (ii) CIB’s failure to pay (after receiving a final appropriation therefor) any operating expense reimbursements, operating expense items or video/sound system license for which it is responsible or the amount of any final non-appealable judgment rendered against the CIB under the Amended and Restated Operating Agreement; (iii) certain circumstances involving eminent domain, damage or destruction of the Fieldhouse; (iv) breach of the Pacers right to

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exclusively possess and operate the Fieldhouse; (v) default under the Fieldhouse lease related to the MCCRFA bonds that result in termination of such lease or possession by MCCRFA; (vi) CIB's failure to honor any indemnity obligation under the Amended and Restated Operating Agreement or Parking Agreement and such obligation is found by a court to be unenforceable; (vii) CIB's or MCCRFA's failure to fulfill any material obligation under the Amended and Restated Operating Agreement or the related Parking Agreement and such obligation is found by a court to be unenforceable; (viii) certain circumstances following the death of an individual as named in the agreement under which certain Pacers loans are called or matured, the Pacers are unable to obtain replacement financing on a non-recourse basis (with the assistance of the CIB if it so chooses) and the CIB does not successfully execute its right of first offer; (ix) certain circumstances under which the NBA ceases to exist and the Pacers do not join a successor or replacement professional basketball league.

Additionally, the operating agreement provides that a sale of shares, which would constitute a controlling interest in the Pacers, or the sale of substantially all of the assets of the Pacers, is subject to the CIB's right of first refusal and, after the sale, the Pacers (or buyer, if sale of assets) will remain bound by the Amended and Restated Operating Agreement.

The Amended and Restated Operating Agreement also provides for scheduled annual forgiveness of previous operating loans that aggregated \$40,000,000 to the Pacers, so long as no event of default remains outstanding. At December 31, 2023 and 2022, the outstanding note receivable balance was \$2,000,000 and \$4,000,000, respectively. During 2023 and 2022, \$2,000,000 per year of this note was forgiven by the CIB, in accordance with a mutually agreed-upon amortization schedule.

During 2015, the CIB entered into a Training Facility Use Agreement with Pacers Training Center, Inc. (an affiliate of the Pacers). This agreement grants Pacers Training Center, Inc. use of certain land, easements and existing improvements owned by CIB so that the Pacers may construct a state-of-the-art training and medical office facility that will facilitate development of downtown Indianapolis and the use of the Fieldhouse in furtherance of municipal purposes. The initial term of this agreement is 40 years at \$1 per year, effective December 14, 2015 with one ten year renewal option. All maintenance costs will be the responsibility of Pacers Training Center, Inc., with the exception of maintaining a vehicular ramp, which will be the responsibility of the CIB. Upon the occurrence of a Termination Event or Special Termination Event, as defined in the Training Facility Use Agreement, the CIB may elect to exercise a purchase option on the facility. Additionally, under a Termination Event, the CIB retains an Occupancy Option that would provide for the surrender of all or a portion of the facility to the CIB in return for an annual occupancy fee.

On April 17, 2019, the CIB signed a Second Amended and Restated Operating Agreement with MCCRFA, Pacers Basketball, LLC and certain entities related to Pacers Basketball, LLC. This agreement supersedes the original Operating and Financial Agreements and related amendments. The initial term of the Second Amended and Restated Operating Agreement expires in 2044, with the Pacers possessing a unilateral option to extend the agreement for one year and the Pacers and CIB possessing two mutual extension options. The Second Amended and Restated Operating

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Agreement provides generally that the Pacers may terminate the agreement under certain circumstances as follows: (i) CIB's failure to obtain, prior to any fiscal year, approval of an annual budget or other appropriation sufficient to satisfy its obligations under the Second Amended and Restated Operating Agreement, including its obligation to pay certain operating expense reimbursements (approximately \$12,500,000 in year one with a 4.6% increase after six years), pay certain operating expense items, pay the video/sound system license fee (approximately \$923,000 per year), fund its obligations with respect to scheduled capital repairs and replacements (aggregating \$17,624,310), fund its obligations with respect to refresh improvements (aggregating \$296,641,331) and fund its obligations with respect to technology improvements (aggregating \$120,031,875; (ii) CIB's failure to pay (after receiving a final appropriation therefor) any operating expense reimbursements, operating expense items or video/sound system license for which it is responsible or the amount of any final non-appealable judgment rendered against the CIB under the Second Amended and Restated Operating Agreement; (iii) certain circumstances involving eminent domain, damage or destruction of the Fieldhouse; (iv) breach of the Pacers right to exclusively possess and operate the Fieldhouse; (v) default under the Fieldhouse lease related to the MCCRFA bonds that result in termination of such lease or possession by MCCRFA; (vi) CIB's failure to honor any indemnity obligation under the Second Amended and Restated Operating Agreement or Parking Agreement and such obligation is found by a court to be unenforceable; (vii) CIB's or MCCRFA's failure to fulfill any material obligation under the Second Amended and Restated Operating Agreement or the related Parking Agreement and such obligation is found by a court to be unenforceable; (viii) certain circumstances under which the NBA ceases to exist and the Pacers do not join a successor or replacement professional basketball league.

The Second Amended and Restated Operating Agreement also provides for scheduled annual forgiveness of previous operating loans that aggregated \$40,000,000 to the Pacers, so long as no event of default remains outstanding. As of the Execution Date the outstanding note receivable balance was \$18,000,000 and the balance as of December 31, 2023 and 2022 was \$2,000,000 and \$4,000,000, respectively.

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Note 10: Lease Agreement with the Indianapolis Colts

Effective September 1, 2005, the CIB and the Colts entered into a lease agreement (the “Colts Lease Agreement”). Under the 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 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 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 Colts Lease Agreement) held at the Stadium. The 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, with a par amount of \$74,050,000, issued by the City of Indianapolis (the “City’s Colts Loan”) and the Indianapolis Local Public Improvement Bond Bank (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 (“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 Undertaking by the CIB. The Undertaking remains in effect until all of the associated Bond Bank bonds, the term of which extend through 2035, have been paid in full. The CIB’s obligation with regard to this Undertaking is not subject to acceleration, except as therein provided, and is treated as debt of the CIB with regard to its legal debt limit. The CIB is subrogated to the rights of the Bond Bank and the City if it is required to make any payments in connection with this Undertaking. There is no right of set-off for amounts the CIB pays to the Colts under the Colts Lease Agreement, if the Colts do not make a loan payment. However, if the CIB fails to pay amounts due under the Colts Lease Agreement, the Colts may offset such amounts against its required loan payments. The total amount subject to the Undertaking at December 31, 2023 and 2022, is approximately \$52,890,000 and \$55,390,000, respectively.

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Note 11: Baseball Facility

In 1994, the CIB entered into an agreement to lease (“Ground Lease”) certain real estate from the Indiana White River State Park Development Commission (“WRSP”), a State agency. The CIB constructed Victory Field, a professional baseball facility, on this land. The initial lease period of the Ground Lease commenced December 1, 1994, and expired March 31, 2016. Upon expiration of the initial lease term, ownership of Victory Field assets (net book value of \$13.8 million) reverted to WRSP.

In November 2015, the CIB entered into a new lease with WRSP for the real estate and all associated improvements thereon, including the professional baseball facility (collectively, the “Leased Premises”), and concurrently entered into a new sublease for the Leased Premises with the Indians, with both having initial terms commencing on April 1, 2016, and expiring March 31, 2036. The lease between the CIB and WRSP allows for extensions, provided that in no event shall the lease term and all extensions exceed in total 99 years. The sublease between the CIB and the Indians allows for up to four five-year extensions.

Under the new sublease, the Indians are not obligated to pay rent to the CIB during the initial term, and the CIB is not obligated to pay rent to WRSP. Over the first four years of the new sublease, the CIB committed to make up to \$2 million per year of capital repair, replacement and improvement projects to the Leased Premises, up to an aggregate maximum of \$6 million. The \$6 million commitment of the CIB was reached in 2019. The Indians are responsible for all operating costs of the Leased Premises and are also entitled to all revenue received from Indians events. Repair, replacement and maintenance costs for the Leased Premises are shared by the CIB and the Indians, as more specifically defined in the sublease agreement.

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Note 12: Hudnut 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 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 and Third 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 2105. In return for accepting these responsibilities, the CIB continues to receive a portion of all rental payments and/or Monthly Parking Allowance Payments, as defined in the agreements.

Note 13: Risk Management

The CIB is exposed to various risks of loss related to theft of, damage to and destruction of assets, as well as torts and natural disasters. The CIB purchases commercial insurance policies for such risks of loss. Certain of these policies allow for deductibles, which range from \$100 to \$250,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years.

The CIB has elected to participate in a self-insured high-deductible health insurance plan that is offered to eligible current employees. There is a \$150,000 stop-loss coverage for each employee per annum. The CIB has contracted with a third party to service its health insurance claims. The CIB records a liability for the estimated outstanding claims at year-end, which is included in accounts payable in the Statements of Net Position. The liability at December 31, 2023 and 2022 was \$0. The overfunding at December 31, 2023 and 2022, was included in prepaid expenses and other on the Statement of Net Position. The overfunding status was driven by lower than anticipated claims in 2023 and 2022.

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Changes in the balance of claims incurred and paid during the past two years:

	2023	2022
Overpaid/(Underpaid) claims, beginning of fiscal year	\$ 364,333	\$ (439,413)
Incurred claims and fees	(1,905,533)	(1,693,128)
Premiums paid	2,569,178	2,496,874
Overpaid/(Underpaid) claims, end of fiscal year	<u>\$ 1,027,978</u>	<u>\$ 364,333</u>

Note 14: Retirement Plan

Plan Description

The CIB contributes to the Indiana Public Employees' Retirement Fund ("PERF"), a cost-sharing multiple-employer defined-benefit plan established in accordance with IC 5-10.3. PERF is administered by the Indiana Public Retirement System ("INPRS") and is governed by the INPRS Board of Trustees ("INPRS Board"). PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Substantially all of the CIB's full-time employees are eligible to participate in this plan.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for PERF, and can be found at <http://www.inprs.in.gov/>. This report may also be obtained by writing to Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 844-464-6777.

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the My Choice: Retirement Savings Plan for Public Employees ("My Choice"). During both 2023 and 2022, the CIB did not participate in the My Choice Plan.

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC5-10.3, and IC 5-10.5. There are two aspects to the PERF Hybrid Plan defined-benefit structure. The first portion is PERF DB ("DB Account"), the monthly defined-benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account ("DC Account"), formerly known as the Annuity Savings Account ("ASA"), which supplements the defined-benefit at retirement.

Funding Policy

The funding policies of INPRS provide for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

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The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For both 2023 and 2022, the CIB contributed 11.2% of employee compensation to the plan. The DC account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the CIB has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their DC account. An employee's contribution and interest credits belong to the employee and do not belong to the state or the CIB. Investments in the members' DC accounts are self-directed, as participants direct the investment of their account balances among eight investment options, with varying degrees of risk and return potential. Members may direct changes to their investment fund allocations daily and investments are reported at fair value.

Retirement Benefits

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the employee's DC account. Retirement benefits vest after ten years of creditable service. The vesting period is eight years for certain elected officials. Employees are immediately vested in their DC account. At retirement, an employee may choose to receive a lump-sum payment of the amount credited to the employee's DC account, receive the amount as an annuity, rollover the amount to another eligible retirement plan, or leave the contributions invested with INPRS.

Vested employees leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if an employee is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC account. A non-vested employee who terminates employment prior to retirement may withdraw his/ her ASA after 30 days, but by doing so, forfeits his/her creditable service. An employee who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

An employee who has reached: (1) age 65 and has at least 10 years of creditable service; (2) age 60 and has at least 15 years of creditable service; or (3) at least age 55 and whose age plus number of years of creditable service is at least 85 is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.10% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the 20 calendar quarters of creditable service in which the employee's annual compensation was the highest. All 20 calendar quarters do not have to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Employee contributions paid by the employer on behalf of the employee and severance pay up to \$2,000 are included as part of the employee's salary.

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An employee who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. An employee retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the employee's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89%. This amount is reduced five percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

The monthly pension benefits for employees in pay status may be increased periodically as cost of living adjustments ("COLA"). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. An employee who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the employee has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of an employee with 10 or more years of creditable service as of June 30, 2018, a survivor benefit may be paid to the surviving spouse to whom the employee had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the employee had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of an employee who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service. The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly.

Contributions

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the CIB, contribution rates and amounts determined by the June 30, 2023 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2024. The CIB's contractually required contribution rate for both 2022 and 2021 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the years ended December 31, 2023 and 2022, the CIB's actual contributions made were \$1,578,416 and \$1,209,332, respectively.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023 and 2022, the CIB reported a liability of \$5,962,457 and \$4,994,093, respectively, for its proportionate share of PERF's net pension liability. The net pension liabilities were measured as of June 30, 2023, and June 30, 2022, respectively. In each instance, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those respective dates. Member census data for the year preceding the measurement period was used in developing each actuarial valuation. Standard actuarial roll forward techniques were then used to project the total pension liability to the measurement date. Wages reported by the CIB relative to the collective wages of the plan served as the basis to determine the CIB's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2023, the CIB's proportion was 0.16894%, which was an increase of 0.01059% from its proportion measured as of June 30, 2022 of 0.15835%.

For the years ended December 31, 2023 and 2022, the CIB recognized pension expense of \$624,780 and 48,953, respectively. At December 31, 2023 and 2022, the CIB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	At December 31, 2023		At December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,990	\$ -	\$ 107,691	\$ 18,993
Net difference between projected and actual earnings on pension plan investments	1,366,611	-	616,324	-
Changes in assumptions	325,145	381,930	676,425	213,664
Changes in proportion and differences between the CIB's contribution and proportionate share of contributions	538,443	-	523,668	1,026,498
CIB's contributions subsequent to the measurement date	821,516	-	608,691	-
Total	\$ 3,173,705	\$ 381,930	\$ 2,532,799	\$ 1,259,155

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At December 31, 2023 and 2022, the CIB reported \$821,516 and \$608,691, respectively, as deferred outflows of resources related to pensions resulting from CIB's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as net deferred outflows of resources at December 31, 2023 and 2022 related to pensions will be recognized in pension expense as follows:

	<u>Year Ended December 31</u>
2024	\$ 519,241
2025	318,985
2026	945,890
2027	<u>186,143</u>
	<u><u>\$ 1,970,259</u></u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality tables for healthy members were based on the MP-2019 Total Data Set Mortality Table and mortality tables for disabled members were based on the MP-2019 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2019.

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuations were based on the results of an actuarial experience study performed for the period June 30, 2014 through June 30, 2019.

2023 Assumptions

Inflation	2.00%
Salary increases	2.65% - 8.65% average, including inflation
Long-term expected rate of return	6.25%, net of pension plan investment expense
Ad hoc cost of living adjustments	2023-2024 - 13th check, 2026-2033 - 0.40%, 2034-2038 - 0.50% 2039 and on - 0.60%

2022 Assumptions

Inflation	2.00%
Salary increases	2.65% - 8.65% average, including inflation
Long-term expected rate of return	6.25%, net of pension plan investment expense
Ad hoc cost of living adjustments	2022-2023 - 13th check, 2024-2033 - 0.40%, 2034-2038 - 0.50% 2039 and on - 0.60%

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Notes to Financial Statements December 31, 2023 and 2022

The long-term expected rate of return on pension plan investments was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted-average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	At June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20%	3.7%
Private equity	15%	6.4%
Fixed income - ex inflation linked	20%	2.2%
Fixed income - inflation linked	15%	0.5%
Commodities	10%	1.1%
Real estate	10%	3.4%
Absolute return	5%	1.6%
Risk parity	20%	5.9%
Cash and Cash Overlay	-15%	0.0%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.25% for the years ended June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the PERF's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the CIB's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The CIB's proportionate share of the net pension liability has been calculated using a discount rate of 6.25%. The following presents the CIB's proportionate share of the net pension liability calculated using a discount rate of 1% higher and 1% lower than the current rate for the years ended December 31, 2023 and 2022.

	At December 31, 2023		
	1% Decrease	Current	1% Increase
	(5.25%)	(6.25%)	(7.25%)
CIB's proportionate share of PERF's net pension liability	\$ 9,716,911	\$ 5,962,457	\$ 2,831,982

	At December 31, 2022		
	1% Decrease	Current	1% Increase
	(5.25%)	(6.25%)	(7.25%)
CIB's proportionate share of PERF's net pension liability	\$ 8,436,851	\$ 4,994,093	\$ 2,122,582

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERF financial report which may be obtained at <http://www.inprs.gov>.

Note 15: Commitments and Contingencies

Visit Indy, Inc.

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") monthly. The contractual agreement is for a term of one year and renewed annually. The fee paid to Visit Indy was \$1,120,833 and \$896,655 per month in 2023 and 2022, respectively. The base fee to be paid to Visit Indy for calendar year 2024 is \$1,237,500 per month.

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Department of Metropolitan Development

As mentioned previously in these notes, the CIB has also entered into an Interlocal Agreement with the Department of Metropolitan Development of Marion County, Indiana. This agreement provides \$8,000,000 of annual assistance that will be used to help fund the CIB's payments to Visit Indy.

Indiana Sports Corporation

During 2014, the CIB approved a multi-year grant to the Indiana Sports Corporation to assist with the ongoing repairs and maintenance of the Indiana University Natatorium on the campus of Indiana University-Purdue University at Indianapolis. The grant amounts are \$500,000 annually for a term of 10 years, beginning in 2014. As of December 31, 2023 and 2022, the unpaid portion of this grant was \$0 and \$500,000, respectively.

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.

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Required Supplementary Information (Unaudited)

Capital Improvement Board of Managers
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Required Supplementary Information
Schedule of CIB's Proportionate Share of the Net Pension Liability
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019
CIB's proportion of the net pension liability	0.16894%	0.15835%	0.13227%	0.18453%	0.20643%
CIB's proportionate share of the net pension liability	\$ 5,962,457	\$ 4,994,093	\$ 1,740,472	\$ 5,573,534	\$ 6,822,643
CIB's covered payroll	\$ 10,621,342	\$ 9,113,389	\$ 7,292,828	\$ 9,962,201	\$ 10,755,314
CIB's proportionate share of the net pension liability as a percentage of its covered payroll	56%	55%	24%	56%	63%
Plan fiduciary net position as a percentage of the total pension liability	81%	83%	93%	81%	80%

	2018	2017	2016	2015	2014
CIB's proportion of the net pension liability	0.20940%	0.21194%	0.20846%	0.20918%	0.19860%
CIB's proportionate share of the net pension liability	\$ 7,113,413	\$ 9,455,795	\$ 9,460,841	\$ 8,519,697	\$ 5,219,079
CIB's covered payroll	\$ 10,685,046	\$ 10,514,645	\$ 9,990,592	\$ 10,019,254	\$ 9,696,453
CIB's proportionate share of the net pension liability as a percentage of its covered payroll	67%	90%	95%	85%	54%
Plan fiduciary net position as a percentage of the total pension liability	79%	73%	71%	73%	81%

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

1 2014-2017 were adjusted to reflect Defined Benefit activity only due to the Defined Benefit/Defined Contribution split effective January 1, 2018

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Required Supplementary Information
Schedule of CIB Contributions
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 1,578,416	\$ 1,209,332	\$ 1,031,525	\$ 1,112,673	\$ 1,203,478
Contributions in relation to the contractually required contribution	\$ 1,578,416	\$ 1,209,332	\$ 1,031,525	\$ 1,112,673	\$ 1,203,478
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
CIB's covered payroll	\$ 11,462,944	\$ 9,757,995	\$ 8,151,936	\$ 8,288,974	\$ 10,728,817
Contributions as a percentage of covered payroll	13.77%	12.39%	12.65%	13.42%	11.22%

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,201,186	\$ 1,163,102	\$ 1,159,266	\$ 1,118,899	\$ 1,110,227
Contributions in relation to the contractually required contribution	\$ 1,201,186	\$ 1,163,102	\$ 1,159,266	\$ 1,118,899	\$ 1,110,227
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
CIB's covered payroll	\$ 10,842,076	\$ 10,555,932	\$ 10,384,033	\$ 10,209,311	\$ 9,929,553
Contributions as a percentage of covered payroll	11.08%	11.02%	11.16%	10.96%	11.18%

*The amounts presented for each fiscal year were determined as of December 31.

Notes to Schedule:

Benefit changes: none during 2023

Changes of assumptions: none during 2023.

Changes in actuarial methods: none during 2023

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Other Supplementary Information

Capital Improvement Board of Managers
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Analysis of Certain Operating Expenses
Years Ended December 31, 2023 and 2022

	2023	2022
Salaries and Wages		
Administration	\$ 6,471,112	\$ 5,371,973
Mechanical	3,118,923	2,790,739
Service	1,872,910	1,595,283
Temporary	5,138,609	4,104,677
	<u>\$ 16,601,554</u>	<u>\$ 13,862,672</u>
Fringe benefits		
Social security taxes	1,231,997	1,025,569
Public employees' retirement fund	855,064	343,142
Employees' insurance	3,239,458	1,928,477
Federal and State unemployment taxes	16,958	-
Workers' compensation	121,105	271,502
Other	853,915	615,761
	<u>\$ 6,318,497</u>	<u>\$ 4,184,451</u>
Utilities		
Electricity	3,629,174	3,872,804
Steam	940,973	1,094,257
Chilled Water	2,860,533	2,706,126
Water and sewer	563,746	539,226
Gas	50,054	84,507
	<u>\$ 8,044,480</u>	<u>\$ 8,296,920</u>
Repairs and Maintenance		
Control systems maintenance contract	122,341	63,888
Elevator and escalator maintenance contract	174,998	149,522
Computer maintenance contracts	1,547,710	1,199,099
Major repairs	1,581,723	1,876,008
Grounds maintenance	245,708	218,787
Sprinkler system	4,662	4,245
Trash removal	175,286	125,719
LOS maintenance contracts	84,690	296,631
	<u>\$ 3,937,118</u>	<u>\$ 3,933,899</u>

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Analysis of Certain Operating Expenses (Continued)
Years Ended December 31, 2023 and 2022

	2023	2022
Insurance		
Fire and extended coverage	\$ 2,098,943	\$ 1,649,013
Public liability	1,177,423	1,283,603
Fidelity bond	188,887	188,866
	<u>\$ 3,465,253</u>	<u>\$ 3,121,482</u>
Security		
Security staff	<u>\$ 4,877,467</u>	<u>\$ 3,902,804</u>
Contractual labor	<u>\$ 13,637,605</u>	<u>\$ 12,286,082</u>
Nondepreciable Equipment, Parts and Supplies	<u>\$ 5,773,721</u>	<u>\$ 4,953,453</u>
Other		
Advertising and promotion	534,593	283,635
Telephone	144,053	111,704
Legal fees	923,955	902,348
Accounting and audit fees	129,168	82,680
Consulting fees	6,005,733	847,536
Equipment rental	514,465	500,109
Postage	3,525	2,807
Travel	28,999	3,925
Dues and subscriptions	22,019	13,379
Suite cable service	75,947	71,122
Medical services - Indianapolis Colts games	75,466	75,479
Parking	331,938	410,006
Miscellaneous	1,009,689	979,765
	<u>\$ 9,799,550</u>	<u>\$ 4,284,495</u>
Depreciation and amortization	<u>\$ 43,372,618</u>	<u>\$ 40,354,550</u>

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Statistical Section (Unaudited)

This section of the CIB's annual comprehensive 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
Financial Trends	
These schedules contain trend information to help the reader understand how the CIB's financial performance and well-being have changed over time.	81-84
Revenue Capacity	
These schedules contain information to help the reader assess the CIB's most significant own-source revenues.	85-91
Debt Capacity	
These schedules present information to help the reader assess the affordability of the CIB's current levels of outstanding debt and the CIB's ability to issue additional debt in the future.	92-97
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the CIB's financial activities take place and to facilitate comparisons of financial statement information over time and among governments.	98-99
Operating Information	
These schedules contain operational and infrastructure data to help the reader understand how the information in the CIB's financial report relates to the services the CIB provides and the activities it performs.	100-102

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

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

	2014	2015	2016	2017
Net investment in capital assets	\$ 69,317,267	\$ 80,353,882	\$ 73,417,024	\$ 80,704,542
Restricted	93,177,379	98,275,245	113,957,673	132,418,871
Unrestricted	<u>117,761,296</u>	<u>114,195,547</u>	<u>116,178,392</u>	<u>130,302,642</u>
Total net position	<u><u>280,255,942</u></u>	<u><u>292,824,674</u></u>	<u><u>303,553,089</u></u>	<u><u>343,426,055</u></u>

2018	2019	2020	2021	2022	2023
\$ 96,692,413	\$ 130,033,796	\$ 160,714,520	\$ 252,853,220	\$ 286,439,922	\$ 282,467,407
145,275,212	144,051,298	142,588,636	176,823,189	223,534,946	229,445,621
141,921,362	166,436,575	114,929,927	96,681,432	165,624,773	180,831,956
383,888,987	440,521,669	418,233,083	526,357,841	675,599,641	692,744,984

Table II

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

	2014	2015	2016	2017
Operating revenues				
Rental income	\$ 9,900,660	\$ 10,170,929	\$ 9,438,144	\$ 11,166,940
Food service and concession commissions	5,386,550	6,162,083	5,150,223	6,065,970
Parking lot income	856,771	669,487	594,841	677,818
Labor reimbursements	13,037,347	12,710,518	14,487,112	17,715,677
Other operating income	1,244,052	1,694,869	1,881,768	2,502,361
Total operating revenues	30,425,380	31,407,886	31,552,088	38,128,766
Nonoperating revenues				
Investment income	327,490	371,195	632,005	1,575,622
State and local taxes and other assistance	152,226,092	158,780,475	169,238,548	168,879,239
Other	141,641	665,363	1,040,500	5,227,375
Total nonoperating revenues	152,695,223	159,817,033	170,911,053	175,682,236
Total Revenues	183,120,603	191,224,919	202,463,141	213,811,002
Operating expenses				
Salaries, wages and fringe benefits	16,479,664	18,003,915	18,415,895	20,327,496
Utilities	8,873,546	8,470,529	8,712,985	6,894,060
Repairs, maintenance, equipment, parts and supplies	9,738,019	8,512,272	7,290,350	7,520,814
Insurance	1,852,980	1,796,854	1,651,311	1,159,012
Security and other contractual labor	8,540,927	10,002,570	9,789,021	9,909,824
Food service and concession expense	-	-	-	-
Parking lot expense	-	-	-	-
Other	4,108,595	3,681,699	3,248,583	3,172,084
Depreciation and amortization	40,550,478	41,584,565	47,145,100	42,322,003
Total operating expenses	90,144,209	92,052,404	96,253,245	91,305,293
Nonoperating expenses				
Interest expense	51,838,276	47,790,546	44,959,975	43,062,412
Bankers Life Fieldhouse expenses and reimbursements	7,921,022	8,255,037	8,474,999	12,019,353
Pacers Basketball note receivable forgiveness	-	6,000,000	6,000,000	6,000,000
Compensation to Visit Indy, Inc.	10,708,000	11,499,992	11,950,000	12,308,499
Payments to Indianapolis Colts	5,300,362	5,120,000	5,390,000	5,590,000
Grants to other organizations	5,450,000	450,000	650,000	2,705,000
Loss (Gain) on sale/disposal of capital assets	(15,453)	70,104	17,176,509	(2,799)
Distribution to primary government	-	-	-	-
Other	-	-	-	-
Public safety support payments	5,230,144	1,995,335	1,879,998	2,099,048
Total nonoperating expenses	86,432,351	81,181,014	96,481,481	83,781,513
Total Expenses	176,576,560	173,233,418	192,734,726	175,086,806
Capital Contributions	535,000	-	1,000,000	1,148,770
Increase (Decrease) in Net Position	\$ 7,079,043	\$ 17,991,501	\$ 10,728,415	\$ 39,872,966

2018	2019	2020	2021	2022	2023
\$ 10,276,422	\$ 10,541,862	\$ 4,056,400	\$ 6,871,450	\$ 9,955,173	\$ 10,152,354
5,235,852	4,487,573	-	2,803,829	2,443,413	5,469,988
159,456	483,147	-	532,765	819,760	1,164,565
16,457,193	17,739,674	4,890,256	11,902,146	18,752,567	23,273,171
2,167,306	2,092,423	695,145	1,533,864	1,905,115	1,082,301
34,296,229	35,344,679	9,641,801	23,644,054	33,876,028	41,142,379
4,229,415	5,797,979	3,012,960	376,792	3,586,944	20,757,088
175,055,487	182,424,551	109,518,347	163,473,637	213,601,734	227,545,222
-	3,208,233	15,742,412	20,612,253	70,014,259	-
179,284,902	191,430,763	128,273,719	184,462,682	287,202,937	248,302,310
213,581,131	226,775,442	137,915,520	208,106,736	321,078,965	289,444,689
21,347,974	20,324,853	12,742,165	13,997,472	18,047,123	22,920,051
6,617,112	6,786,372	5,668,351	6,774,256	8,296,920	8,044,480
7,856,429	7,593,381	5,805,528	6,015,933	8,887,352	9,710,839
1,242,962	1,585,035	2,269,076	2,636,110	3,121,482	3,465,253
9,985,548	10,280,957	3,832,268	9,820,801	16,188,886	18,515,072
-	-	959,577	-	-	-
-	-	76,333	-	-	-
4,223,734	4,602,300	3,100,597	3,172,056	4,284,495	9,799,550
42,512,851	38,507,216	39,443,497	40,123,746	40,354,550	43,372,618
93,786,610	89,680,114	73,897,392	82,540,374	99,180,808	115,827,863
39,345,466	40,037,978	37,162,025	34,539,828	43,296,922	40,187,297
12,312,931	13,276,092	13,416,795	13,960,468	13,783,251	12,709,638
4,000,000	4,000,000	4,000,000	4,000,000	2,000,000	2,000,000
12,677,755	13,058,088	11,656,520	10,759,865	10,759,865	13,450,000
5,500,000	5,500,000	5,346,250	5,662,750	5,709,000	5,720,000
850,000	2,306,570	14,577,142	838,380	606,249	2,274,088
877,131	520,531	225,981	148,335	-	5,415,675
-	-	-	-	-	70,500,000
1,600,000	15,000	150,000	-	500,000	1,500,000
2,168,306	2,296,404	1,506,744	1,001,978	2,317,895	2,714,785
79,331,589	81,010,663	88,041,457	70,911,604	78,973,182	156,471,483
173,118,199	170,690,777	161,938,849	153,451,978	178,153,990	272,299,346
-	548,017	1,734,743	53,470,000	6,316,825	-
\$ 40,462,932	\$ 56,632,682	\$ (22,288,586)	\$ 108,124,758	\$ 149,241,800	\$ 17,145,343

Table III

**Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years**

	2014	2015	2016	2017¹
Number of Events				
Entertainment	4	4	1	1
Trade Shows	18	15	15	11
Local, Regional, Business and Social	140	135	141	106
State Convention Business	79	56	66	50
National and International Convention Business	106	95	52	61
Competition	86	75	71	40
	<hr/>	<hr/>	<hr/>	<hr/>
Total Number of Events	433	380	346	269
	<hr/>	<hr/>	<hr/>	<hr/>
Event Days				
Entertainment	6	4	1	1
Trade Shows	44	45	40	24
Local, Regional, Business and Social	164	157	220	122
State Convention Business	129	92	113	74
National and International Convention Business	290	267	158	191
Competition	119	131	108	43
	<hr/>	<hr/>	<hr/>	<hr/>
Total Event Days	752	696	640	455
	<hr/>	<hr/>	<hr/>	<hr/>
Attendance				
Entertainment	22,066	81,161	3,718	37,992
Trade Shows	246,567	320,027	186,404	80,244
Local, Regional, Business and Social	125,578	65,080	72,825	323,283
State Convention Business	100,844	56,717	84,516	82,722
National and International Convention Business	635,701	401,486	417,300	710,731
Competition	1,267,171	1,158,898	1,096,800	821,850
	<hr/>	<hr/>	<hr/>	<hr/>
Total Attendance	2,397,927	2,083,369	1,861,563	2,056,822
	<hr/>	<hr/>	<hr/>	<hr/>

Source: Sales Office - Capital Improvement Board of Managers

¹ - Beginning in 2017, this table no longer includes "in-conjunction-with" events. These are ancillary events that are booked in addition to the main event, i.e. rehearsal rooms booked alongside a band competition.

2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹	2023 ¹
1	3	-	2	5	8
10	15	5	7	12	16
102	85	28	60	98	103
51	40	12	18	27	16
54	52	9	24	45	36
58	69	35	65	52	62
276	264	89	176	239	241
1	5	-	6	9	11
28	47	19	18	33	43
138	122	209	95	161	173
90	69	24	30	53	28
176	173	36	93	171	136
77	104	65	97	99	114
510	520	353	339	526	505
51,798	4,870	-	22,500	8,015	53,605
117,243	279,491	49,993	49,852	220,247	268,619
104,442	83,544	5,551	126,073	99,870	153,086
146,432	81,189	12,674	12,383	20,806	12,117
507,660	569,280	67,557	200,194	365,605	422,212
913,583	1,029,488	275,665	895,700	986,661	1,039,385
1,841,158	2,047,862	411,440	1,306,702	1,701,204	1,949,024

Table IV

Capital Improvement Board of Managers

Largest Customers

December 31, 2023								
	Rental Income		Labor Reimbursements		Food Service Revenues		Total	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total
Customer 1	\$ 380,723	3.75%	\$ 5,616,798	24.13%	\$ -	0.00%	\$ 5,997,521	15.42%
Customer 2	196,881	1.94%	930,609	4.00%	69,935	1.28%	1,197,425	3.08%
Customer 3	51,356	0.51%	846,126	3.64%	292,778	5.35%	1,190,260	3.06%
Customer 4	446,999	4.40%	414,050	1.78%	211,385	3.86%	1,072,434	2.76%
Customer 5	72,607	0.72%	536,272	2.30%	339,853	6.21%	948,732	2.44%
Customer 6	60,485	0.60%	663,008	2.85%	173,920	3.18%	897,413	2.31%
Customer 7	434,756	4.28%	198,082	0.85%	168,260	3.08%	801,098	2.06%
Customer 8	257,369	2.54%	196,788	0.85%	314,414	5.75%	768,571	1.98%
Customer 9	488,703	4.81%	134,026	0.58%	-	0.00%	622,729	1.60%
Customer 10	56,201	0.55%	159,179	0.68%	353,579	6.46%	568,959	1.46%
Subtotal	2,446,080	24.09%	9,694,938	41.66%	1,924,124	35.17%	14,065,142	36.16%
Balance from other customers	7,706,274	75.91%	13,578,233	58.34%	3,545,864	64.83%	24,830,371	63.84%
	<u>\$ 10,152,354</u>	<u>100.00%</u>	<u>\$ 23,273,171</u>	<u>100.00%</u>	<u>\$ 5,469,988</u>	<u>100.00%</u>	<u>\$ 38,895,513</u>	<u>100.00%</u>
December 31, 2014								
	Rental Income		Labor Reimbursements		Food Service Revenues		Total	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total
Customer 1	\$ 553,463	5.89%	\$ 760,125	5.83%	\$ 97,604	1.81%	\$ 1,411,192	5.07%
Customer 2	250,000	2.66%	950,045	7.29%	-	0.00%	1,200,045	4.31%
Customer 3	475,749	5.06%	548,261	4.21%	107,005	1.99%	1,131,015	4.07%
Customer 4	154,282	1.64%	719,509	5.52%	204,362	3.79%	1,078,153	3.88%
Customer 5	224,348	2.39%	483,685	3.71%	132,278	2.46%	840,311	3.02%
Customer 6	233,568	2.48%	297,562	2.28%	293,688	5.45%	824,818	2.97%
Customer 7	210,384	2.24%	107,535	0.82%	226,697	4.21%	544,616	1.96%
Customer 8	156,437	1.67%	208,094	1.60%	170,298	3.16%	534,829	1.92%
Customer 9	42,493	0.45%	173,243	1.33%	211,244	3.92%	426,980	1.53%
Customer 10	160,090	1.70%	12,045	0.09%	234,762	4.36%	406,897	1.46%
Subtotal	2,460,814	26.18%	4,260,104	32.68%	1,677,938	31.15%	8,398,856	30.19%
Balance from other customers	6,939,846	73.82%	8,777,243	67.32%	3,708,612	68.85%	19,425,701	69.81%
	<u>\$ 9,400,660</u>	<u>100.00%</u>	<u>\$ 13,037,347</u>	<u>100.00%</u>	<u>\$ 5,386,550</u>	<u>100.00%</u>	<u>\$ 27,824,557</u>	<u>100.00%</u>

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base Rent (Per Net Square Foot ¹)										
One to Four Open Days	\$ 1.04	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.16	\$ 1.19	\$ 1.23	\$ 1.27	\$ 1.31	\$ 1.35
Five to Seven Open Days	1.14	1.17	1.20	1.23	1.26	1.29	1.33	1.37	1.41	1.45
After Seven Days - ICC	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.42	1.46	1.50
After Seven Days - LOS	1.19	1.22	1.25	1.33	1.36	1.39	1.43	1.47	1.51	1.55

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Convention Meetings</u>										
Base Rent (Per Net Square Foot)										
Halls	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07
Sagamore Ballrooms	0.17	0.18	0.18	0.19	0.19	0.20	0.20	0.21	0.21	0.22
Wabash Ballrooms	0.17	0.18	0.18	0.19	0.19	0.20	0.20	0.21	0.21	0.22
500 Ballroom/Reception Room	0.13	0.16	0.16	0.17	0.17	0.20	0.20	0.21	0.21	0.22
Meeting Rooms ¹	0.17	0.18	0.18	0.18	0.18	0.20	0.20	0.21	0.21	0.22
<u>Non-Convention Meetings</u>										
Base Rent (Per Net Square Foot)										
Halls	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.10
Sagamore Ballrooms	0.19	0.20	0.20	0.21	0.21	0.22	0.22	0.23	0.23	0.24
Wabash Ballrooms	0.19	0.20	0.20	0.21	0.21	0.22	0.22	0.23	0.23	0.24
500 Ballroom/Reception Room	0.15	0.18	0.18	0.19	0.19	0.22	0.22	0.23	0.23	0.24
Meeting Rooms ¹	0.17	0.20	0.20	0.20	0.20	0.20	0.20	0.21	0.21	0.24
<u>Lucas Oil Stadium</u>										
Base Rent (Per Net Square Foot)										
Stadium	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27
Halls	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Meeting Rooms	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Party Plazas	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Club Lounges	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Position:										
Carpenters ³	\$ 36.33	\$ 36.85	\$ 36.85	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 48.00	\$ 52.00
Painters ³	33.98	34.48	34.48	37.00	37.00	37.00	37.00	37.00	45.00	49.00
Electricians ³	40.84	40.14	40.14	43.00	43.00	43.00	43.00	48.00	58.00	62.00
Stagehands (House) ⁴	38.51	41.21	41.21	45.00	47.00	47.00	49.00	50.00	52.00	55.00
Stagehands (Call In) ⁴	38.51	41.21	41.21	45.00	47.00	47.00	49.00	50.00	52.00	55.00
Welders and Pipefitters ³	39.69	41.71	41.71	46.00	46.00	46.00	46.00	46.00	59.00	61.00
Housekeeping ²	22.82	23.50	23.50	30.25	30.25	32.00	32.00	32.00	34.00	39.00
Set-up ²	22.82	23.50	23.50	35.00	35.00	37.00	37.00	37.00	39.00	41.00
Change-Over Labor ²	28.00	28.00	28.00	35.00	35.00	37.00	37.00	37.00	37.00	39.00
Riggers ⁴	53.05	56.76	56.76	62.00	64.00	66.00	66.00	70.00	73.00	76.00
Rent-A-Buddy ²	28.00	28.00	28.00	35.00	35.00	35.50	35.50	35.50	39.00	41.00
Ticket Sellers ¹	19.13	19.13	19.13	19.13	19.00	19.00	19.00	19.00	21.00	22.00
Assistant Treasurer/Treasurer ¹	23.10	23.10	23.10	23.10	23.00	23.00	23.00	23.00	26.00	27.00
Fire Marshals ³	17.50	17.50	17.50	21.00	21.00	21.00	21.00	21.00	23.00	25.00
Telecommunications ³	30.85	31.30	31.30	34.00	34.00	34.00	34.00	38.00	48.00	52.00
Part-Time Teamsters ²:										
Housekeeping	14.21	14.63	14.63	14.75	15.00	15.50	15.50	18.00	17.00	19.00
Set-Up	14.21	14.63	14.63	14.75	15.00	15.50	15.50	15.50	18.00	20.00
Installation and Dismantling (Advance Rate)	28.30	29.00	29.00	30.25	30.75	31.25	31.25	31.25	37.00	39.00
Installation and Dismantling (Show Rate)	34.00	35.00	35.00	36.50	37.25	37.75	37.75	37.75	44.00	46.00

¹ - Hourly rates currently change January 1 of each year

² - Hourly rates currently change July 1 of each year

³ - Hourly rates currently change November 1 of each year

⁴ - 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	Indy Eleven Proceeds ¹	CIB Profit (Loss)²
2014	20,451,249	15,064,699	-	5,386,550
2015	22,876,654	16,714,571	-	6,162,083
2016	20,751,393	15,601,170	-	5,150,223
2017	23,473,087	17,407,117	-	6,065,970
2018	23,442,875	18,074,891	132,132	5,235,852
2019	23,436,723	18,815,179	133,971	4,487,573
2020	4,907,379	5,792,257	74,699	(959,577)
2021	13,233,678	10,429,849	-	2,803,829
2022	25,916,084	23,472,671	-	2,443,413
2023	30,784,936	25,314,948	-	5,469,988

¹ - From 2018 - 2020, Lucas Oil Stadium was the site for home games of the Indy Eleven soccer team. Net concessions proceeds from these games were split 50/50 between the CIB and Indy Eleven.

² - The CIB retains net profits from Convention Center events and Non-Colts events at Lucas Oil Stadium.

Source: Sodexo Live! Monthly Commission Reports

Table IX

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

Fiscal Year	Junior Subordinate Notes ¹	Subordinate Revenue Bonds ^{1,3}	Due to State ²	Financed Purchase Obligations	Other	Total	Per Event Attendee	Indianapolis - Carmel MSA ⁴	
								Per Capita	% of Personal Income
2014	33,759,000	15,224,218	-	1,097,569,587	18,000,000	1,164,552,805	486	591	1.34%
2015	33,242,000	13,408,856	-	1,066,752,122	9,000,000	1,122,402,978	539	564	1.17%
2016	32,199,000	11,502,120	-	1,032,341,183	9,000,000	1,085,042,303	583	541	1.09%
2017	3,142,000	9,498,942	-	993,619,652	9,000,000	1,015,260,594	494	500	0.95%
2018	3,142,000	7,389,247	-	947,886,040	9,000,000	967,417,287	525	472	0.87%
2019	-	5,172,959	-	900,836,757	-	906,009,716	442	437	0.78%
2020	-	2,845,000	-	850,379,782	-	853,224,782	2,074	408	0.68%
2021	-	27,963,221	-	1,032,108,700	-	1,060,071,921	811	498	0.76%
2022	-	27,283,911	-	994,930,419	-	1,022,214,330	745	477	0.69%
2023	-	26,604,600	-	953,911,979	-	980,516,579	503	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 financed purchase obligations.

³ - Amounts are net of discounts and premiums.

⁴ - The Indianapolis-Carmel-Anderson Metropolitan Statistical Area (MSA) includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, 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

	2014	2015	2016	2017
Original Marion County Food and Beverage Tax (1%)	\$ 22,197,299	\$ 23,855,213	\$ 25,949,205	\$ 24,407,366
Original Marion County Innkeeper's Tax (5%)	24,442,590	25,846,373	28,040,681	27,663,371
1997 Marion County Innkeeper's Tax (1%)	4,888,518	5,169,275	5,608,136	5,532,674
Original Marion County Supp. Auto Rental Tax (2%)	2,329,548	2,223,861	2,454,540	2,413,052
Original Marion County Admissions Tax (5%)	6,466,187	6,559,420	6,651,843	7,576,679
Cigarette Tax	350,000	350,000	350,000	350,000
Original Sports PSDA Revenue	7,711,600	7,895,163	8,753,020	3,749,437
2009 Marion County Innkeeper's Tax (1%)	4,888,518	5,169,275	5,608,136	5,532,674
2013 Marion County Supp. Auto Rental Tax (4%)	2,329,548	2,223,861	2,454,540	2,413,052
Hotel PSDA Revenue	8,162,404	8,315,926	7,806,354	8,971,965
Total Local Revenue Deposit Agreement				
Pledged Revenues	<u>83,766,212</u>	<u>87,608,367</u>	<u>93,676,455</u>	<u>88,610,270</u>
2005 Marion County Food and Beverage Tax (1%)	22,197,287	23,855,213	25,949,205	24,407,366
2005 Regional Food and Beverage Tax (1%)	5,404,418	5,167,191	5,016,616	5,000,000
2005 Marion County Innkeeper's Tax (3%)	14,665,554	15,507,824	16,824,409	16,598,023
2005 Marion County Supp. Auto Rental Excise tax (2%) ¹	2,329,548	2,223,861	2,454,540	2,413,052
2005 Marion County Admissions Tax (1%)	1,293,237	1,311,884	1,330,369	1,515,336
2005 Sports PSDA tax allocation	8,692,067	9,189,759	9,995,639	15,683,349
Specialty License Plate Fees	704,820	668,840	669,840	590,500
Total State Revenue Deposit Agreement				
Pledged Revenues	<u>55,286,931</u>	<u>57,924,572</u>	<u>62,240,618</u>	<u>66,207,626</u>
2013 Marion County Admissions Tax (4%) ¹	5,172,949	5,247,536	5,321,475	6,061,343
Visiting Athletes Tax	-	-	-	-
Interlocal Funding Agreement	8,000,000	8,000,000	8,000,000	8,000,000
Total Other Revenues	<u>13,172,949</u>	<u>13,247,536</u>	<u>13,321,475</u>	<u>14,061,343</u>
Total State and Local Taxes and Other Assistance	<u>\$ 152,226,092</u>	<u>\$ 158,780,475</u>	<u>\$ 169,238,548</u>	<u>\$ 168,879,239</u>

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

	2018		2019		2020		2021		2022		2023
\$	25,449,939	\$	26,002,526	\$	19,900,147	\$	26,884,387	\$	30,934,636	\$	33,129,764
	28,423,045		30,209,153		12,560,891		23,027,684		32,994,819		35,301,891
	5,684,609		6,041,831		2,512,178		4,605,537		6,598,964		7,060,378
	2,969,768		2,702,759		1,830,964		2,629,198		3,137,451		3,310,730
	7,797,876		8,085,872		2,670,290		4,016,939		8,548,552		9,270,635
	350,000		350,000		350,000		350,000		350,000		350,000
	4,673,725		5,913,846		4,888,495		5,063,196		7,431,945		8,766,673
	5,684,609		6,041,831		2,512,178		4,605,537		6,598,964		7,060,378
	2,969,768		2,702,759		1,830,964		2,629,198		3,137,451		3,310,730
	7,871,946		8,158,280		1,937,771		13,384,400		20,575,175		21,237,401
	<u>91,875,285</u>		<u>96,208,857</u>		<u>50,993,878</u>		<u>87,196,076</u>		<u>120,307,957</u>		<u>128,798,580</u>
	25,449,939		26,002,526		19,900,145		26,884,387		30,934,635		33,129,149
	4,839,492		5,160,509		5,000,000		5,000,000		5,000,000		5,000,000
	17,053,827		18,125,492		7,536,535		13,816,611		19,796,892		21,181,134
	2,969,768		2,702,760		1,830,964		2,629,198		3,137,451		3,310,730
	1,559,575		1,617,174		682,911		803,388		1,709,710		1,854,127
	16,559,182		17,657,735		12,979,542		15,481,946		16,916,113		17,860,085
	510,120		480,800		458,140		448,480		437,780		422,240
	<u>68,941,903</u>		<u>71,746,996</u>		<u>48,388,237</u>		<u>65,064,010</u>		<u>77,932,581</u>		<u>82,757,465</u>
	6,238,300		6,468,698		2,136,232		3,213,551		6,838,842		7,416,508
	-		-		-		-		522,354		572,669
	<u>8,000,000</u>		<u>8,000,000</u>		<u>8,000,000</u>		<u>8,000,000</u>		<u>8,000,000</u>		<u>8,000,000</u>
	<u>14,238,300</u>		<u>14,468,698</u>		<u>10,136,232</u>		<u>11,213,551</u>		<u>15,361,196</u>		<u>15,989,177</u>
\$	<u>175,055,487</u>	\$	<u>182,424,551</u>	\$	<u>109,518,347</u>	\$	<u>163,473,637</u>	\$	<u>213,601,734</u>	\$	<u>227,545,222</u>

Table XI

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

	2014	2015	2016	2017
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	\$ 24,442,590	\$ 25,846,373	\$ 28,040,681	\$ 27,663,371
1997 Innkeeper's Tax (1%)	4,888,518	5,169,275	5,608,136	5,532,674
Food and Beverage Tax (1%)	22,197,299	23,855,213	25,949,205	24,407,366
Admissions Tax (5%)	6,466,187	6,559,420	6,651,843	7,576,679
Auto Rental Excise Tax (2%)	2,329,548	2,223,861	2,454,540	2,413,052
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	<u>60,674,142</u>	<u>64,004,142</u>	<u>69,054,405</u>	<u>67,943,142</u>
Disbursements - Senior Lease Rental Obligations ¹				
1995 Lease	(408,867)	-	-	-
2011 Lease	(5,844,389)	(5,845,745)	(5,844,550)	(5,844,400)
2012 Lease	<u>(5,780,226)</u>	<u>(6,206,014)</u>	<u>(6,267,417)</u>	<u>(6,267,496)</u>
Total Disbursements - Senior Lease Rental Obligations	<u>(12,033,482)</u>	<u>(12,051,759)</u>	<u>(12,111,967)</u>	<u>(12,111,896)</u>
Excise Tax Revenues in Excess of Senior Lease Rental Obligations	<u>48,640,660</u>	<u>51,952,383</u>	<u>56,942,438</u>	<u>55,831,246</u>
Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt				
PSDA Allocation	7,711,600	7,895,163	8,753,020	3,749,437
1997 Innkeeper's Tax (1%)	-	-	-	-
2009 Innkeeper's Tax (1%)	-	-	-	-
2013 Auto Rental Excise Tax (2%)	-	-	-	-
Total Tax Receipts	<u>7,711,600</u>	<u>7,895,163</u>	<u>8,753,020</u>	<u>3,749,437</u>
Disbursements - Subordinate Lease Rental Obligations and Other Debt ¹				
1999 Subordinate Bonds/Notes	(2,543,900)	(2,540,300)	(2,537,200)	(2,535,750)
2011 Lease	(14,903,975)	(15,397,100)	(15,893,400)	(15,894,750)
2021 Lease	-	-	-	-
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	<u>(17,447,875)</u>	<u>(17,937,400)</u>	<u>(18,430,600)</u>	<u>(18,430,500)</u>
Excess Available for CIB Operations	<u>\$ 38,904,385</u>	<u>\$ 41,910,146</u>	<u>\$ 47,264,858</u>	<u>\$ 41,150,183</u>
Coverage Ratio - Senior Obligations	<u>5.04</u>	<u>5.31</u>	<u>5.70</u>	<u>5.61</u>
Coverage Ratio - Senior and Subordinate Obligations	<u>2.32</u>	<u>2.40</u>	<u>2.55</u>	<u>2.35</u>

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.

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.

	2018	2019	2020	2021	2022	2023
\$	28,423,045	\$ 30,209,153	\$ 12,560,891	\$ 23,027,684	\$ 32,994,819	\$ 35,301,891
	5,684,609	6,041,831	2,512,178	2,302,769	-	-
	25,449,939	26,002,526	19,900,147	26,884,387	30,934,636	33,129,764
	7,797,876	8,085,872	2,670,290	4,016,939	8,548,552	9,270,635
	2,969,768	2,702,759	1,830,964	2,629,198	3,137,451	3,310,730
	350,000	350,000	350,000	350,000	350,000	350,000
	<u>70,675,237</u>	<u>73,392,141</u>	<u>39,824,470</u>	<u>59,210,977</u>	<u>75,965,458</u>	<u>81,363,020</u>
	-	-	-	-	-	-
	(5,845,900)	(5,846,900)	(5,848,150)	(1,712,475)	-	-
	<u>(6,268,759)</u>	<u>(6,270,454)</u>	<u>(6,268,374)</u>	<u>(1,566,798)</u>	<u>-</u>	<u>-</u>
	<u>(12,114,659)</u>	<u>(12,117,354)</u>	<u>(12,116,524)</u>	<u>(3,279,273)</u>	<u>-</u>	<u>-</u>
	58,560,578	61,274,787	27,707,946	55,931,704	75,965,458	81,363,020
	4,673,725	5,913,846	4,888,495	18,447,596	28,007,120	30,004,074
	-	-	-	2,302,769	6,598,964	7,060,378
	-	-	-	4,605,537	6,598,964	7,060,378
	-	-	-	2,629,198	3,137,451	3,310,730
	<u>4,673,725</u>	<u>5,913,846</u>	<u>4,888,495</u>	<u>27,985,100</u>	<u>44,342,499</u>	<u>47,435,560</u>
	(2,537,625)	(2,534,250)	(2,580,750)	-	-	-
	(15,894,250)	(15,893,250)	(15,894,750)	(11,443,438)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,242,400)</u>	<u>(23,638,000)</u>	<u>(23,207,800)</u>
	<u>(18,431,875)</u>	<u>(18,427,500)</u>	<u>(18,475,500)</u>	<u>(28,685,838)</u>	<u>(23,638,000)</u>	<u>(23,207,800)</u>
\$	<u>44,802,428</u>	<u>\$ 48,761,133</u>	<u>\$ 14,120,941</u>	<u>\$ 45,693,462</u>	<u>\$ 80,334,578</u>	<u>\$ 88,159,294</u>
	<u>5.83</u>	<u>6.06</u>	<u>3.29</u>	<u>18.06</u>	<u>N/A</u>	<u>N/A</u>
	<u>2.47</u>	<u>2.60</u>	<u>1.46</u>	<u>2.73</u>	<u>5.09</u>	<u>5.55</u>

Table XI, continued

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations										
Innkeeper's Tax (3%)	\$ 14,665,554	\$ 15,507,824	\$ 16,824,409	\$ 16,598,023	\$ 17,053,827	\$ 18,125,492	\$ 7,536,535	\$ 13,816,611	\$ 19,796,892	\$ 21,181,134
Marion County Food and Beverage Tax (1%)	22,197,287	23,855,213	25,949,205	24,407,366	25,449,939	26,002,526	19,900,147	26,884,387	30,934,635	33,129,149
Regional Food and Beverage Tax (.5%)	5,404,418	5,167,191	5,016,616	5,000,000	4,839,492	5,160,509	5,000,000	5,000,000	5,000,000	5,000,000
Admissions Tax (1%)	1,293,237	1,311,884	1,330,369	1,515,336	1,559,575	1,617,174	682,911	803,388	1,709,710	1,854,127
Auto Rental Excise Tax (2%)	2,329,548	2,223,861	2,454,540	2,413,052	2,969,768	2,702,759	1,830,964	2,629,198	3,137,451	3,310,730
PSDA Tax Allocation	8,692,067	9,189,759	9,995,639	15,683,349	16,559,182	17,657,735	12,979,542	15,481,946	16,916,113	17,860,085
Colts License Plate Fees	704,820	668,840	669,840	590,500	510,120	480,800	458,140	448,480	437,780	422,240
	<u>55,286,931</u>	<u>57,924,572</u>	<u>62,240,618</u>	<u>66,207,626</u>	<u>68,941,903</u>	<u>71,746,995</u>	<u>48,388,239</u>	<u>65,064,010</u>	<u>77,932,581</u>	<u>82,757,465</u>
Disbursements - Sublease Rental Obligations ²										
Stadium Sublease Agreement	(34,852,287)	(35,594,766)	(35,567,835)	(36,003,312)	(39,983,017)	(43,340,339)	(43,621,743)	(42,784,368)	(43,584,944)	(43,340,703)
Convention Center Sublease Agreement	(15,606,775)	(15,751,405)	(16,042,129)	(17,879,713)	(17,460,106)	(16,193,436)	(16,848,822)	(16,468,372)	(14,719,699)	(15,827,231)
Rental Obligations	<u>(50,459,062)</u>	<u>(51,346,171)</u>	<u>(51,609,964)</u>	<u>(53,883,025)</u>	<u>(57,443,123)</u>	<u>(59,533,775)</u>	<u>(60,470,565)</u>	<u>(59,252,739)</u>	<u>(58,304,644)</u>	<u>(59,167,934)</u>
2005 New Tax Revenues in Excess of Sublease Rental Obligations ¹	<u>\$ 4,827,869</u>	<u>\$ 6,578,401</u>	<u>\$ 10,630,654</u>	<u>\$ 12,324,601</u>	<u>\$ 11,498,780</u>	<u>\$ 12,213,220</u>	<u>\$ (12,082,326)</u>	<u>\$ 5,811,271</u>	<u>\$ 19,627,937</u>	<u>\$ 23,589,531</u>
Coverage Ratio - Senior Obligations	<u>1.10</u>	<u>1.13</u>	<u>1.21</u>	<u>1.23</u>	<u>1.20</u>	<u>1.21</u>	<u>(0.80)</u>	<u>1.10</u>	<u>1.34</u>	<u>1.40</u>

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

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

Note: The Original Excise Tax Revenues, 2009 Innkeeper's Tax, 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. 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

Year	Population	Indianapolis-Carmel-Anderson MSA ¹		
		Personal Income (in millions)	Per Capita Personal Income	Annual Average Unemployment Rate
2014 ²	1,971,274	86,770	44,017	5.7%
2015	1,988,817	96,004	48,272	4.1%
2016	2,004,230	99,573	49,681	4.2%
2017	2,028,614	106,415	52,457	3.3%
2018	2,048,703	110,997	54,179	3.2%
2019	2,074,537	116,921	56,360	3.1%
2020	2,091,019	126,361	60,431	6.5%
2021	2,126,804	139,954	65,805	3.6%
2022	2,141,779	147,181	68,719	2.5%
2023	n/a	n/a	n/a	3.1%

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

² - During 2014, the city of Anderson and the counties of Madison and Morgan were added to the Indianapolis-Carmel-Anderson MSA

n/a = Information is not available.

Source: stats.indiana.edu

Table XIII

Capital Improvement Board of Managers

Principal Employers ¹

Employer Name	2023		2014	
	Employees	% of Total	Employees	% of Total
IU Health/Clarian Health Partners, Inc.	23,187	1.98%	11,810	1.17%
Ascension St. Vincent Health	17,398	1.48%	17,398	1.73%
Community Health	15,000	1.28%	10,402	1.03%
IUPUI and IU School of Medicine	14,000	1.19%	-	0.00%
Eli Lilly and Company	11,872	1.01%	10,735	1.07%
Wal-Mart	9,582	0.82%	8,830	0.88%
Kroger	7,520	0.64%	7,840	0.78%
Fed-Ex Express	5,800	0.49%	6,000	0.60%
Anthem	4,870	0.42%	4,200	0.42%
Meijer	4,707	0.40%	-	0.00%
Eskenazi Health	4,498	0.38%	-	0.00%
Franciscan St. Francis Health	4,300	0.37%	4,100	0.41%
Goodwill Industries	4,258	0.36%	-	0.00%
Roche Diagnostics	4,227	0.36%	4,600	0.46%
Rolls-Royce	4,000	0.34%	4,300	0.43%
UPS	3,925	0.33%	-	0.00%
Archdiocese of Indianapolis	3,600	0.31%	-	0.00%
	<u>142,744</u>	<u>12.16%</u>	<u>90,215</u>	<u>8.98%</u>

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

Sources: Principal Employers - The Indy Partnership (www.indypartnership.com)

Total employed in the Indianapolis MSA - December, 2023 - www.hoosierdata.in.gov

Table XIV

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Position:										
Carpenters	5	4	4	4	3	3	2	2	2	2
Electricians	17	16	15	13	15	12	3	3	3	3
Grounds	6	5	5	5	5	5	3	3	4	3
Housekeeping	30	25	23	23	24	19	11	14	21	18
Pipefitters	15	13	12	13	12	11	7	7	7	7
Painters	4	3	3	2	2	2	1	1	2	2
Sound and lighting	43	48	43	59	57	53	14	9	10	11
Set-up	13	12	12	15	14	14	7	10	13	15
Installation and dismantling	12	12	12	10	8	7	-	4	4	4
Box office	4	4	4	4	4	4	1	1	1	1
Administrative	78	80	83	85	89	101	87	85	85	90
Miscellaneous clerical	5	4	5	5	4	5	1	1	1	1
Telecommunications	6	4	4	5	4	3	2	2	3	3
Fire Marshals	-	-	-	1	1	1	-	1	1	1
Guest services	5	6	5	6	6	6	1	3	3	3
	<u>5</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total Full-Time Equivalent Employees	<u>243</u>	<u>236</u>	<u>230</u>	<u>250</u>	<u>248</u>	<u>246</u>	<u>140</u>	<u>146</u>	<u>160</u>	<u>164</u>

Notes:

- 1) 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.
- 2) 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.
- 3) The FTE number for Administrative employees have been changed from prior years' presentations due to a calculation correction.

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

Table XV

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

Venue	2014		2015	
	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
Exhibit Halls				
Hall A	25.5%	52.6%	25.5%	54.5%
Hall B	24.1%	50.7%	24.7%	51.2%
Hall C	25.2%	54.8%	25.2%	55.6%
Hall D	27.1%	58.6%	26.8%	56.4%
Hall E	24.4%	56.4%	22.7%	50.1%
Hall F	22.7%	50.4%	20.8%	47.9%
Hall G	20.3%	47.4%	20.0%	46.3%
Hall H ³	23.8%	53.7%	20.5%	49.9%
Hall I ³	23.3%	53.4%	24.1%	55.3%
Hall J ³	26.0%	58.4%	28.2%	61.6%
Hall K ³	24.7%	57.0%	27.1%	60.5%
Ballrooms				
500 Ballroom	32.6%	43.6%	27.4%	36.4%
Sagamore Ballrooms ²	32.6%	47.9%	33.2%	47.1%
Wabash Ballrooms ²	32.1%	43.2%	30.2%	39.9%
Lucas Oil Stadium				
Stadium	20.4%	41.1%	20.6%	43.3%
Exhibit Halls ²	16.0%	32.1%	11.7%	32.2%
Quarterback Club	14.4%	17.4%	17.0%	19.8%
Lounges ²	15.4%	29.4%	12.7%	31.5%
Concourse	20.1%	37.8%	17.1%	38.3%
North Terrace	-	-	-	-
Venue	2019		2020	
	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
Exhibit Halls				
Hall A	30.9%	60.7%	12.0%	29.5%
Hall B	30.9%	65.3%	13.4%	31.4%
Hall C	32.5%	70.5%	14.8%	34.7%
Hall D	31.1%	65.8%	14.8%	34.4%
Hall E	28.1%	62.6%	14.5%	33.9%
Hall F	29.2%	61.7%	12.3%	31.4%
Hall G	25.7%	60.7%	12.3%	31.1%
Hall H ³	31.1%	67.5%	28.7%	47.3%
Hall I ³	32.5%	66.7%	28.7%	44.8%
Hall J ³	36.1%	68.6%	29.8%	45.4%
Hall K ³	35.2%	67.5%	31.7%	46.7%
Ballrooms				
500 Ballroom	37.7%	56.8%	5.7%	8.7%
Sagamore Ballrooms ²	30.8%	50.5%	11.3%	13.9%
Wabash Ballrooms ²	35.4%	53.3%	7.3%	12.4%
Lucas Oil Stadium				
Stadium	27.3%	55.2%	9.8%	19.1%
Exhibit Halls ²	20.5%	42.2%	27.2%	35.9%
Quarterback Club	6.0%	8.2%	4.9%	6.6%
Lounges ²	13.7%	17.6%	7.9%	10.2%
Concourse	22.4%	31.7%	6.8%	9.3%
North Terrace	-	-	-	-

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 1/20/2011 as part of Convention Center expansion.

Source: Sales Office - Capital Improvement Board of Managers

2016		2017		2018	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
29.0%	58.5%	28.1%	53.0%	31.2%	57.5%
29.5%	59.0%	28.1%	53.3%	30.1%	56.7%
27.9%	59.6%	26.2%	56.8%	28.2%	55.9%
26.0%	55.2%	31.4%	63.1%	30.4%	60.5%
23.8%	51.9%	27.0%	56.8%	28.2%	58.1%
26.2%	57.1%	27.3%	60.4%	28.8%	63.0%
22.7%	51.9%	28.1%	60.4%	28.5%	62.7%
24.3%	56.8%	31.1%	70.5%	32.6%	69.3%
30.3%	65.3%	34.2%	70.8%	33.2%	69.0%
32.8%	65.3%	37.2%	74.0%	34.5%	70.7%
32.2%	63.9%	32.2%	70.5%	32.6%	66.8%
31.7%	43.4%	38.0%	48.1%	34.2%	46.0%
31.5%	48.0%	32.5%	52.2%	29.7%	44.8%
33.3%	44.0%	30.9%	43.2%	32.7%	44.8%
20.5%	35.5%	22.4%	52.7%	24.4%	49.0%
17.0%	32.1%	19.3%	40.6%	19.2%	37.9%
11.2%	14.8%	13.9%	17.5%	6.8%	7.9%
10.2%	18.9%	12.7%	23.5%	12.8%	20.7%
18.0%	28.4%	20.8%	35.0%	23.0%	33.4%
-	-	-	-	-	-
2021		2022		2023	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
32.2%	65.6%	27.0%	56.0%	27.0%	60.4%
32.8%	65.6%	30.3%	59.6%	26.2%	57.4%
30.6%	64.2%	30.3%	63.9%	25.7%	59.3%
27.9%	58.7%	32.5%	66.9%	29.0%	64.2%
25.7%	55.2%	30.9%	62.8%	26.8%	60.7%
26.2%	57.7%	20.2%	48.1%	26.0%	60.7%
24.6%	54.6%	19.1%	44.8%	22.7%	55.7%
26.2%	58.5%	21.9%	52.5%	24.6%	6150.0%
25.7%	56.6%	26.0%	57.9%	26.5%	63.4%
30.1%	61.7%	33.9%	66.7%	32.5%	70.5%
27.9%	58.5%	30.1%	60.9%	31.7%	67.5%
30.6%	43.4%	43.7%	60.1%	37.7%	56.3%
24.5%	33.5%	32.3%	48.4%	32.6%	48.9%
29.5%	40.7%	29.4%	46.5%	31.1%	48.5%
21.3%	42.3%	22.1%	40.7%	33.6%	55.2%
46.4%	47.3%	19.4%	38.3%	28.8%	50.1%
6.8%	7.4%	11.5%	17.2%	19.4%	21.6%
17.5%	26.6%	17.6%	22.7%	27.2%	34.7%
21.0%	35.0%	21.0%	31.7%	0.8%	0.8%
-	-	-	-	-	-

*Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards*

The Officials of the
Capital Improvement Board of Managers of
Marion County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Capital Improvement Board of Managers of Marion County (the CIB), a component unit of the Consolidated City of Indianapolis – Marion County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise CIB's basic financial statements, and have issued our report thereon dated June 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CIB's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CIB's internal control. Accordingly, we do not express an opinion on the effectiveness of CIB's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CIB's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
June 6, 2024