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

COMPLIANCE REVIEW

OF

CAPITAL IMPROVEMENT BOARD OF MANAGERS

MARION COUNTY, INDIANA

January 1, 2010 to December 31, 2010

FILED
06/14/2011

TABLE OF CONTENTS

CAPITAL IMPROVEMENT BOARD OF MANAGERS - 2010

Board Member	Position	Appointed by	Term Ending
Ann Lathrop, CPA	President	Mayor	01-14-12
David N. Shane	Vice President	Mayor	01-14-12
Paul Okeson	Treasurer	Mayor	01-14-12
Douglas R. Brown, Esq.	Secretary	Marion County Commissioners	01-14-12
Jay K. Potesta	Member	Mayor	01-14-12
Carolene Mays	Member	Mayor	01-14-12
Jim Dora, Jr.	Member	Mayor	01-14-12
Brenda Myers	Member	County Commissioners **	01-14-12
Michael J. McQuillen	Member	City-County Council	01-15-11

**Member appointed by the majority vote of a body consisting of one member of the Board of County Commissioners of each county in which a food and beverage tax is in effect under IC 6-9-35.

CAPITAL IMPROVEMENT BOARD OF MANAGERS - 2011

Board Member	Position	Appointed by	Term Ending
Ann Lathrop, CPA.	President	Mayor	01-14-12
Jim Dora, Jr.	Vice President	Mayor	01-14-12
Douglas R. Brown, Esq.	Secretary	Marion County Commissioners	01-14-12
Paul Okeson (resigned 01-14-11)	Treasurer	Mayor	01-14-12
David N. Shane	Treasurer	Mayor	01-14-12
Jay K. Potesta	Member	Mayor	01-14-12
Carolene Mays	Member	Mayor	01-14-12
Brenda Myers	Member	County Commissioners **	01-14-12
Michael J. McQuillen	Member	City-County Council	01-15-11

CAPITAL IMPROVEMENT BOARD MANAGEMENT

Manager	Title	Term
Barney Levengood	Executive Director	01-07-91 to present
Dan Huge	Chief Financial Officer	03-08-10 to present
Patti Dean	Controller	09-16-09 to present
Jeffrey Billig	Chief Financial Officer	11-01-09 to 02-06-10

STATE OF INDIANA

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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE CAPITAL IMPROVEMENT
BOARD OF MANAGERS, MARION COUNTY, INDIANA

We have audited the financial statements of the Capital Improvement Board of Managers of Marion County, Indiana (CIB), a component unit of the consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2010, and have issued our opinion thereon dated April 21, 2011. The primary purpose of the audit was to report our opinion on the financial statements. We have included an unqualified opinion on these financial statements which, along with the audited financial transactions of the CIB, is available in the CIB's Comprehensive Annual Financial Report.

Although it is not explicitly stated, an unqualified audit report indicates that we did gather adequate audit evidence to support the assertions in the financial statements and related Notes, that we agree that the books and records are in agreement with the financial statements, and that we received all the information and explanations we considered necessary for the audit. Our audit procedures are designed to give us reasonable assurance that the financial statements, taken as a whole, are free of material misstatement. It is the responsibility of management to ensure that accurate and reliable accounting records are maintained and that adequate internal controls are established and maintained.

We utilized risk assessment procedures, tests of controls, and substantive procedures during the course of the audit in order to develop our opinion. During the planning stages of the audit, we gained an in-depth understanding of the processes and controls in place, determined which audit areas were significant, and identified those areas with higher risk. We tested controls for significant areas to ensure that the controls which had been implemented were effective. Based on this assessment, we developed substantive audit procedures to support our opinion on the financial statements. This approach allowed us to perform an effective and efficient audit and to receive sufficient audit evidence to support our opinion.

In planning and performing our audit, we considered the internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Accordingly, we express no opinion on the internal control over financial reporting. Material issues of noncompliance with statutes, board policies, and other regulations would be included in this report; however, we noted no such issues.

Indiana State Board of Accounts

STATE BOARD OF ACCOUNTS

April 21, 2011

CAPITAL IMPROVEMENT BOARD OF MANAGERS
MARION COUNTY, INDIANA
GENERAL INFORMATION

I. INTRODUCTION

Purpose of this Compliance Review

A compliance review is designed to review specific activities in order to determine whether performance of a particular transaction or activity conforms to a predetermined contractual, regulatory, or statutory requirement. These requirements are established by the State of Indiana, the City-County Council, and the Capital Improvement Board of Managers of Marion County (CIB). This audit was not intended to be an audit of performance or efficiency of the CIB. Accordingly, no audit procedures were performed and no opinion or comments will be issued on performance or efficiency of the CIB.

IC 36-10-9-9(f) states, "The controller shall submit to the board at least annually a report of the board's accounts exhibiting the revenues, receipts, and disbursements and the sources from which the revenues and receipts were derived and the purpose and manner in which they were disbursed. The board may require that the report be prepared by an independent certified public accountant designated by the board. The state board of accounts shall audit annually the accounts, books, and records of the board and prepare a financial report and a compliance audit report. The board shall submit to the city-county legislative body financial and compliance reports of the state board of accounts. The board shall post the reports of the state board of accounts on the board's Internet web site. The city-county legislative body shall discuss the financial and compliance reports of the state board of accounts in a public hearing. The handling and expenditure of funds is subject to supervision by the state board of accounts."

Background of the Capital Improvement Board of Managers of Marion County, Indiana

The CIB is a municipal body of Marion County created in 1965 pursuant to the provisions of Indiana Code (IC) 36-10-9. As amended in 2009, six (6) of the nine (9) board members, who serve two year terms, are appointed by the Mayor of the City of Indianapolis, one (1) is appointed by the Marion County Board of Commissioners, one (1) is appointed by the City-County Council (Marion County-Indianapolis), and one (1) is appointed jointly by majority vote of a body consisting of one (1) member of the board of 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 year of the appointment.

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

The powers and duties of the CIB are as follows in accordance with IC 36-10-9-6:

"The board may, acting under the title "capital improvement board of managers of __________ County", do the following:

(1) Acquire by grant, purchase, gift, devise, lease, condemnation, or otherwise, and hold, use, sell, lease, or dispose of, real and personal property and all property rights and interests necessary or convenient for the exercise of its powers under this chapter.

(2) Construct, reconstruct, repair, remodel, enlarge, extend, or add to any capital improvement built or acquired by the Board under this chapter.

(3) Control and operate a capital improvement, including letting concessions and leasing all or part of the capital improvement.

(4) Fix charges and establish rules governing the use of a capital improvement.

(5) Accept gifts or contributions from individuals, corporations, limited liability companies, partnerships, associations, trusts, or political subdivisions, foundations, and funds, loans, or advances on the terms that the board considers necessary or desirable from the United States, the State, and any political subdivision or department of either, including entering into and carrying out contracts and agreements in connection with this subdivision.

(6) Exercise within and in the name of the county the power of eminent domain under general statutes governing the exercise of the power for a public purpose.

(7) Receive and collect money due for the use or leasing of a capital improvement and from concessions and other contracts, and expend the money for proper purposes.

(8) Receive excise taxes, income taxes, and ad valorem property taxes and expend the money for operating expenses, payments of principal or interest of bonds or notes issued under this chapter, and for all or part of the cost of a capital improvement.

(9) Retain the services of architects, engineers, accountants, attorneys, and consultants and hire employees upon terms and conditions established by the Board, so long as any employees or members of the Board authorized to receive, collect, and expend money are covered by a fidelity bond, the amount of which shall be fixed by the Board. Funds may not be disbursed by an employee or member of the Board without prior specific approval by the Board.

(10) Provide coverage for its employees under IC 22-3 and IC 22-4.

(11) Purchase public liability and other insurance considered desirable.

(12) Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter, including the enforcement of them.

(13) Sue and be sued in the name and style of "capital improvement board of managers of ___________ County" (including the name of the county), service of process being had by leaving a copy at the Board's office.

(14) Prepare and publish descriptive material and literature relating to the facilities and advantages of a capital improvement and do all other acts that the board considers necessary to promote and publicize the capital improvement, including the convention and visitor industry, and serve the commercial, industrial, and cultural interests of Indiana and its citizens. The Board may assist, cooperate, and fund governmental, public, and private agencies and groups for these purposes.

(15) Enter into leases of capital improvements and sell or lease property under IC 5-1-17 or IC 36-10-9.1."

II. RELATED PARTIES OF THE CIB

A. Asset Related Debt - Pre-2005

In 1985, IC 36-10-9.1 created the Marion County Convention and Recreational Facilities Authority (MCCRFA) for the purpose of "financing, constructing, and leasing capital improvements (including future additions to such properties) to the capital improvement board." This was to be accomplished by means of various lease-purchase agreements with the CIB. MCCRFA issued various debt instruments and supervised to completion construction of the Indiana Convention Center Expansion & RCA Dome in 1984, Victory Field in 1996, and Conseco Fieldhouse in 1999. Debt from the demolished RCA Dome remains as a portion of various outstanding debt issues. Lease agreements between MCCRFA and the CIB secure the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals. At the termination of each lease, ownership of the various properties reverts to the lessee (CIB). A complete detail of all outstanding debt issues is available in the CIB's Comprehensive Annual Financial Report.

B. Asset Related Debt - 2005 to Present

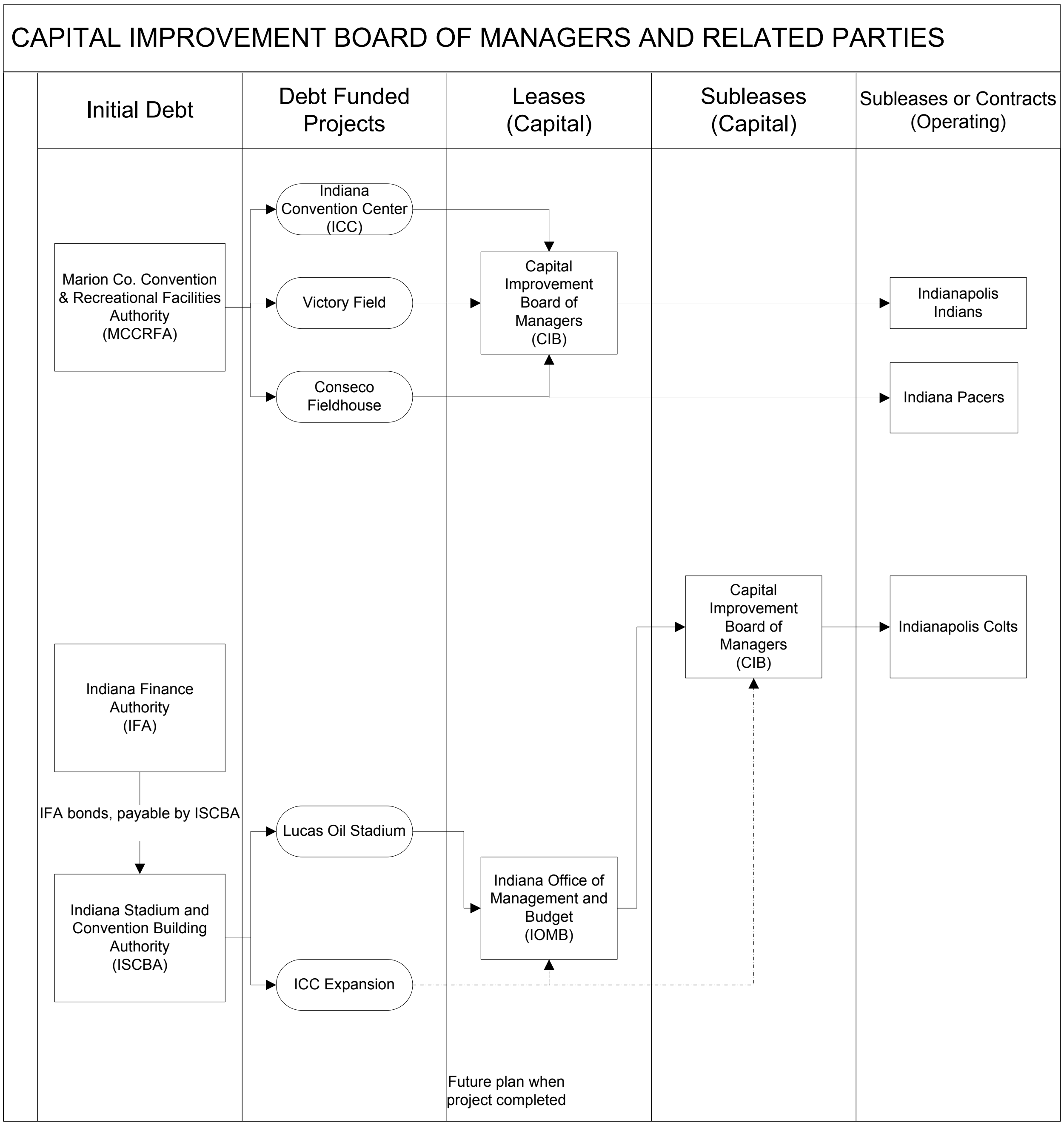
In 2005, IC 5-1-17 created the Indiana Stadium and Convention Building Authority (ISCBA) to assume the responsibilities for future debt and construction of Lucas Oil Stadium and the Indiana Convention Center Expansion (including future additions to these properties). Construction of Lucas Oil Stadium and the additions to the Indiana Convention Center have been contracted and supervised by the ISCBA. Bonds for these projects were issued by the Indiana Finance Authority (IFA). Construction expenses are approved by the ISCBA and paid through the IFA. At the completion of each project, the properties are leased by ISCBA, through the Indiana Office of Management and Budget (OMB), to the CIB, which is then committed to pay the debt through the lease. At the termination of each lease, ownership of the various properties reverts to the lessee (CIB). A complete detail of all outstanding debt issues is available in the CIB's Comprehensive Annual Financial Report.

C. Lease Agreements

A complete picture of the various lease arrangements is illustrated by the flowchart following this section. To discern between leases noted as "Capital" and "Operating," a capital lease indicates that, in accordance with Financial Accounting Standards Board Statement #13, the lessee (CIB) qualifies as the "true owner" of the property and reports such as a capital asset on their financial statements. An operating lease indicates a "rental" contract not signifying ownership by the lessee and reported as rental expense on financial statements.

A general description of the terms of each lease follows the chart. Details of leases are available in the CIB's Comprehensive Annual Financial Report and on the CIB's website, www.capitalimprovementboard.org.

CAPITAL IMPROVEMENT BOARD OF MANAGERS
MARION COUNTY, INDIANA
GENERAL INFORMATION
(Continued)



D. Indianapolis Convention and Visitors Association (ICVA)

The ICVA, although not directly involved in the construction, operation or maintenance of entertainment facilities, is critical to the success of these facilities as this association is responsible for their promotion and marketing to organizations throughout the country. The success and solvency of many of the facilities and, in turn, the sales and related tax revenues of the state, is dependent on the success of this organization. Since 1967, the ICVA has had a written agreement with the CIB to promote conventions, meetings, exhibitions, and other events facilities operated by the CIB, specifically the Indiana Convention Center and Lucas Oil Stadium. To assist in the expenses of the ICVA, the CIB pays to the ICVA a fee as noted in the contract, the source of which is hotel-motel tax received by the CIB. The CIB payments represent approximately 70% of the ICVA total revenue. Restrictions for the use of these funds are noted in this contract to prevent the use of "public funds" for inappropriate purposes. The CIB has the authority to audit ICVA expenditures if desired. In lieu of auditing the ICVA's expenditures, the CIB receives and relies on the audited financial statements of the ICVA. Additionally, the Executive Director and the Board President of the CIB sit on the board of the ICVA and, as board members, receive information related to expenditures.

E. Indianapolis Indians - Victory Field

Victory Field is home to the Indianapolis Indians, a AAA minor league baseball franchise affiliated with the Pittsburgh Pirates organization. Remaining debt related to Victory Field is an obligation of the CIB; certain state and local taxes are committed to payment of this debt. Expenses of the operation, maintenance and insurance for the facility are assumed by the Indians' organization.

F. Indiana Pacers - Conseco Fieldhouse

Conseco Fieldhouse is home to the Indiana Pacers, a National Basketball Association (NBA) franchise, and is used for a variety of events, including Indiana Fever games (a Women's National Basketball Association franchise), other sporting events and concerts. Remaining debt related to Conseco Fieldhouse is an obligation of the CIB; certain state and local taxes are committed to payment of this debt. Except for certain on-going capital maintenance and repair items, expenses of the operation and maintenance for the facility are assumed by the Pacers' organization. During 2010, the CIB and the Pacers' organization reached an agreement regarding further assumption of the operating and maintenance costs of the facility by the CIB. Details of this agreement can be found in the CIB's Comprehensive Annual Financial Report and on the CIB's website, www.capitalimprovementboard.org.

G. Indiana Convention Center (ICC)

The ICC is financed in part through pre-2005 debt issued by the MCCRFA. The original structure was built and opened in 1972 and additions were completed in 1984, 1993, and 2000. In 2005, additional debt was issued by the IFA, and the ISCBA is currently in the process of adding 254,000 square feet of exhibit floor space to the current 300,000 square feet of exhibition space. This addition, to be completed in January 2011, includes expanding through the property formerly occupied by the RCA Dome with a tunnel to LOS, making it possible to utilize both facilities for large conventions/conferences. Revenues and expenses of the ICC are the responsibility of the CIB.

H. Indianapolis Colts - Lucas Oil Stadium (LOS)

Lucas Oil Stadium is home to the Indianapolis Colts, a National Football League (NFL) franchise, and is used for a variety of other events, including the 2010 National Collegiate Athletic Association (NCAA) Men's basketball championship finals. Debt related to LOS is an obligation of the CIB; certain state and local taxes are committed to payment of this debt. The CIB is responsible for capital and operating expenses, maintenance and insurance of the facility. The CIB coordinates all events held at LOS, many of which are in conjunction with events scheduled at the adjoining ICC. Stadium revenues from all events other than Colts games are retained by the CIB.

I. Capitol Commons - Parking Garage

In 1986, the CIB and the City of Indianapolis, along with developers, constructed and operated the Capitol Commons parking facility, the construction of which was partially funded with $6,300,000 from private grants. Since 1988, the CIB has been the lessor of the garage facility. Under an amendment to the agreement in 2004, the CIB relinquished certain ownership rights of half the parking to the Indianapolis-Marion County Department of Metropolitan Development (DMD). The CIB is currently responsible for one-third of all operating costs and necessary capital improvements to the Capitol Commons site and the DMD half of the garage, as described in an operating agreement and lease agreement. In return, the CIB continues to receive a portion of all rental payments and/or monthly parking allowance payments, as defined in the agreements.

III. REVENUE SOURCES OF THE CIB

In addition to lease rental payments and operating income from the Capitol Commons, ICC and LOS, the following sources of tax revenues are received by the CIB:

Marion County Innkeeper's Tax

- In 1997, this tax was established at 6% with 1/6th of this tax dedicated to fund lease rental payments or obligations of the convention center expansion of 1997.
- In 2005, this tax was increased by 3% with the additional tax dedicated to the debt service obligations related to LOS and the ICC expansion of 2005.
- In 2009, this tax was increased by 1% with the additional tax dedicated to the operating expenses of the CIB.

Marion County Food and Beverage Tax

- In 1981, this tax was established at 1%.
- In 2005, this tax was increased by 1% with the additional tax dedicated to the debt service obligations related to LOS and the ICC expansion of 2005.

Marion County Admissions Tax

- In 1997, this tax was established at 5%.
- In 2005, this tax was increased by 1% with the additional tax dedicated to the debt service obligations related to LOS and the ICC expansion of 2005.

Marion County Supplemental Auto Rental Excise Tax

- In 1997, this tax was established at 2%.
- In 2005, this tax was increased by 2% with the additional tax dedicated to the debt service obligations related to LOS and the ICC expansion of 2005.

Regional County Food and Beverage Tax

- In 2005, this tax was established at 1% with ½ of the tax dedicated to the debt service obligations related to LOS and the ICC expansion of 2005. If the ½ amount collected is over $5 million, the remaining balance is remitted to the participating counties which include Boone, Johnson, Hamilton, Hancock, Hendricks, and Shelby.

Indiana Cigarette Tax

- A total of $350,000 is received from this tax annually.

Specialty License Plate Fee

- The CIB receives $20 for each Indianapolis Colts vanity license plate sold. The amount collected is dedicated to the debt service obligations related to LOS and the ICC expansion of 2005.

Professional Sports Development Area (PSDA) Revenues

- In 1997, the PSDA was established and includes Conseco Fieldhouse, the former domed stadium, ICC, Victory Field, and the Indianapolis Colts practice facility. For the 1997 PSDA, up to a maximum of $5 million per year is collected from state use, sales, and income taxes related to these facilities. The PSDA also includes local income and food and beverage taxes related to these facilities. The tax collected is dedicated to pay debt obligations relating to Conseco Fieldhouse.
- In 2005, the PSDA was changed to include LOS as of July 1, 2007. An additional $11 million per year was allocated from the State related PSDA taxes for a total maximum amount of $16 million per year. The additional $11 million is dedicated to debt service obligations related to LOS and the ICC expansion of 2005. After June 2017, the entire $16 million will be dedicated to debt service obligations related to LOS and the ICC expansion; however, the local related PSDA taxes will continue to be dedicated to pay debt obligations relating to Conseco Fieldhouse.
- In 2009, the PSDA was expanded to include hotel sites in the area bounded on the east by Illinois Street, on the south by Maryland Street, and on the west and north by Washington Street. The expansion includes state income, sales and use taxes and COIT taxes related to activities at the hotel sites. These taxes must be used to pay usual and customary operating expenses at CIB facilities.

CAPITAL IMPROVEMENT BOARD OF MANAGERS
MARION COUNTY, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2011, with Ann Lathrop, CPA, President; David N. Shane, Treasurer; Barney Levengood, Executive Director; Dan Huge, Chief Financial Officer; and Patti Dean, Controller. Our report disclosed no material items that warrant comment at this time.

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

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

Indianapolis
INDIANA CONVENTION CENTER & LUCAS OIL STADIUM

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2010
Capital Improvement Board of Managers
(of Marion County, Indiana) - a Component
Unit of the Consolidated City of Indianapolis-
Marion County
Indianapolis, Indiana

Prepared by:

Finance Department

Ann Lathrop, President

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
December 31, 2010

Contents

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Introductory Section

May 31, 2011

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

We are pleased to present the Comprehensive Annual Financial Report of the Capital Improvement Board of Managers (of Marion County, Indiana) ("CIB"), for the fiscal year ended December 31, 2010.

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

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

Profile of the CIB

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

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

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

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

At the core of this operating model is an understanding that the CIB's activities work in tandem with the private sector to foster diverse economic growth. The CIB's assets, activities and ancillary amenities allow a larger private hospitality industry to operate. In turn, the hospitality industry mutually develops and services the region's significant convention, cultural, entertainment and recreational activity and amenities. This understanding of the hospitality industry, as a significant driver allowing the region to enjoy amenities and activities beyond the means of the region to be supported by just its citizens, supports viewing it as an element that fosters non-hospitality economic growth and quality of life in the region. Viewed in this context, an operating model that permits the generation of non-operating revenue (from both the industry's customers as well as regional users and beneficiaries of these activities and amenities) to support and subsidize the CIB's capital and operating costs can be seen as thoughtful and balanced taxation policy. Tax policy impacting the CIB is managed by the Indiana General Assembly and the City-County Council. Working in harmony, this operating model has allowed the region to benefit from a thriving downtown Indianapolis and allows the State to enjoy the fruits of a growing tax base which extends past the borders of Indiana. Ultimately, the CIB operations serve to protect and support a region that has thrived and competes well in comparison to other similar cities in the nation.

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

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

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

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

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

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

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

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

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

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

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

Since opening in 1972, the Indiana Convention Center has had four major expansions, with the fourth being completed in January 2011. With this latest expansion, the Indiana Convention Center now contains 566,300 square feet of clear span convention and exhibition space, 71 meeting rooms and three ballrooms. The 11 exhibit halls range in size from 36,300 square feet to 88,900 square feet. The Sagamore Ballroom, with 33,335 square feet, can be divided into seven different sections. The 500 Ballroom has 13,536 square feet and an adjoining reception room. The 10,202 square foot Wabash Ballroom features a 24' ceiling and may be divided into three separate sections.

LOS, as a new, state-of-the-art structure, opened in 2008 to rave reviews. Directing the project was the Indiana Stadium and Convention Building Authority (ISCBA). LOS features a retractable roof, offering spectacular views of the Indianapolis skyline. In addition, LOS has an infill playing surface, 7 locker rooms, exhibit space, meeting rooms, operable north window, dual two-level club lounges, 137 suites, retractable sideline seating, house reduction curtains, two large video boards, ribbon boards, spacious concourses, interior and exterior plaza space, 11 indoor docks and 2 vehicle ramps to the event level. In January 2011, LOS was connected to the newly expanded Convention Center and several hotels and entertainment options by a new pedestrian connector. Tradeshows can take advantage of an indoor 30,000 square foot loading dock with 11 bays, retractable seating and operable walls to utilize up to 183,000 contiguous square feet of space. Football games can be played indoors or outdoors using the retractable roof and operable north window. The house reduction curtain system covers the entire Terrace Level seating, reducing capacity from 63,000 to approximately 41,000. Basketball and other mini-stadium events have the option of playing in the round for up to 71,000 fans or in a much smaller configuration with a house reduction curtain system. Concerts may be played indoors or outdoors in full stadium or reduced house configurations. Seating configurations range in size from 15,000 to 71,000.

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

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

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

Additional information regarding the CIB's facilities and capital asset program can be found in the management's discussion and analysis for the 2010 financial statements.

Economic Condition

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

Motorsports companies have also developed a clear industry cluster in the region. After all, no other place on the globe can boast the number and variety of major racing events that are held in Indianapolis and other parts of the state, annually. Commonly referred to as the "Racing Capital of the World", Indianapolis is home to the Indianapolis Motor Speedway. In 2011, the Indianapolis Motor Speedway will celebrate the 100th anniversary of the 500 mile race, which was first run in 1911 and which has been broadcast live on the radio, in its entirety, by the Indianapolis Motor Speedway Radio Network since 1953. Fast forwarding to today, beginning in 2007, this wonderful event was first broadcast in HD. Indianapolis hosts the two largest single-day sporting events in the world ~ the Indianapolis 500, often referred to as the "Greatest Spectacle in Racing," which will be run on Sunday, May 29th, and the Allstate 400 at the Brickyard, which will take place on Sunday, July 29th. And, on Sunday, August 28th, the IMS will host the Red Bull Indianapolis GP. The motorsports industry attracts a highly skilled and mobile workforce and, among other benefits, is an important asset in Indiana's effort to retain and attract college graduates and other creative and skilled individuals.

There are a number of other notable players in the Indiana economy, among which is the Indianapolis Airport Authority. In 2010, the Indianapolis International Airport (IND) served 7.53 million domestic and international passengers. IND is the eighth largest cargo facility in the nation, and internationally it ranks 21st largest in the world. In 2010, 1.05 million tons of cargo were transported from this facility. On average, there are 155 daily departures to 35 nonstop locations, which fly from Indianapolis to 39 destination airports.

The passenger terminal is approximately 1.2 million square feet, with two concourses, each having 20 gates. Two gates are for international arrivals and lead to a dedicated federal inspection area and baggage claim. This beautiful state-of-the-art facility is an important contributor to central Indiana's growing economy. As a part of the Airport's economic impact, and based upon the most recent data available from the Aviation Association of Indiana, IND's annual economic impact is $3.3 billion dollars. Key business partners include 10 commercial airlines, FFS, TSA, US Customs & Border Patrol, 50 concessionaires (rental car, retail and other service providers), and tenants including FedEx Express, AAR, Comlux, Hawker Beechcraft Services and Signature Flight Support. About 10,000 people work at the airport each day. No property taxes were or are used to operate and manage IND.

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

Indianapolis is the nation's 14th largest city. According to the U.S. Census Bureau's Statistics for the period 2009 - 2010, the estimated population of Marion County is 903,393 and 1,743,658 for the Indianapolis Metropolitan Area. Indianapolis is well known for the multitude of cultural, educational, sporting, shopping and dining opportunities offered to its residents and visitors. Indianapolis is the home of "Hoosier Hospitality" the perfect blend of Midwest, small town welcome and big city attractions and opportunities. Employers and employees discover that a dollar goes farther here. In other words, lower operating and living costs allow more to be done with less. Residents and business owners alike enjoy an extremely competitive cost of living, along with a high quality of life.

The hallmarks of the Indianapolis economy have long been its diversity and steady growth, which is part of the foundation of Indy's strong performance during the past several years. Indianapolis can boast of diverse strengths in the manufacturing, distribution, retail and service sectors. Economic diversity keeps Indianapolis on a steady growth track. Additionally, Indiana's real estate availability affords a wide selection of available land, existing office space and industrial parks. Finally, many of the city's accomplishments, such as Victory Field, Conseco Fieldhouse, Circle Centre Mall, Lucas Oil Stadium, and the expanded Convention Center were all the result of successful partnerships between private and public sectors.

The stable economy and many attractions of Indianapolis, along with its central location within the nation, make it a prominent convention and tourist center. The Indianapolis 500 Mile Race, the Allstate 400 at the Brickyard, the Red Bull Indianapolis GP, the NFL's Indianapolis Colts, the NBA's Indiana Pacers, the WNBA's Indiana Fever and the AAA Indianapolis Indians baseball team are among the city's prominent sporting attractions, not to mention countless amateur sporting events, including the NCAA® Men's and Women's Final Four Basketball Championship and the Men's and Women's Big Ten Basketball Tournaments. And, in 2012, Indianapolis will host the NFL Super Bowl®. Circle Centre Mall, White River State Park, the NCAA Headquarters and Hall of Champions, the Indianapolis Zoo, the Indianapolis Motor Speedway Museum, the Indiana State Museum, the Indianapolis Children's Museum, the Indianapolis Museum of Art, the Eiteljorg Museum of American Indian and Western Art, the American Cabaret Theatre, the Indiana Repertory Theatre, the Indianapolis Symphony Orchestra and the White River State Park have also become popular attractions, along with many outstanding downtown restaurants and sports bars.

The Indianapolis Convention & Visitors Association's ("ICVA") current brand strategy, based on the competitive spirit found in the people of Indiana, offers a brand position that lives within the people of our great state. Around the world, Indianapolis' name is synonymous with the very spirit of competition. With every structure we build, every event we stage, and every attraction we display, we set new national standards: always planning ahead for our next big opportunity - and consistently raising the game. In the development of this brand strategy, the ICVA has been speaking in terms of certain primary factors which come into play. The first has to do with the restless dissatisfaction that describes the Hoosier spirit, one that never rests on its laurels and past successes. This is evident with the new Col. H. Weir Cook Terminal at the Indianapolis International Airport, Lucas Oil Stadium, the newly expanded Indiana Convention Center and the recently completed JW Marriott. The JW Marriott Indianapolis will be the city's largest, full-service convention hotel with 104,000 square feet of meeting and event space and 1,005 guest rooms. With the addition of these new hotel rooms, the Indiana Convention Center now has over 4,700 rooms that are connected to the convention center. Indianapolis now has more rooms connected to its convention center than any other city in the country. The dynamic convention and meetings market and a vibrant tourism and hospitality industry are at the core of all of this exciting growth. Our industry is powered by over 69,000 dedicated service employees who help deliver an annual economic impact to Indianapolis MSA of approximately $3.4 billion. Significant growth will take place in the future for the convention and meetings market along with steady growth in leisure business to our city and region. In ICVA parlance, here's to a bright future and additional guests visiting our great city in the years ahead.

Long-Term Financial Planning: During 2009 and continuing through 2010, the CIB took several steps to modify its course to be more fiscally sustainable and to continue to meet its important public mission. First, the CIB instituted substantial spending cuts (both related to operational and capital expenditures) that approximated $30 million in 2009 and similar spending levels were maintained in 2010. Such reduced spending levels have also been incorporated into the CIB's 2011 operating budget, which includes operating expenses for the newly expanded Convention Center. The 2011 operating budget has been approved at approximately $73 million compared to the 2010 budget of approximately $64 million. Additionally, pursuant to legislation enacted in June 2009, the following new funding sources ("2009 New Funding Sources") were made available to the CIB: (1) an expanded tax allocation area was created to annually capture up to an additional $8 million of sales and income taxes (which is the capped amount to be received in any calendar year); (2) a new additional 1% innkeepers tax was enacted (which is anticipated to generate about $3 to $4 million annually); and (3) the Treasurer of the State of Indiana was authorized to make up to three $9 million loans with ten-year terms to the CIB (in 2009, 2010 and 2011, respectively, and each a "State Treasurer Loan") with no repayments anticipated to be made before 2013. The CIB completed two loans in December 2009 and 2010. The CIB's 2011 budget anticipates a third State Treasurer Loan, which would augment other funds available to meet budgeted 2011 expenditures. The New Funding Sources discussed above are restricted to meet operating needs and are not pledged to meet debt obligations.

The CIB's 2011 budget anticipates meeting 2011 expenditures with budgeted resources. If such resources actually available in 2011 are materially less than as budgeted, the CIB would be required to consider other cost reduction and operational options and/or seek to identify and establish new operating or non-operating revenue sources to meet such needs of the CIB.

Major Initiatives of the CIB: The Indiana Convention Center & Lucas Oil Stadium are excellent venues that have hosted very diverse groups - NCAA® Men's and Women's Final Four® Basketball Championships, North American Christian Annual Convention, Drum Corp International World Championship, Indiana Black Expo and VFW Annual National Convention. Groups leading the Top 20 Conventions, based on direct visitor spending for 2010, include NCAA® Men's Final Four® Basketball Championships, Fire Department Instructors Conference, Do It Best Corporation, Drum Corp International World Championships, National FFA Organization Convention, Gen Con LLC, Advanstar Dealer Expo, Bands of America and VFW Annual National Conference.

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

Current Year Events

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

Major Events Scheduled for 2011

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

Major Events Scheduled for 2012

Indiana Home and Garden Show, JAMfest Super Nationals, Super Bowl XLVI®, 2012, Dealernews International Powersports Dealer Expo, Pumper Cleaner Environmental Expo, Work Truck Show and NTEA Annual Convention, M-PACT 2012, International Sleep Products Assn. EXPO 2012, Lids Team Sports MEQ Volleyball, National Science Teachers Association National Convention, Fire Department Instructors Conference, American Occupational Therapy Association Annual Meeting, American Coatings Shows & Conference-Biennial, IUPUI Commencement, Indiana Black Expo 2012 Summer Celebration, Gen Con "The Best Four Days in Gaming", Do it Best Corporation May and October Markets, National Forensic League National Tournament, American Legion National Convention, CEDIA Expo 2012, American Industrial Hygiene Association Annual Convention, NBM Shows, National Black MBA Association Annual Conference, Episcopal Church Triennial General Convention, American Association of Diabetes Educators Annual Meeting, North American Die Casting Association CASTEXPO, National FFA Convention 2012, National Missionary Annual & Joint Youth Convention, DCI World Championships, International Motorsports Industry Show, Music For All Regional and Grand National Championships, Circle City Classic, and Indianapolis Colts Football.

Awards and Acknowledgements

Independent Audit: The CIB has an annual audit of its financial statements performed by the Indiana State Board of Accounts. The independent auditor's report on the CIB's financial statements is included in the financial section of this report.

Awards: The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the CIB for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This was the 25th consecutive year that the CIB has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,

Augustus Levengood

Augustus B. Levengood, Executive Director

Ann Lathrop

Ann Lathrop, President

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Improvement Board of Managers of Marion County Indiana

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

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

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

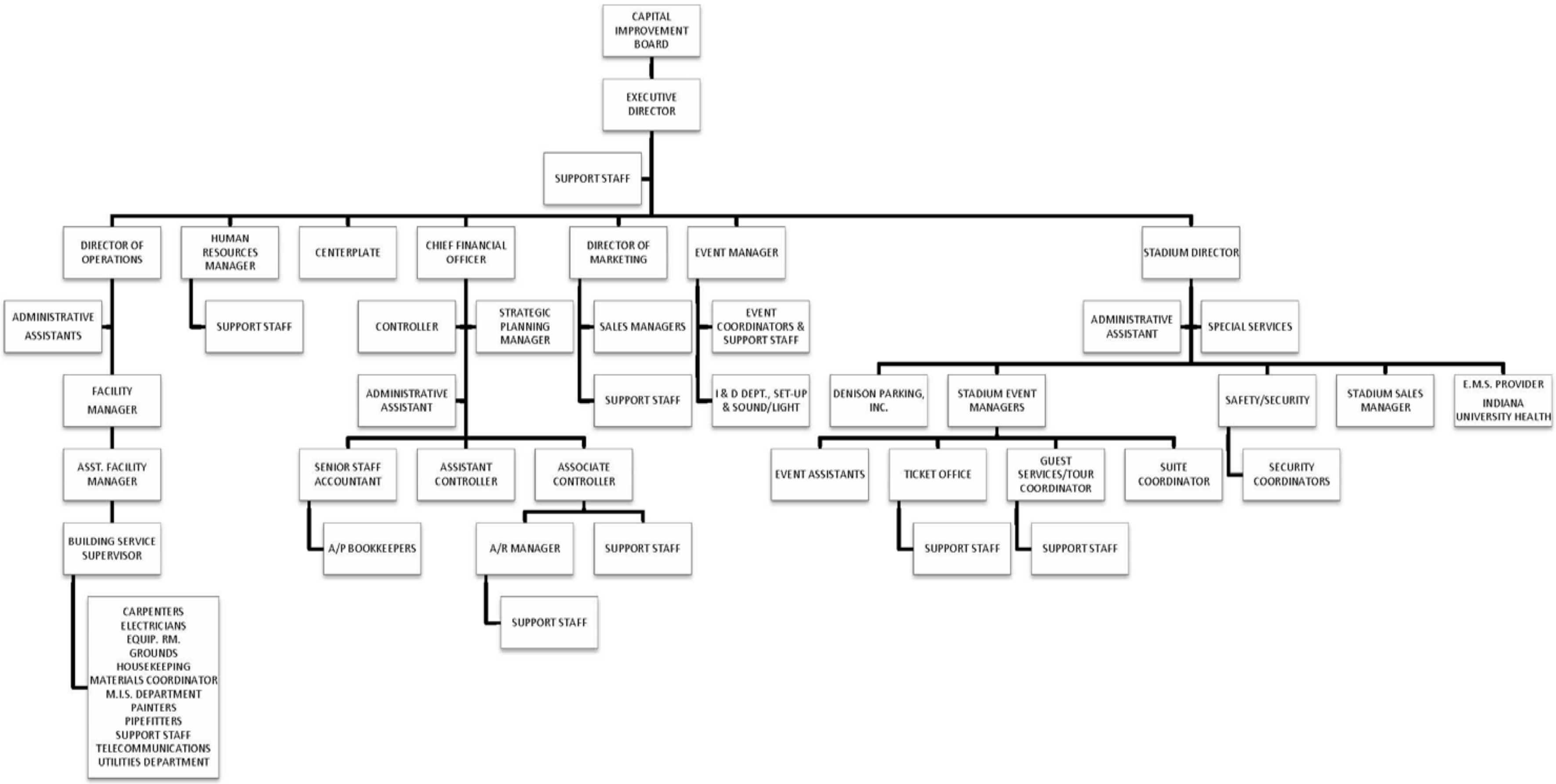
President

Jeffrey R. Emer

Executive Director

Capital Improvement Board of Managers of Marion County, Indiana

Organizational Table



cs 02/17/2011

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

Mayor, City of Indianapolis	The Honorable Gregory A. Ballard

Board Members (during 2010)

Name	Title	Term Ending	Years of Service	Occupation
Ann Lathrop	President	January 14, 2012	3	CPA, Crowe Horwath, LLP
David Shane	Vice President	January 15, 2012	1	President & CEO, LDI Ltd., LLC
Douglas R. Brown	Secretary	January 14, 2012	10	Attorney, Bose McKinney & Evans LLP
Paul Okeson	Treasurer	January 14, 2012	1	Vice President of Business Development, KEYSTONE Const. Corp.
Jim Dora, Jr.	Member	January 14, 2012	1	President & CEO, General Hospital Corporation
Carolene Mays	Member	January 14, 2012	1	Commissioner, Indiana Utility Regulatory Commission
Michael McQuillen	Member	January 14, 2011	1	City-County Council, District 12
Brenda Myers	Member	January 14, 2012	1	Executive Director, Hamilton County Convention & Visitors Bureau
Jay K. Potesta	Member	January 14, 2012	10	Assistant Director of Governmental Affairs, Sheet Metal Workers' International Association (SMWIA)

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

Administrative Personnel

Name	Position	Years of Service
Barney Levengood	Executive Director	20
Linda G. Addaman	Director of Marketing	15
Dan Huge	Chief Financial Officer	1
Patti Dean	Controller	1
Major E. Gardner	Event Manager	30
Michael A. Fox	Stadium Director	26
Thomas L. Boyle	Director of Operations	16

Counsel to the Board

Bingham McHale, LLP
Indianapolis, Indiana

Financial Section

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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

We have audited the accompanying financial statements of the Capital Improvement Board of Managers of Marion County, Indiana (CIB), a component unit of the consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2010 and 2009, which collectively comprise the CIB's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the CIB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CIB as of December 31, 2010 and 2009, and the respective changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

State Board of Accounts
STATE BOARD OF ACCOUNTS

April 21, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Introduction

The management of Capital Improvement Board of Managers of Marion County, Indiana (CIB), which is a component unit of the Consolidated City of Indianapolis-Marion County (City) and conducts its business in the City, offers readers of the CIB's financial statements this narrative overview and analysis of the financial activities of the CIB for the fiscal year ended on December 31, 2010. This Management's Discussion and Analysis is being presented to provide additional information regarding the activities of the CIB in connection with its financial statements and to meet the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

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

Financial Highlights

The following are some highlights from the CIB's financial statements for the year ended December 31, 2010:

- The CIB experienced an increase in *Total assets* of about $70.8 million, or 5.10%, in 2010. *Capital assets* increased by about $44.0 million. This was a combination of an increase due to the Lucas Oil Stadium (LOS) and Convention Center projects and a decrease due to the cumulative effect of a change in accounting principle relating to the capitalization threshold. *Current assets - restricted* decreased by about $3.4 million primarily due to a decrease in investments restricted for the LOS and Convention Center expansion projects and a lower receivable from the State of Indiana. *Current assets - unrestricted* increased about $20.3 million due to an increase in investments largely due to the receipt of $9 million in loan proceeds from the Treasurer of the State of Indiana, and $8 million received under the interlocal.

- *Total liabilities* increased by about $69.5 million, or 5.8%, in 2010. *Current liabilities* increased about $12.3 million in 2010 due to an increase in unearned contribution revenue, while *Noncurrent liabilities* increased about $57.1 million primarily due to additional expenditures made in connection with the Convention Center project.

- *Net assets* increased by about $1.4 million, or .1%, in 2010 primarily due to an increase in unrestricted cash and investments, as well as, a decrease in capital assets due to the cumulative effect of a change in accounting principle relating to the capitalization threshold.

- *Operating revenues* decreased by about $2.2 million, or 10.3% in 2010, in large part due to 2009 including a transfer of escrowed food service funds.

- *Nonoperating revenues* increased by about $18.9 million, or 18.6%. *State and local taxe*s *and other assistance* increased by about $19.1 million due to fluctuations in the underlying activities from which such tax revenues are derived, as well as, $8 million in revenue from the interlocal agreement.

- *Operating expenses* increased by less than $.1 million. Due to a higher capitalization threshold in 2010, expenses relating to the LOS and Convention Center increased by $3.2 million. This increase was offset by a decrease in depreciation expense in 2010.

- *Nonoperating expenses* increased by about $15.0 million, or 31.5%. Interest expense increased about $14.5 million due to a full year of lease payments on LOS in 2010. Compensation to the Indiana Convention & Visitors Association also increased by $1.4 million.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2010 and 2009:

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

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

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

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

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

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

Net Assets

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

2010 to 2009 Comparative Balance Sheets

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

	December 31		
	2010	2009	$ Variance
Assets			
Current assets - unrestricted	$ 73,055	$ 52,770	$ 20,285
Current assets - restricted	68,371	71,760	(3,389)
Capital assets, net	1,321,956	1,277,982	43,974
Other assets	10,177	203	9,974
Total assets	$ 1,473,559	$ 1,402,715	$ 70,844
Liabilities			
Current liabilities payable from unrestricted assets	$ 5,592	$ 4,778	$ 814
Current liabilities payable from restricted assets	40,195	28,671	11,524
Noncurrent liabilities	1,218,416	1,161,294	57,122
Total liabilities	1,264,203	1,194,743	69,460
Net Assets			
Invested in capital assets, net of related debt	118,659	134,282	(15,623)
Restricted	66,209	69,704	(3,495)
Unrestricted	24,488	3,986	20,502
Total net assets	209,356	207,972	1,384
Total liabilities and net assets	$ 1,473,559	$ 1,402,715	$ 70,844

Note: Dollars are in thousands.

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

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

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

Current liabilities payable from unrestricted assets increased about $.8 million, or 17.0%, from the prior year. Accounts payable increased by about $.29 million, or 7.8%, from the prior year. Accrued interest payable increased by about $.45 million, due to interest on the Loans from the Treasurer of the State of Indiana.

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

Noncurrent liabilities increased about $57.1 million, or 4.9%, over the prior year. This change was primarily due to an approximate $80.5 million increase in the Due to State of Indiana liability relating to the Convention Center project, net of scheduled reductions for the capital lease obligations.

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

2009 to 2008 Comparative Balance Sheets

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

	December 31		
	2009	**2008**	**$ Variance**
Assets			
Current assets - unrestricted	$ 52,770	$ 52,353	$ 417
Current assets - restricted	71,760	58,783	12,977
Capital assets, net	1,277,982	1,175,715	102,267
Other assets	203	201	2
Total assets	$ 1,402,716	$ 1,287,052	$ 115,664
Liabilities			
Current liabilities payable from unrestricted assets	$ 4,778	$ 23,816	$ (19,038)
Current liabilities payable from restricted assets	28,671	25,109	3,562
Noncurrent liabilities	1,161,294	1,040,799	120,495
Total liabilities	1,194,743	1,089,724	105,019
Net Assets			
Invested in capital assets, net of related debt	134,282	147,020	(12,738)
Restricted	69,704	56,831	12,873
Unrestricted	3,986	(6,523)	10,509
Total net assets	207,972	197,328	10,644
Total liabilities and net assets	$ 1,402,715	$ 1,287,052	$ 115,663

Note: Dollars are in thousands.

The 2009 increase in *Current assets - unrestricted*, about $.4 million, or .8%, from the prior year is reflective of changes in the CIB's cash reserves. Cash decreased during 2009 to cover operating expenses and increased a similar amount due to the $9 million proceeds from the Loan from the Treasurer of the State of Indiana.

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

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

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

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

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

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

2010 to 2009 Comparative Statements of Revenues, Expenses and Changes in Net Assets

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended December 31, 2010 and 2009:

	December 31			
	2010	**2009**	**$ Variance**	**% Variance**
Operating Revenues				
Rental income	$ 6,313	$ 6,792	$ (479)	-7.1%
Food service and concession commissions	3,071	4,532	(1,461)	(32.2)
Parking lot income	1,499	1,314	185	14.1
Labor reimbursements	7,780	7,892	(112)	(1.4)
Other operating income	414	747	(333)	(44.6)
Total operating revenues	19,077	21,277	(2,200)	(10.3)
Nonoperating Revenues				
Investment income	207	407	(200)	(49.1)
State and local taxes and other assistance	120,583	101,435	19,148	18.9
Other	92	72	20	(1.6)
Total nonoperating revenues	120,882	101,914	18,968	18.6
Total revenues	139,959	123,191	16,768	13.6
Operating Expenses				
Salaries and wages	10,376	11,379	(1,003)	(8.8)
Fringe benefits	2,848	3,152	(304)	(9.8)
Utilities	5,415	5,442	(27)	(0.5)
Repairs and maintenance	1,120	617	503	81.5
Insurance	1,117	1,256	(139)	(11.1)
Security	3,310	2,784	526	18.9
Nondepreciable equipment, parts and supplies	4,124	741	3,383	456.7
Other	4,620	4,252	367	8.6
Depreciation and amortization	32,532	35,796	(3,264)	(9.1)
Total operating expenses	65,461	65,419	42	0.1
Nonoperating Expenses				
Interest expense	48,650	34,130	14,520	42.5
Compensation to Indianapolis Convention & Visitors Association	9,192	7,780	1,412	18.1
Colts inducements/Revenue Sharing and Day-of-Games expenses	4,940	5,314	(374)	(7.0)
Other	-	526	(526)	(100.0)
Net nonoperating expenses	62,782	47,750	15,032	31.5
Total expenses	128,243	113,169	15,074	13.3
Income Before Capital Contributions	11,716	10,022	1,694	16.9
Capital Contributions	6,893	622	6,271	1,008.0
Increase in Net Assets	18,609	10,644	7,965	74.8
Net Assets, Beginning of Year - as previously reported	207,972	197,328	10,644	5.4
Cumulative Effect on Prior Years (to December 31, 2009) of Change in Accounting Principle	(17,225)	-	(17,225)	100.0
Net Assets, Beginning of Year - as restated	190,747	197,328	(6,581)	(3.3)
Net Assets, End of Year	$ 209,356	$ 207,972	$ 1,384	0.7

Note: Dollars are in thousands.

Total operating revenues decreased about $2.2 million, or 10.3%. Rental income decreased about $0.48 million, or 7.1% due to reduced room rental related to increased competition and economic conditions. Food service and concession income decreased about $1.5 million, or 32.2%, due primarily to a 2009 transfer of escrowed food service funds from Centerplate to CIB to free up additional cash for operations. Other operating income decreased about $.33 million, or 44.6%, partially due to the popularity of the CIB's LOS Tour program in 2009.

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

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

Total nonoperating expenses increased about $15.0 million, or 31.5%. Interest expense increased about $14.5 million, or 42.5%, primarily due to a full year of payments under the capital lease obligation for LOS in 2010, compared to half a year in 2009. Compensation to the Indianapolis Convention & Visitors Association, which is based on a percentage of the Innkeeper's excise tax revenues, increased about $1.4 million, or 18.1%, in 2010 due to an additional transfer from budgeted capital outlays approved by the City- Council. Colts inducements and Day-of-Game expenses decreased about $.37 million, or 7.0%. This was due to a change from the prior agreement with the Colts that included an inducement payment ($.3 million in 2009), whereas the new agreement requires a $3.5 million payment to the Colts each year for annual revenue from non-Colts events held at LOS. Other nonoperating expenses decreased about $.5 million. This is a result of grants to other organizations of approximately $.52 million in 2009 (which were not similarly made in 2010).

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

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

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

	December 31			
	2009	**2008**	**$ Variance**	**% Variance**
Operating Revenues				
Rental income	$ 6,792	$ 6,326	$ 466	7.4%
Food service and concession commissions	4,532	3,678	854	23.2
Parking lot income	1,314	665	649	97.7
Labor reimbursements	7,892	8,558	(666)	(7.8)
Other operating income	747	603	144	23.9
Total operating revenues	21,277	19,830	1,447	7.3
Nonoperating Revenues				
Investment income	407	2,107	(1,700)	(80.7)
State and local taxes and other assistance	101,435	106,868	(5,433)	(5.1)
Other	72	336	(264)	(78.6)
Total nonoperating revenues	101,914	109,311	(7,397)	(6.8)
Total revenues	123,191	129,141	(5,950)	(4.6)
Operating Expenses				
Salaries and wages	11,379	13,297	(1,918)	(14.4)
Fringe benefits	3,152	3,247	(95)	(2.9)
Utilities	5,442	5,278	164	3.1
Repairs and maintenance	617	698	(81)	(11.8)
Insurance	1,256	1,282	(26)	(2.0)
Security	2,784	3,217	(433)	(13.5)
Nondepreciable equipment, parts and supplies	741	1,251	(510)	(40.8)
Other	4,252	6,202	(1,950)	(31.4)
Depreciation and amortization	35,796	38,024	(2,228)	(5.9)
Total operating expenses	65,419	72,496	(7,077)	(9.8)
Nonoperating Expenses				
Interest expense	34,130	19,354	14,776	76.3
Additional rental payment for swap termination	-	16,371	(16,371)	100.0
Compensation to Indianapolis Convention & Visitors Association	7,780	7,970	(190)	(2.4)
Colts inducements/Revenue Sharing and Day-of-Games expenses	5,314	6,484	(1,170)	(18.0)
Colts Training Facility expenses	-	1,311	(1,311)	(100.0)
Other	526	22,022	(21,496)	(97.6)
Net nonoperating expenses	47,750	73,512	(25,762)	(35.0)
Total expenses	113,169	146,008	(32,839)	(22.5)
Income (Loss) Before Capital Contributions	10,022	(16,867)	26,889	(159.4)
Capital Contributions	622	103,312	(102,690)	(99.4)
Increase in Net Assets	10,644	86,445	(75,801)	(87.7)
Net Assets, Beginning of Year	197,328	110,883	86,445	78.0
Net Assets, End of Year	$ 207,972	$ 197,328	$ 10,644	5.4

Note: Dollars are in thousands.

Total operating revenues increased about $1.4 million, or 7.3%. Rental income increased about $.47 million, or 7.4%, due to a scheduled rental rate increase plus increased interest and tours of LOS during its inaugural year. Food service and concession income increased about $.85 million, or 23.2%, due primarily to a transfer of escrowed food service funds from Centerplate to CIB to free up additional cash for operations. Parking lot income increased about $.65 million, or 97.6%, primarily due to rate increases, reductions in hours of operation, staffing and utility costs. Labor reimbursements decreased about $.67 million, or 7.8%, due to reduced demand and cost containment efforts by users of the facilities. Other operating income increased about $.14 million, or 23.9%, due mostly to the popularity of the CIB's LOS Tour program.

Total nonoperating revenues decreased about $7.4 million, or 6.8%. Investment income decreased about $1.7 million, or 80.7%, due to lower interest rates. State and local taxes and fees decreased about $5.4 million, or 5.1%, as a result of two elements. First, state and local taxes decreased about $9.8 million in 2009 compared to the prior year. Second, 2009 was the first partial year for the new 2009 Marion County Innkeeper's Tax and the new 2009 PSDA Revenue (these taxes amounted to nonoperating revenue in 2009 of about $4.4 million). Other revenues decreased about $.26 million, or 78.3%, due to contribution revenue received in prior years, not received in 2009.

Total operating expenses decreased about $7.1 million, or 9.8%. Salaries and wages decreased about $1.9 million, or 14.4%, and fringe benefits decreased about $.1 million, or 2.9%, due to a hiring freeze, furloughs and workforce reduction. Utilities increased about $.16 million, or 3.1%, due to the first full year of operating LOS. Repairs and maintenance costs decreased about $.1 million, or 11.6%, due to deferral of facilities' maintenance and repairs. Insurance costs decreased about $26 thousand, or 2.0%, due to a competitive insurance market. Security costs decreased about $.43 million, or 13.5%. Operating parts and supplies decreased about $.5 million, or 40.8%. Other expenses decreased by about $2.0 million, or 31.4%, due to overall reductions in advertising, travel, promotions, legal, accounting, contractual labor and parking expenses. Depreciation and amortization decreased about $2.2 million, or 5.9%, due to the CIB's former domed stadium facility and related assets being depreciated on an accelerated basis in 2008 prior to the opening of LOS and demolition of the former stadium. Also, certain assets at Conseco Fieldhouse became fully depreciated during 2009.

Total nonoperating expenses decreased about $25.8 million, or 35.0%. Interest expense decreased about $14.8 million, or 76.3%, due to the combination of two elements. First, 2008 included interest expense of $16.4 million for an additional rental payment to fund a portion of the swap termination fee for MCCRFA. Second, 2009 interest expense unrelated to the additional rental payment to fund the swap termination fee increased about $14.8 million, primarily due to the first payment under the capital lease obligation for LOS. Compensation to the Indianapolis Convention & Visitors Association, which is based on a percentage of the Innkeeper's excise tax revenues, decreased about $.2 million, or 2.4%, in 2009. Colts inducements and Day-of-Game expenses decreased about $1.2 million, or 18.0%. This was due to a change from the prior agreement with the Colts that ended in 2008. 2008 included an inducement payment (about $4.9 million, compared to $.3 million in 2009), whereas the new agreement requires a $3.5 million payment to the Colts each year for annual revenue from non-Colts events held at LOS. In 2008, about $1.3 million was recorded for the remaining balance due to the Colts for certain training facility maintenance expenses. Other nonoperating expenses decreased about $21.5 million, or 97.6%, due to grants to other organizations in 2008 (which were not similarly made in 2009), as well as 2008 being the final year of amortization expense relating to the fee for the lease termination agreement with the Colts.

Capital contributions of about $.62 million were received in 2009, while $103.3 million was received in 2008. About $101.8 million of this amount from 2008 was from the Colts for their contribution to the construction of LOS.

Overall Financial Analysis

In 2010, the CIB continued to stabilize its financial position. The CIB maintained operating expenses at 2009 levels after spending cuts were instituted and capital expenditures were deferred. With the assistance of the State Legislature, the Indianapolis City Council, the Governor, the State Treasurer and our Mayor, the CIB was able to secure new funding sources (“2009 New Funding Sources”). The new funding sources were in place for a full year in 2010 and provided an additional $11 million of tax revenue. The CIB also received $8 million from a new funding arrangement with the Metropolitan Development Commission of the City of Indianapolis and Marion County (“Interlocal Agreement”). These new revenue streams along with the spending cuts discussed above allowed the CIB to end 2010 with positive net cash flow and an increase in cash balances. The CIB’s 2011 budget anticipates meeting 2011 expenditures with budgeted resources.

Capital Asset and Debt Administration

Capital Assets

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

Indiana Convention Center & Lucas Oil Stadium

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

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

In 2005, the CIB entered into a lease and other agreements with the Colts extending their relationship and commitment with the City of Indianapolis and setting forth the terms of their use of the CIB's facilities. The Colts will play their home NFL games in Indianapolis through their 2034 season. A new multi-use stadium was constructed to replace a former domed stadium facility. This new facility is known as Lucas Oil Stadium and is located on property south of the former domed stadium facility. The use of Lucas Oil Stadium started with the 2008 Colts season. The CIB is obligated to operate, maintain and insure the Indiana Convention Center & Lucas Oil Stadium at its expense.

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

Conseco Fieldhouse

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

Conseco Fieldhouse was built using a mix of private and public funds, including the proceeds from a 1997 tax-exempt and taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Conseco Fieldhouse secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals. The CIB is obligated to cause certain on-going capital maintenance and repair items to be undertaken, if necessary, to maintain the condition of Conseco Fieldhouse.

In 2010, the CIB entered into an Amendment to the Operating Agreement with the Pacers. In this amendment the CIB agreed to provide $3.5 million dollars of capital improvements to Conseco Fieldhouse. $1.5 million of capital improvements were provided in 2010. The CIB expects the remaining $2 million of improvements to be completed during 2011.

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

Victory Field

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

Victory Field was built using a mix of public and private funds, including the proceeds from a taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Victory Field also secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals. The CIB is obligated to cause Victory Field to be operated, maintained and insured; those obligations are undertaken by the Indians. The novelty/gift shop area at Victory Field was renovated in 2009. All renovation costs were paid for by the Indians. There are currently no commitments for additional significant construction.

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

Long-Term Debt

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

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

MCCRFA's revenue bonds are payable solely from the respective trust estates under which they were issued and rely upon the receipt of debt service lease rentals to provide for their payment. The CIB's lease payments to MCCRFA are funded and secured by a pledge of certain state and local tax revenues that varies depending on which debt is involved. More specific information concerning these financing and security arrangements related to CIB's facilities can be found in footnotes 5, 6 and 9 to the financial statements.

The IFA's revenue obligations are payable from and secured by ISCBA obligations that are supported by the ISCBA's leases with IOMB, as lessee, who in turn receives rent under subleases with the CIB, as sublessee. The CIB's lease payments to IOMB are funded and secured by a pledge of certain state and local tax revenues. More specific information concerning these financing and security arrangements related to CIB's facilities can be found in footnotes 5, 6 and 9 to the financial statements.

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

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

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

Readers are referred to footnotes 7 and 8 to the financial statements for more detailed information on long-term debt activity.

Economic Factors and Other Matters

In 2010, the CIB, MCCRFA and the Pacers entered into an Amendment to the Operating Agreement which provided various amendatory and additional covenants including that the Pacers shall have no right to terminate pursuant to the early termination provisions between July 16, 2010 and June 30, 2013, and the CIB shall make three $10 million noninterest-bearing operating loans to the Pacers in 2010, 2011 and 2012. The loans are subject to certain approval, repayment and forgiveness provisions.

Indianapolis' tourism and convention business was relatively stable in 2010 and currently remains so into 2011. 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 2011 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).

2011 bookings remain on target with projections. There are no events scheduled for CIB facilities that have been cancelled for 2011 that would adversely affect operations. The CIB anticipates that its regular operations in 2011 could be similar in performance to 2010. Regardless, the CIB will pursue continuing efforts involving the CIB's marketing relationships with the Indianapolis Convention & Visitors Association to attract new and recurring conventions, trade shows, sports, tourism, cultural events and other activities to its facilities and in the Central Indiana region.

Requests for Information

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

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

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 36,051,904	$ 23,383,372
Investments	31,466,448	23,810,000
Interest receivable	17,480	12,365
Accounts receivable	5,078,632	4,961,931
Inventories	71,809	217,526
Prepaid expenses	368,701	385,040
Total unrestricted assets	73,054,974	52,770,234
Restricted Assets		
Cash and cash equivalents	46,181,632	50,759,795
Investments	2,584,441	-
Interest receivable	424	736
Receivable from State of Indiana	19,604,120	20,999,193
Total restricted assets	68,370,617	71,759,724
Total current assets	141,425,591	124,529,958
Noncurrent Assets		
Deferred debt issuance costs	177,361	202,739
Note receivable	10,000,000	-
Non-depreciable capital assets	400,210,263	311,157,794
Depreciable capital assets, net	921,746,158	966,824,246
Total noncurrent assets	1,332,133,782	1,278,184,779
Total assets	$ 1,473,559,373	$ 1,402,714,737

	2010	2009
Liabilities and Net Assets		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 3,937,948	$ 3,652,613
Unearned revenue	216,894	186,438
Accrued expenses and withholdings	922,230	869,402
Accrued interest payable	515,638	69,988
Total current liabilities payable from unrestricted assets	5,592,710	4,778,441
Payable From Restricted Assets		
Funds held for others - box office	827,886	1,213,908
Rental deposits	1,333,816	841,895
Unearned contribution revenue	12,548,293	-
Real estate rental payable	1,850,000	3,000,000
Accrued interest payable	1,393,035	1,449,566
Current portion of long-term debt	22,241,742	22,165,728
Total current liabilities payable from restricted assets	40,194,772	28,671,097
Total current liabilities	45,787,482	33,449,538
Noncurrent Liabilities		
Unearned contribution revenue	-	5,371,517
Due to State of Indiana	265,535,629	185,038,966
Bonds and notes payable	71,907,178	64,401,579
Capital leases payable	880,973,102	906,481,470
Total noncurrent liabilities	1,218,415,909	1,161,293,532
Total liabilities	1,264,203,391	1,194,743,070
Net Assets		
Invested in capital assets, net of related debt	118,659,477	134,281,780
Restricted		
For debt service	59,868,759	62,477,048
For capital projects	4,416,320	5,365,845
For other	1,923,836	1,861,029
Unrestricted	24,487,590	3,985,965
Total net assets	209,355,982	207,971,667
Total liabilities and net assets	$ 1,473,559,373	$ 1,402,714,737

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Rental income	$ 6,313,472	$ 6,791,593
Food service and concession commissions	3,070,691	4,532,348
Parking lot income	1,498,870	1,313,711
Labor reimbursements	7,780,220	7,892,040
Other operating income	413,886	746,845
	19,077,139	21,276,537
Operating Expenses		
Salaries and wages	10,375,821	11,378,810
Fringe benefits	2,848,446	3,151,893
Utilities	5,414,506	5,441,608
Repairs and maintenance	1,120,134	616,564
Insurance	1,116,622	1,255,953
Security	3,310,355	2,784,096
Nondepreciable equipment, parts and supplies	4,124,349	740,692
Other	4,619,506	4,253,411
Depreciation and amortization	32,531,535	35,795,575
	65,461,274	65,418,602
Operating Loss	(46,384,135)	(44,142,065)
Nonoperating Revenues (Expenses)		
Investment income	207,154	407,443
State and local taxes and other assistance	120,583,069	101,434,649
Contribution revenue	-	5,444
Interest expense	(48,649,587)	(34,129,715)
Compensation to Indianapolis Convention & Visitors Association	(9,191,660)	(7,780,503)
Inducements/Revenue Sharing to Indianapolis Colts	(3,500,000)	(3,813,734)
Indianapolis Colts' Day-of-Game expenses	(1,440,000)	(1,500,000)
Grants to other organizations	-	(526,947)
Gain on sale of capital assets	11,028	-
Other	80,746	67,330
	58,100,750	54,163,967
Increase in Net Assets Before Capital Contributions	11,716,615	10,021,902
Capital Contributions	6,892,503	622,095
Increase in Net Assets	18,609,118	10,643,997
Net Assets, Beginning of Year - as previously reported	207,971,667	197,327,670
Cumulative Effect on Prior Years (to December 31, 2009) of Change in Accounting Principle (Note 1)	(17,224,803)	-
Net Assets, Beginning of Year - as restated	190,746,864	197,327,670
Net Assets, End of Year	$ 209,355,982	$ 207,971,667
Pro Forma Effect on Increase in Net Assets Assuming the New Capitalization Policy was Applied Retroactively	$ 18,609,118	$ 12,732,063

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, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities		
Receipts from customers and users	$ 19,094,310	$ 22,273,341
Payments to suppliers and others	(19,650,623)	(16,090,083)
Payments to employees	(13,171,439)	(14,600,925)
Net cash used in operating activities	(13,727,752)	(8,417,667)
Cash Flows From Noncapital Financing Activities		
Payments to Indianapolis Convention & Visitors Association	(9,191,660)	(7,780,503)
State and local taxes and other assistance	39,603,184	27,620,957
Proceeds from State Treasurer Loan	9,000,000	9,000,000
Grants paid to other organizations	-	(154,852)
Contributions received from other organizations	-	250,000
Payments to Indianapolis Colts	(4,940,000)	(5,313,734)
Net cash provided by noncapital financing activities	34,471,524	23,621,868
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(23,213,862)	(33,583,075)
Interest paid on long-term liabilities	(48,284,540)	(35,048,948)
Acquisition of capital assets	(3,572,167)	(5,919,371)
State and local taxes and other assistance	82,374,958	76,285,990
Baseball Park Capital Improvement Fund rental payments received	80,746	67,330
Net cash provided by capital and related financing activities	7,385,135	1,801,926
Cash Flows From Investing Activities		
Purchase of investment securities	(91,950,889)	(26,210,000)
Proceeds from sales and maturities of investment securities	81,710,000	2,400,000
Interest received on investment securities and cash equivalents	202,351	582,655
Disbursement of loan to Pacers Basketball LLC	(10,000,000)	-
Net cash used in investing activities	(20,038,538)	(23,227,345)
Net Increase (Decrease) in Cash and Cash Equivalents	8,090,369	(6,221,218)
Cash and Cash Equivalents, Beginning of Year	74,143,167	80,364,385
Cash and Cash Equivalents, End of Year	$ 82,233,536	$ 74,143,167

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, 2010 and 2009

	2010	2009
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	$ 586,278	$ 191,253
Additions to capital assets due to Stadium and Convention Center Expansion Projects	92,346,527	136,213,848
Increase in capital lease obligation	2,778,298	10,369,759
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (46,384,135)	$ (44,142,065)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	32,531,535	35,795,575
Change in assets and liabilities		
Accounts receivable	(116,701)	931,417
Inventories	145,717	148,881
Prepaid expenses	16,339	466,375
Accounts payable	(109,690)	(1,626,994)
Unearned revenue	30,456	(30,777)
Accrued expenses and withholdings	52,828	(70,222)
Funds held for others - box office	(386,022)	116,197
Rental deposits	491,921	(6,054)
Net cash used in operating activities	$ (13,727,752)	$ (8,417,667)

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, 2010 and 2009

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Measurement Focus and Basis of Accounting and Financial Reporting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Inventories

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

Receivable From State of Indiana

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

	2010	2009
State and local taxes	$ 19,166,560	$ 20,572,594
Speciality license plate fees	437,560	426,599
	$ 19,604,120	$ 20,999,193

Capital Assets and Change in Accounting Principle

Capitalization thresholds used by the CIB prior to January 1, 2010, required an initial individual cost of more than $500 for computers and office equipment and more than $1,000 for all other items. The CIB decided at the beginning of 2010 to change its capitalization policy by increasing the threshold to $20,000 for recording individual capital assets. The new policy was put into effect to ease the administrative burden of tracking short-lived and insignificant capital assets and to be more in line with the policies of comparably sized organizations. The effect of this change on 2009 and prior is reflected in the Statements of Revenues, Expenses and Changes in Net Assets as an adjustment to 2010 beginning net assets. The pro forma amounts shown on the Statements of Revenues, Expenses and Changes in Net Assets have been adjusted for the effect of retroactive application of the change in capitalization policy and associated depreciation which would have been recognized had the new method been in effect.

Purchased capital assets are stated at cost. Donated capital assets are stated at estimated fair value at the date of donation. Depreciation is charged as an expense of operations using the straight-line method. The cost of minor repairs and replacements is expensed as incurred. Major repairs and replacements are capitalized. Estimated useful lives used to compute depreciation are as follows:

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

The CIB capitalized interest as a component of construction in progress, based on interest costs of borrowings specifically for the project. Total interest capitalized for 2010 and 2009 was $6,698,744 and $1,308,395.

Deferred Debt Issuance Costs

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

Compensated Absences

Employees earn vacation time based on the calendar year. Certain employees are allowed to carry over from the previous year any accrued unused vacation days. No employee may have more than thirty unused vacation days on December 31 of any year. In compliance with GASB Statement No. 16, *Accounting for Compensated Absences*, the CIB has recorded a current liability of $282,124 and $338,991 for accrued vacation and related benefits at December 31, 2010 and 2009, respectively. No accrual for employees' sick pay is recorded since employees are not paid for unused sick leave upon termination of employment.

Unearned Contribution Revenue

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

Original Issue Discounts and Premiums

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

Revenue and Expense and Net Assets Recognition

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

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

Restricted Assets

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

Annual Budget

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

Reclassifications

Certain reclassifications have been made to the 2009 financial statements to conform to the 2010 financial statement presentation. Net assets restricted for debt service was increased by $36,386,047 and net assets restricted for capital projects was decreased by $36,386,047. These reclassifications had no effect on the changes in net assets.

Note 2: Cash, Cash Equivalents and Investments

Deposits

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

The financial institutions holding the CIB's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to $250,000. Any cash deposits in excess of the $250,000 FDIC limits are insured by the Indiana Public Deposits Insurance Fund. The Indiana Public Deposits Insurance Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12.1.

Investments

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

At December 31, 2010 and 2009, the CIB had $47,995,309 and $50,681,914, respectively, invested in open-end money market mutual funds with maturities of less than one year. These amounts were held by a fiscal agent for the purpose of paying bond principal and interest.

***Interest Rate Risk* -** As a means of limiting its exposure to fair value losses arising from rising interest rates, the CIB is limited to investing in municipal securities of Indiana issuers that have not defaulted during the previous 20 years and other securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code. The CIB's investment policy for interest rate risk requires compliance with the provisions of Indiana statutes. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

***Credit Risk* -** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The CIB's investment policy for credit risk requires compliance with the provisions of Indiana statutes, which stipulate that the CIB only invest in securities that are rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service. At December 31, 2010 and 2009, the CIB's investments in money market mutual funds were rated AAA by Standard & Poor's.

***Custodial Credit Risk* -** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CIB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The CIB's investment in money market mutual funds was not subject to custodial credit risk at December 31, 2010 and 2009, as their existence is not evidenced by securities that exist in physical or book entry form. The CIB's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

***Concentration of Credit Risk* -** The CIB places no limit on the amount that may be invested in any one issuer.

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

Summary of Carrying Values

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

	2010	2009
Carrying value		
Deposits	$ 68,289,116	$ 47,271,253
Investments	47,995,309	50,681,914
	$ 116,284,425	$ 97,953,167
Cash and cash equivalents and investment securities		
Current - unrestricted	$ 67,518,352	$ 47,193,372
Current - restricted	48,766,073	50,759,795
	$ 116,284,425	$ 97,953,167

Investment Income

Investment income for the years ended December 31, 2010 and 2009, consisted of:

	2010	2009
Interest and dividend income	$ 207,154	$ 407,443

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

	2010	2009
Operating reserve - rental deposits	$ 1,333,816	$ 841,895
Bond fund	6,888,804	6,807,827
Renewal and replacement	2,135,861	1,648,196
Stadium sublease account	18,640,715	19,757,286
Stadium sublease reserve account	16,514,090	16,628,761
Convention center sublease account	1,850,000	3,336,569
Cultural development fund	144,442	144,273
Box office	827,886	1,213,908
Baseball capital improvement fund	430,459	381,080
	$ 48,766,073	$ 50,759,795

Note 3: Stadium and Convention Center Expansion Projects

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

Governmental Agreements

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

Development Agreements

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

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, 2010 and 2009

Note 4: Capital Assets

A summary of changes to capital assets for the years ended December 31, 2010 and 2009 follows:

	2010					
	Beginning Balance, January 1, 2010	Change in Accounting Principle (Note 1)	Beginning Balance, January 1, 2010 (Restated)	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2010
Capital assets, not being depreciated:						
Land and land improvements	$ 113,867,302	$ -	$ 113,867,302	$ -	$ (64,997)	$ 113,802,305
Construction in progress	197,290,492	-	197,290,492	89,117,466	-	286,407,958
Total capital assets, not being depreciated	311,157,794	-	311,157,794	89,117,466	(64,997)	400,210,263
Capital assets, being depreciated:						
Buildings and improvements	1,026,982,826	-	1,026,982,826	2,998,432	-	1,029,981,258
Equipment, furniture and fixtures and other	133,902,552	(30,167,507)	103,735,045	1,679,818	-	105,414,863
Total capital assets, being depreciated	1,160,885,378	(30,167,507)	1,130,717,871	4,678,250	-	1,135,396,121
Less accumulated depreciation for:						
Buildings and improvements	(136,394,530)	-	(136,394,530)	(25,602,264)	-	(161,996,794)
Equipment, furniture and fixtures and other	(57,666,602)	12,942,704	(44,723,898)	(6,929,271)	-	(51,653,169)
Total accumulated depreciation	(194,061,132)	12,942,704	(181,118,428)	(32,531,535)	-	(213,649,963)
Total capital assets, being depreciated, net	966,824,246	(17,224,803)	949,599,443	(27,853,285)	-	921,746,158
Capital assets, net	$ 1,277,982,040	$ (17,224,803)	$ 1,260,757,237	$ 61,264,181	$ (64,997)	$ 1,321,956,421

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

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

Note 5: Due to State of Indiana

Pursuant to a Loan Agreement, originally dated October 1, 2005 and later amended, the ISCBA received loans of proceeds from the Indiana Finance Authority (IFA), in connection with the issuance by the IFA of approximately $666,500,000 in Lease Appropriation Bonds (Series 2005A, 2007A and 2008A) for purposes of financing the costs of the Stadium Project. Additionally, the ISCBA received a loan of proceeds in connection with the issuance of approximately $329,200,000 in Lease Appropriation Bonds (Series 2008A, 2009A and 2009B) in relation to the Convention Center Expansion Project. Additionally, approximately $101,800,000 and $62,800,000 was contributed by the Colts and the CIB, respectively, to the Stadium Project.

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

As financing proceeds have been spent on costs of the Projects, the CIB has been recording such activity as capital assets (primarily, construction in progress) with an offsetting entry to the Due to State of Indiana balance reflected in the Balance Sheets. Such amounts must accumulate, along with capitalized interest on the Projects, until the New Stadium Rentals and the Convention Center Expansion Rentals begin, at which time the respective portions of the Due to State of Indiana balance must be reclassified as capital lease obligations. Subsequent to December 31, 2010, the portion of the Due to State of Indiana balance relating to the Convention Center Expansion Project was appropriately reclassified to Capital Leases Payable in the Balance Sheet. The lease for the Stadium was capitalized in 2008.

Note 6: Capital Leases Payable

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

Pursuant to its Master Lease Agreement with MCCRFA, the CIB is leasing a portion of the Indiana Convention Center and a baseball facility (Victory Field) located adjacent thereto. Under a separate Master Lease Agreement II, the CIB is leasing Conseco Fieldhouse (a multi-purpose arena) and an adjacent parking garage. As described previously in these notes, the CIB also is a party to two Sublease Agreements (Stadium Sublease and Convention Center Sublease) relating to the Lucas Oil Stadium and Convention Center Expansion Projects. As previously noted, the lease on Lucas Oil Stadium was capitalized in 2008 and the lease on the Convention Center Expansion Project was capitalized in 2011 upon completion of the project and onset of the associated sublease rental payments.

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

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

Future minimum lease payments at December 31, 2010, together with the present value of the net minimum lease payments, are as follows:

2011	$ 67,153,017
2012	63,903,218
2013	66,991,850
2014	70,409,842
2015	69,413,085
2016 - 2020	351,988,154
2021 - 2025	351,841,453
2026 - 2030	253,723,703
2031 - 2035	211,680,203
2036 - 2038	63,504,061
	1,570,608,586
Amount representing interest	(669,878,311)
Present value of net minimum lease payments	900,730,275
Deferred gain on refunding	974,569
Current portion of capital lease obligations	(20,731,742)
Total long-term portion of capital lease obligations	$ 880,973,102

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

Note 7: Long-Term Debt

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

Junior Subordinate Notes

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

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

During 2009 and 2010, no additional borrowing under such loans occurred. The aggregate balance of these loans at December 31, 2010 and 2009 is $33,759,000. Accrued and unpaid interest on these notes at December 31, 2010 and 2009 amounted to $46,250 and $50,301, respectively.

Series 1999A Bonds

During 1999, the CIB issued $25,805,000 of Excise Taxes Revenue Subordinate Bonds, Series 1999A, and $23,800,000 of Excise Taxes Revenue Subordinate Refunding Notes, Series 1999A (collectively, the 1999 Subordinate Bonds). A portion of the proceeds from these debt issues was used to finance certain renovations and improvements to the Indiana Convention Center and the CIB's former domed stadium facility, while the remaining proceeds were used to prepay a prior loan to the Colts. The Subordinate Refunding Notes were paid off in 2008.

Information regarding the Series 1999 Subordinate Bonds at December 31, 2010 and 2009 follows:

	2010	2009
Excise Taxes Revenue Subordinate Bonds, Series 1999A		
Serial bonds, maturing June 1, 2004 to December 1, 2013. Interest at 3.35% to 5.00%, due semiannually on June 1 and December 1	$ 4,745,000	$ 6,190,000
Term bonds, maturing June 1, 2015 to June 1, 2021. Interest at 5.00%, due semiannually on June 1 and December 1	17,000,000	17,000,000
	21,745,000	23,190,000
Unamortized discount	(86,822)	(102,421)
Total Series 1999A	$ 21,658,178	$ 23,087,579

Treasurer of State Junior Subordinate Notes

During 2009, the CIB entered into a Note Purchase Agreement with the Treasurer of the State of Indiana permitting the CIB to receive from the State Treasurer up to three $9,000,000 loans in 2009, 2010 and 2011 with ten-year maturities from the date made (each a "State Treasurer Loan") with no interest payments required to be made before 2013. On December 15, 2009, the CIB completed an initial State Treasurer Loan, which was outstanding at December 31, 2009 in the amount of $9,000,000. In connection with such 2009 loan, the CIB issued a note (2009 Note) bearing interest at a per annum rate of 5.25% with a maturity date of December 15, 2019. The note was reissued in July 2010 with an interest rate of 4.25%. On December 15, 2010, the CIB completed the second State Treasurer Loan and issued a note (2010 Note) bearing interest at 3.46% with a maturity date of December 15, 2020. Interest payments on both the 2009 and 2010 Notes commence June 1, 2013, and are required to be made annually thereafter on each June 1. The CIB may request loans for 2011 from the State Treasurer; however, no assurance is given that any such future loan will be made as any such loan is subject to certain conditions in the Note Purchase Agreement.

The debt service requirements to maturity for long-term debt of the CIB (excluding capital lease obligations) are as follows at December 31, 2010:

	Principal	Interest	Total
2011	$ 1,510,000	$ 1,087,844	$ 2,597,844
2012	1,580,000	1,014,457	2,594,457
2013	1,655,000	1,695,734	3,350,734
2014	1,740,000	1,611,893	3,351,893
2015	1,825,000	1,522,768	3,347,768
2016 - 2020	62,349,000	6,521,548	68,870,548
2021	2,845,000	1,038,004	3,883,004
	$ 73,504,000	$ 14,492,248	$ 87,996,248

Revenue Bond Debt Service Reserve Requirements

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

In September 2009, the CIB used approximately $1,000,000 of cash balances to make a reserve deposit related to MCCRFA's AMBAC surety policy, thereby satisfying such requirement. Regarding the remaining funding need of approximately $25,300,000 related to MBIA surety policies, the CIB concurrently entered into two Debt Service Reserve Fund Replenishment Agreements ("New Reserve Facilities") with the IFA (and in regards to one of the agreements also with MCCRFA). Pursuant to these agreements, the IFA has agreed to lend such amounts for deposit in such reserves in the event there is an insufficiency in such reserves to meet required bond payments following unfulfilled requests having been made to MBIA under the respective MBIA surety policies and to The Indianapolis Local Public Improvement Bond Bank (Bond Bank) under its related agreement. The CIB and MCCRFA have found that such New Reserve Facilities have met the requirements of an Additional Credit Facility. Such New Reserve Facilities are subject to various terms and conditions, which could result in the agreements being terminated prior to the final maturity of the bonds secured by the debt service reserve funds.

Note 8: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2010 and 2009:

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

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

Note 9: State and Local Taxes and Other Assistance

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

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

Marion County Innkeeper's Tax

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

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

Marion County Food and Beverage Tax

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

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

Marion County Admissions Tax

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

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

Marion County Supplemental Auto Rental Excise Tax

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

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

Regional County Food and Beverage Tax

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

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

Indiana Cigarette Tax

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

Original Excise Tax Revenues

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

2005 New Tax Revenues

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

Professional Sports Development Area Revenues

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

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

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

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

Descriptions of Tax	IC Section	Current Rate
Indiana Gross Retail Tax	6-2.5-2-2	7.00% (generally)
Indiana Use Tax	6-2.5-3-3	7.00% (generally)
Indiana Adjusted Gross Income Tax for Individuals	6-3-2-1	3.40%
Marion County Option Income Tax for Individuals	6-3.5-6-8	1.62% (resident rate) 0.4050% (nonresident rate)
Marion County Food and Beverage Tax	6-9-12-5	2%

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

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

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

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

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

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

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

2009 New Tax Revenues

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

Specialty License Plate Fees

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

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

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, 2010 and 2009

Summary of State and Local Taxes and Other Assistance

State and local taxes and other assistance received or accrued by the CIB in 2010 and 2009 include the following components:

	2010	2009
Marion County food and beverage (1%)	$ 18,114,074	$ 17,245,791
Innkeeper's tax (5%)	16,897,910	16,586,647
Innkeeper's tax (1%)	3,379,581	3,317,330
Auto rental excise tax (2%)	2,000,674	1,890,765
Admissions tax (5%)	6,196,366	6,045,410
Cigarette tax	350,000	350,000
PSDA tax allocation	11,053,696	8,150,302
Total Original Excise Taxes and Original PSDA Revenues	57,992,301	53,586,245
Marion County food and beverage (1%)	18,114,075	17,245,791
Regional food and beverage (.5%)	4,952,111	5,086,286
Innkeeper's tax (3%)	10,138,743	9,951,988
Auto rental excise tax (2%)	2,000,674	1,890,765
Admissions tax (1%)	1,239,273	1,209,082
PSDA tax allocation	6,020,354	7,202,432
Total 2005 New Tax Revenues and 2005 PSDA Revenues	42,465,230	42,586,344
Innkeeper's tax (1%)	3,379,581	843,325
PSDA tax allocation	7,844,077	3,582,035
Total 2009 New Tax Revenues and 2009 PSDA Revenues	11,223,658	4,425,360
Specialty License Plate Fees	901,880	836,700
Interlocal Agreement funding	8,000,000	-
Total state and local taxes and other assistance	$ 120,583,069	$ 101,434,649

Total lease rental and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2010 and 2009 amounted to $30,547,362 and $30,277,879, respectively.

Note 10: Agreements With the Pacers Basketball, LLC

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

The Financial Agreement provides for targeted profitability for the Operator. If this target is not reached, the CIB will reimburse certain operating expenses. In addition, the Operator remains obligated, upon early termination of the Financial Agreement, to repay the CIB for advances made through 1999 for utility and maintenance costs of the CIB's previous arena facility, Market Square Arena. At the conclusion of each NBA Season during the initial twenty-year term of the Financial Agreement, five percent of the cumulative advances are to be forgiven. At December 31, 2010, the outstanding balance of cumulative advances aggregates $13,688,229. The Financial Agreement may be terminated after ten years (but only if the CIB does not exercise its right of first refusal and if the Operator has experienced a defined level of losses), and the Operator must pay a mutually agreed-upon termination fee.

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

Note 11: Lease Agreement With the Indianapolis Colts

In 1984, the CIB entered into a long-term lease agreement with the Colts requiring its home NFL football games to be played in the CIB's former domed stadium facility. The agreement was amended several times and subsequently terminated in 2005.

Effective September 1, 2005, the CIB and the Colts entered into a new lease agreement. Under the New Colts Lease Agreement, the CIB is to receive $250,000 annually from the Colts during the term of the agreement, provided that the Colts play at least ten pre-season, regular season or post-season games in Lucas Oil Stadium. If the Colts do not play at least ten games in the Stadium in any given NFL season, the annual rent will be reduced by $25,000 for each game below the ten-game minimum that is not played in Lucas Oil Stadium. Also, the Colts agreed to reimburse the CIB for any Day-of-Game Personnel Expenses (as defined in the New Colts Lease Agreement). The CIB, in turn, agreed to reimburse the Colts for all ordinary and reasonable Day-of-Game Expenses (as defined in the New Colts Lease Agreement). The CIB also agreed to pay the Colts $3,500,000 of annual revenues from Non-Colts Events (as defined in the New Colts Lease Agreement) held at the Stadium. The New Colts Lease Agreement expires on August 31, 2038. However, in the event the Colts are not among the top five NFL teams in total gross operating revenues for the 2030 fiscal year, the Colts have the right to terminate the lease without cause at their sole discretion effective as of August 31, 2035.

Contractual Undertaking

In accordance with the Stadium Development Agreement (described earlier in the notes), the Colts committed to contribute $100,000,000 to the Stadium Project. During 2007, the Colts undertook a $34,000,000 loan through the NFL's G-3 program and a $66,000,000 loan through a series of transactions involving fixed rate bonds issued by the City of Indianapolis (the City's Colts Loan) and the Bond Bank to finance its commitment. To secure the Bond Bank's bonds issued as part of the City's Colts Loan, the CIB entered into a contractual undertaking, secured by a subordinate pledge on certain Original Excise Tax Revenues and the Indiana Cigarette Tax Revenues of the CIB, which would require payments to the Bond Bank by the CIB if the Colts fail to timely repay the City's Colts Loan. The Colts are obligated to pay the City's Colts Loan with interest such that no payments are anticipated on such contractual undertaking by the CIB.

Note 12: Baseball Facility

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

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

Future minimum sublease payments due from the Indians at December 31, 2010 are as follows:

	Fixed Rentals	Additional Rentals	Total
2011	$ 500,000	$ 50,000	$ 550,000
2012	500,000	50,000	550,000
2013	500,000	50,000	550,000
2014	500,000	50,000	550,000
2015	500,000	50,000	550,000
	$ 2,500,000	$ 250,000	$ 2,750,000

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

Note 13: Capitol Commons

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

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

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

Note 14: Risk Management

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

Note 15: Pension Plan

Plan Description

The CIB contributes to the Public Employees' Retirement Fund of Indiana (PERF), established in accordance with Indiana statutes (I.C.5-10.3-2-1). PERF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for units of state and local government in Indiana. The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly. However, obligations to contribute to the plan are determined by the board of PERF in accordance with actuarial methods. PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing to: Indiana Public Employees' Retirement Fund, One North Capitol, Suite 001, Indianapolis, Indiana, 46204, or by calling 888-526-1687. Substantially all of the CIB's full-time employees are covered by the plan. The following disclosures represent the most current and available information on the plan through the July 1, 2010 actuarial valuation.

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

Funding Policy

The CIB contributes an actuarially determined percentage (7.0% for calendar year 2010) of employee payroll to the plan. Required contributions are communicated to the CIB annually by the PERF board and are effective January 1 of each year. This component represents the employer contribution required under the plan. Employees are required to contribute 3.00% of their annual salary to an annuity savings account, as prescribed by Indiana statutes. The CIB contributes the 3.00% for its participating salaried employees. Accumulated employee contributions and allocated interest income are maintained by PERF in a separate system-wide fund for all members. An employee who leaves employment before qualifying for benefits receives a refund of his or her savings account.

Annual Pension Cost and Net Pension Obligation

For calendar year 2010, the CIB's annual pension cost of $700,565 for the plan was equal to the CIB's required and actual contributions. Required contributions are determined as part of annual July 1 actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions used for the July 1, 2010 actuarial valuation included: (a) 7.0% investment rate of return (net of administrative expenses), (b) 4% projected salary increases, based upon PERF experience between 2000 and 2005 and (c) 1.0% per year cost-of-living adjustments. The actuarial value of the plan's assets is determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. Effective July 1, 1997, the plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

The following is a schedule of the net pension obligation (NPO) for the CIB at December 31, 2010, which, due to the immateriality of the balance, is included in accrued expenses and withholdings rather than noncurrent liabilities in the Balance Sheet:

Net Pension Obligation (NPO)

Annual Required Contribution (ARC)	$ 626,691
Interest on NPO	4,969
Adjustment to the ARC	(5,663)
Annual Pension Cost	625,997
Contributions made	537,920
Increase in NPO	88,077
NPO, beginning of year	68,538
NPO, end of year	$ 156,615

Schedule of Funding Progress

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

Actuarial Valuation Date, July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of Assets Over (Unfunded) AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	$ 6,817	$ 9,456	$ (2,639)	72%	$ 7,774	34%
2009	7,969	8,790	(821)	91	9,186	9
2008	8,033	8,783	(750)	91	7,209	10

The schedule of funding progress presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits. For the July 1, 2010 actuarial valuation, the asset valuation method and certain economic assumptions have been changed.

Three-Year Trend Information

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

	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation
2010	$ 626	86%	$ 157
2009	503	115	69
2008	436	100	145

Note 16: Commitments and Contingencies

Indianapolis Convention & Visitors Association

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

In 2010, the CIB entered into an Interlocal Agreement with the Department of Metropolitan Development of the City of Indianapolis and Marion County. This agreement provides $8,000,000 of annual assistance that will be used to fund the CIB's payments to ICVA.

Litigation

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

Current Economic Conditions

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

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

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

Other Supplementary Information

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis of Marion County)
Balance Sheet Information
December 31, 2010

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Assets			
Current Assets			
Unrestricted			
Cash and cash equivalents	$ 30,302,262	$ 5,749,642	$ 36,051,904
Investments	31,466,448	-	31,466,448
Interest receivable	17,480	-	17,480
Accounts receivable	5,078,632	-	5,078,632
Inventories	71,809	-	71,809
Prepaid expenses	368,701	-	368,701
Total unrestricted assets	67,305,332	5,749,642	73,054,974
Restricted Assets			
Cash and cash equivalents	2,288,023	43,893,609	46,181,632
Investments	2,584,441	-	2,584,441
Interest receivable	212	212	424
Receivable from State of Indiana	1,779,394	17,824,726	19,604,120
Total restricted assets	6,652,070	61,718,547	68,370,617
Total current assets	73,957,402	67,468,189	141,425,591
Noncurrent Assets			
Deferred debt issuance costs	-	177,361	177,361
Note receivable	10,000,000	-	10,000,000
Nondepreciable capital assets	400,210,263	-	400,210,263
Depreciable capital assets, net	921,746,158	-	921,746,158
Total noncurrent assets	1,331,956,421	177,361	1,332,133,782
Total assets	$ 1,405,913,823	$ 67,645,550	$ 1,473,559,373
Liabilities and Net Assets			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 3,937,948	$ -	$ 3,937,948
Unearned revenue	216,894	-	216,894
Accrued expenses and withholdings	922,230	-	922,230
Accrued interest payable	-	515,638	515,638
Total current liabilities payable from unrestricted assets	5,077,072	515,638	5,592,710
Payable From Restricted Assets			
Funds held for others - box office	827,886	-	827,886
Rental deposits	1,333,816	-	1,333,816
Unearned contribution revenue	12,548,293	-	12,548,293
Real estate rental payable	-	1,850,000	1,850,000
Accrued interest payable	-	1,393,035	1,393,035
Current portion of long-term debt	-	22,241,742	22,241,742
Total current liabilities payable from restricted assets	14,709,995	25,484,777	40,194,772
Total current liabilities	19,787,067	26,000,415	45,787,482
Noncurrent Liabilities			
Due to State of Indiana	-	265,535,629	265,535,629
Bonds and notes payable	-	71,907,178	71,907,178
Capital lease payable	-	880,973,102	880,973,102
Total noncurrent liabilities	-	1,218,415,909	1,218,415,909
Total liabilities	19,787,067	1,244,416,324	1,264,203,391
Net Assets			
Invested in capital assets, net of related debt	1,309,408,128	(1,190,748,651)	118,659,477
Restricted	4,490,368	61,718,547	66,208,915
Unrestricted	72,228,260	(47,740,670)	24,487,590
Total net assets	1,386,126,756	(1,176,770,774)	209,355,982
Total liabilities and net assets	$ 1,405,913,823	$ 67,645,550	$ 1,473,559,373

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2010

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Operating Revenues			
Rental income	$ 6,313,472	$ -	$ 6,313,472
Food service and concession commissions	3,070,691	-	3,070,691
Parking lot income	1,498,870	-	1,498,870
Labor reimbursements	7,780,220	-	7,780,220
Other operating income	413,886	-	413,886
	19,077,139	-	19,077,139
Operating Expenses			
Salaries and wages - schedule	10,375,821	-	10,375,821
Fringe benefits - schedule	2,848,446	-	2,848,446
Utilities - schedule	5,414,506	-	5,414,506
Repairs and maintenance - schedule	1,120,134	-	1,120,134
Insurance - schedule	1,116,622	-	1,116,622
Security	3,310,355	-	3,310,355
Nondepreciable equipment, parts and supplies	4,124,349	-	4,124,349
Other - schedule	4,619,506	-	4,619,506
Depreciation and amortization	32,531,535	-	32,531,535
	65,461,274	-	65,461,274
Operating Loss	(46,384,135)	-	(46,384,135)
Nonoperating Revenues (Expenses)			
Investment income	166,335	40,819	207,154
State and local taxes and other assistance	19,223,658	101,359,411	120,583,069
Interest expense	-	(48,649,587)	(48,649,587)
Compensation to Indianapolis Convention & Visitors Association	(9,191,660)	-	(9,191,660)
Inducements/revenue sharing to Indianapolis Colts	(3,500,000)	-	(3,500,000)
Indianapolis Colts’ Day-of-Game expenses	(1,440,000)	-	(1,440,000)
Gain on sale of capital assets	11,028	-	11,028
Other	80,746	-	80,746
	5,350,107	52,750,643	58,100,750
Increase (Decrease) in Net Assets Before Capital Contributions	(41,034,028)	52,750,643	11,716,615
Capital Contributions	6,892,503	-	6,892,503
Increase (Decrease) in Net Assets	(34,141,525)	52,750,643	18,609,118
Net Assets, Beginning of Year - as previously reported	1,318,850,297	(1,110,878,630)	207,971,667
Cumulative Effect on Prior Years (to December 31, 2009) of Change in Accounting Principle (Note 1)	(17,224,803)	-	(17,224,803)
Net Assets, Beginning of Year - as restated	1,301,625,494	(1,110,878,630)	190,746,864
Transfers from bond fund	118,642,787	(118,642,787)	-
Net Assets, End of Year	$ 1,386,126,756	$ (1,176,770,774)	$ 209,355,982

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Certain Operating Expenses
Years Ended December 31, 2010 and 2009

	2010	2009
Salaries and Wages		
Administration	$ 723,279	$ 712,822
Office	1,581,420	1,925,636
Supervision	711,751	936,201
Mechanical	3,044,559	3,144,922
Service	1,432,877	1,820,603
Temporary	2,881,935	2,838,626
	$ 10,375,821	$ 11,378,810
Fringe Benefits		
Social security taxes	$ 662,158	$ 773,254
Public employees' retirement fund	700,565	584,674
Employees' insurance	1,111,325	1,407,444
State unemployment taxes	191,685	200,713
Workers' compensation	76,250	113,518
Other	106,463	72,290
	$ 2,848,446	$ 3,151,893
Utilities		
Electricity	$ 2,050,558	$ 1,894,698
Steam	1,237,004	1,568,749
Chilled water	1,671,477	1,658,759
Water and sewer	426,604	290,589
Gas	28,863	28,813
	$ 5,414,506	$ 5,441,608
Repairs and Maintenance		
Control systems maintenance contract	$ 78,928	$ 82,144
Elevator and escalator maintenance contract	157,346	95,740
Computer maintenance contracts	136,112	94,572
Major repairs	175,008	66,176
Property damages	-	1,074
Grounds maintenance	116,543	99,199
Fire extinguisher system	78,925	57,380
Sprinkler system	3,267	2,969
Trash removal	50,369	56,899
Communication repairs	108,207	33,630
LOS maintenance contracts	215,429	26,781
	$ 1,120,134	$ 616,564

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Certain Operating Expenses (Continued)
Years Ended December 31, 2010 and 2009

	2010	2009
Insurance		
Fire and extended coverage	$ 748,755	$ 869,336
Public liability	291,334	305,510
Fidelity bond	76,533	81,107
	$ 1,116,622	$ 1,255,953
Security		
Security staff	$ 3,310,355	$ 2,784,096
Nondepreciable Equipment, Parts and Supplies	$ 4,124,349	$ 740,692
Other		
Advertising and promotion	$ 284,227	$ 227,121
Telephone	183,685	194,170
Legal fees	959,026	927,603
Accounting and audit fees	154,238	123,782
Consulting fees	472,174	401,583
Architects and engineers	17,306	8,500
Equipment rental	337,628	463,867
Postage	1,170	11,812
Travel	11,408	12,826
Dues and subscriptions	2,808	1,820
Bad debts	2,483	13,979
Suite cable service	4,754	1,699
Medical services - Indianapolis Colts games	60,794	47,631
Parking	218,001	188,057
Set-up/installation and dismantling fees	1,727,093	1,506,285
Miscellaneous	182,711	122,676
	$ 4,619,506	$ 4,253,411

Statistical Section
(Unaudited)

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

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

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

Table I

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

	2001	2002	2003	2004
Invested in capital assets, net of related debt	$ 48,376,867	$ 39,158,704	$ 28,575,553	$ 11,840,085
Restricted	22,587,210	25,680,206	23,359,001	25,438,962
Unrestricted	26,078,971	21,926,131	27,184,109	28,612,119
Total net assets	$ 97,043,048	$ 86,765,041	$ 79,118,663	$ 65,891,166

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

2005 [1]	2006	2007	2008	2009	2010
$ (13,784,985)	$ 2,835,109	$ 23,170,426	$ 147,019,581	$ 134,281,780	$ 118,659,477
39,885,681	45,478,777	52,270,165	56,831,449	69,703,922	66,208,915
66,826,463	54,066,813	35,442,304	(6,523,360)	3,985,965	24,487,590
$ 92,927,159	$ 102,380,699	$ 110,882,895	$ 197,327,670	$ 207,971,667	$ 209,355,982

Table II

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

	2001	2002	2003	2004
Operating revenues				
Rental income	$ 6,983,694	$ 6,376,195	$ 6,259,493	$ 6,262,680
Food service and concession commissions	5,165,418	5,084,829	4,797,408	5,421,935
Parking lot income	125,679	483,140	805,680	750,267
Labor reimbursements	4,879,325	4,064,095	4,389,283	6,003,993
Suite license fees	1,090,000	960,000	-	-
Advertising income	1,300,000	1,245,833	1,150,000	1,200,000
Other	907,604	712,957	861,817	867,313
Total operating revenues	20,451,720	18,927,049	18,263,681	20,506,188
Nonoperating revenues				
Investment income	2,113,735	888,675	643,808	852,243
State and local taxes and other assistance	45,659,399	46,564,788	48,074,416	51,301,827
Gain (loss) on sale of capital assets	-	-	-	-
Cable franchise fees	857,493	-	-	-
Other	56,000	374,657	1,535,464	1,360,740
Total nonoperating revenues	48,686,627	47,828,120	50,253,688	53,514,810
Total Revenues	69,138,347	66,755,169	68,517,369	74,020,998
Operating expenses				
Salaries, wages and fringe benefits	11,835,999	11,897,701	12,520,287	13,880,615
Utilities	3,384,877	3,409,341	3,680,176	3,996,614
Repairs, maintenance, equipment, parts and supplies	2,312,185	2,205,322	2,077,979	4,554,102
Insurance	384,474	963,329	1,602,079	1,616,923
Security	803,753	1,051,619	1,027,228	1,017,292
Other	2,240,308	2,487,798	2,866,421	1,299,425
Suite fees	1,090,000	960,000	-	-
Depreciation and amortization	17,048,679	16,832,475	16,355,382	16,067,976
Total operating expenses	39,100,275	39,807,585	40,129,552	42,432,947
Nonoperating expenses				
Interest expense	22,365,782	21,772,383	20,368,132	21,344,759
Additional rental payment for swap termination	-	-	-	-
Compensation to ICVA	6,199,276	6,153,570	6,137,891	6,354,407
Payments to Indiana Pacers (cable franchise fees)	1,141,247	-	-	-
Payments to Indianapolis Colts	5,418,545	5,255,913	4,951,712	5,222,915
Payments in lieu of taxes	4,900,000	-	-	-
Grants to other organizations	1,220,000	2,320,000	3,143,197	3,284,584
Contribution of Capital Commons	-	-	-	7,178,227
Market Square Arena utilities and maintenance	48,868	-	-	-
Market Square Arena demolition cost	2,966,655	281,102	-	-
Other	1,442,623	1,442,623	1,443,715	1,442,623
Total nonoperating expenses	45,702,996	37,225,591	36,044,647	44,827,515
Total Expenses	84,803,271	77,033,176	76,174,199	87,260,462
Capital Contributions	105,450	-	10,452	11,967
Cumulative Effect on Prior Years (to December 31, 2009) of Change in Accounting Principle	-	-	-	-
Increase (Decrease) in Net Assets	$ (15,559,474)	$ (10,278,007)	$ (7,646,378)	$ (13,227,497)

2005	2006	2007	2008	2009	2010
$ 5,839,044	$ 5,688,825	$ 6,354,696	$ 6,326,285	$ 6,791,593	$ 6,313,472
5,570,544	6,145,493	6,675,775	3,677,833	4,532,348	3,070,691
359,422	417,013	411,846	664,680	1,313,711	1,498,870
6,236,543	5,118,373	6,033,689	8,557,650	7,892,040	7,780,220
-	-	-	-	-	-
1,220,620	1,165,194	1,300,477	-	-	-
1,653,322	982,432	1,047,026	603,098	746,845	413,886
20,879,495	19,517,330	21,823,509	19,829,546	21,276,537	19,077,139
1,982,455	3,747,243	4,270,088	2,106,780	407,443	207,154
65,295,285	93,512,062	98,782,093	106,867,838	101,434,649	120,583,069
40,419,560	15,318	(28,588)	17,598	-	11,028
-	-	-	-	-	-
1,623,547	4,586,582	1,206,312	319,170	72,774	80,746
109,320,847	101,861,205	104,229,905	109,311,386	101,914,866	120,881,997
130,200,342	121,378,535	126,053,414	129,140,932	123,191,403	139,959,136
14,696,686	13,563,112	13,849,005	16,544,495	14,530,703	13,224,267
3,966,307	4,016,331	4,259,820	5,278,056	5,441,608	5,414,506
2,448,289	2,115,986	1,918,641	1,948,935	1,357,256	5,244,483
1,233,739	1,088,082	1,107,108	1,281,698	1,255,953	1,116,622
1,099,567	1,372,344	1,173,598	3,216,882	2,784,096	3,310,355
4,887,005	4,316,574	5,394,458	6,202,122	4,253,411	4,619,506
-	-	-	-	-	-
29,529,972	29,551,039	29,844,812	38,023,853	35,795,575	32,531,535
57,861,565	56,023,468	57,547,442	72,496,041	65,418,602	65,461,274
21,137,501	20,711,441	20,197,976	19,353,144	34,129,715	48,649,587
-	-	-	16,371,000	-	-
6,726,445	7,052,924	7,736,800	7,970,491	7,780,503	9,191,660
-	-	-	-	-	-
5,838,335	5,993,335	10,539,932	7,795,422	5,313,734	4,940,000
-	-	-	-	-	-
5,882,975	3,601,582	2,986,823	3,479,845	526,947	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,717,528	18,542,245	18,542,245	18,542,245	-	-
45,302,784	55,901,527	60,003,776	73,512,147	47,750,899	62,781,247
103,164,349	111,924,995	117,551,218	146,008,188	113,169,501	128,242,521
-	-	-	103,312,031	622,095	6,892,503
-	-	-	-	-	(17,224,803)
$ 27,035,993	$ 9,453,540	$ 8,502,196	$ 86,444,775	$ 10,643,997	$ 1,384,315

Table III

Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years

	2001	2002	2003	2004
Number of Events				
Entertainment	12	17	11	13
Trade Shows	27	29	13	20
Local, Business and Social	195	211	209	213
State Convention Business	58	58	46	59
National Convention Business	45	34	33	37
Sporting Events	24	31	33	30
Total Number of Events	361	380	345	372
Event Days				
Entertainment	12	17	11	13
Trade Shows	61	70	35	51
Local, Business and Social	257	298	306	290
State Convention Business	131	129	99	122
National Convention Business	185	173	131	131
Sporting Events	29	56	49	48
Total Event Days	675	743	631	655
Attendance				
Entertainment	142,383	89,273	59,412	66,186
Trade Shows	157,636	154,521	119,187	121,170
Local, Business and Social	139,533	144,922	156,992	151,175
State Convention Business	143,639	76,404	54,972	87,932
National Convention Business	359,550	337,352	340,078	372,568
Sporting Events	782,653	908,029	820,026	792,442
Total Attendance	1,725,394	1,710,501	1,550,667	1,591,473

Source: Sales Office - Capital Improvement Board of Managers.

2005	2006	2007	2008	2009	2010
9	10	8	12	12	10
17	20	21	22	18	15
179	185	238	308	163	174
71	71	64	83	72	79
28	38	34	42	69	43
34	40	45	47	67	62
338	364	410	514	401	383
9	12	8	15	17	15
48	50	48	54	45	39
251	237	348	401	192	206
132	139	118	139	126	137
95	131	113	130	182	123
52	54	66	78	103	92
587	623	701	817	665	612
59,404	47,548	49,380	127,078	155,346	93,344
110,343	141,118	117,177	102,289	85,449	160,239
137,768	122,689	204,449	248,436	83,716	77,008
83,912	87,482	92,685	85,516	126,368	85,331
353,930	298,994	293,984	317,815	333,576	303,882
918,434	905,908	936,939	1,044,627	1,080,090	1,103,387
1,663,791	1,603,739	1,694,614	1,925,761	1,864,545	1,823,191

Table IV

Capital Improvement Board of Managers
Largest Customers
Current Year

	December 31, 2010							
	Rental Income		Labor Reimbursements		Food Service Commissions [1]		Total	
	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total
Customer 1	$ 250,000	4.30%	$ 738,207	9.49%	$ -	0.00%	$ 988,207	5.93%
Customer 2	324,011	5.58%	501,819	6.45%	91,120	2.97%	916,950	5.50%
Customer 3	286,480	4.93%	471,616	6.06%	84,627	2.76%	842,723	5.06%
Customer 4	-	0.00%	233,630	3.00%	487,120	15.86%	720,750	4.32%
Customer 5	227,554	3.91%	212,644	2.73%	83,013	2.70%	523,211	3.14%
Customer 6	112,411	1.93%	138,699	1.78%	141,552	4.61%	392,662	2.36%
Customer 7	104,717	1.80%	87,850	1.13%	85,067	2.77%	277,634	1.67%
Customer 8	-	0.00%	237,838	3.06%	38,619	1.26%	276,457	1.66%
Customer 9	125,873	2.17%	96,116	1.24%	50,603	1.65%	272,592	1.63%
Customer 10	177,990	3.06%	60,310	0.78%	32,886	1.07%	271,186	1.63%
Subtotal	1,609,036	27.68%	2,778,729	35.72%	1,094,607	35.65%	5,482,372	32.90%
Balance from other customers	4,204,436	72.32%	5,001,491	64.28%	1,976,084	64.35%	11,182,011	67.10%
	$ 5,813,472	100.00%	$ 7,780,220	100.00%	$ 3,070,691	100.00%	$ 16,664,383	100.00%

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

Note: Information for 2001 is not readily available.

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

Table V

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

Type of Rate	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Base Rent (Per Net Square Foot [1]):										
One to Four Open Days	$ 0.70	$ 0.70	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.80	$ 0.85	$ 0.90
Five to Seven Open Days	0.75	0.75	0.80	0.80	0.80	0.80	0.80	0.85	0.90	0.95
After Seven Days - ICC	0.80	0.80	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00
After Seven Days - LOS	-	-	-	-	-	-	-	0.97	1.02	1.07

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

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

Source: Sales Office - Capital Improvement Board of Managers.

Table VI

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

Type of Rate	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
RCA Dome	0.11	0.11	0.11	0.11	0.13	0.13	0.13	-	-	-
Sagamore Ballrooms	0.11	0.11	0.11	0.11	0.15	0.15	0.15	0.15	0.15	0.15
Wabash Ballrooms	0.10	0.10	0.10	0.10	0.15	0.15	0.15	0.15	0.15	0.15
500 Ballroom	0.07	0.07	0.07	0.07	0.11	0.11	0.11	0.11	0.11	0.11
White River Ballroom	0.11	0.11	0.11	0.11	0.10	0.10	0.10	-	-	-
Meeting Rooms [1]	0.10	0.10	0.10	0.10	0.13	0.13	0.13	0.12	0.12	0.12
Non-Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07
RCA Dome	0.14	0.14	0.14	0.14	0.16	0.16	0.16	-	-	-
Sagamore Ballrooms	0.14	0.14	0.14	0.14	0.17	0.17	0.17	0.17	0.17	0.17
Wabash Ballrooms	0.14	0.14	0.14	0.14	0.17	0.17	0.17	0.17	0.17	0.17
500 Ballroom	0.10	0.10	0.10	0.10	0.12	0.12	0.12	0.12	0.12	0.12
White River Ballroom	0.13	0.13	0.13	0.13	0.11	0.11	0.11	-	-	-
Meeting Rooms [1]	0.13	0.13	0.13	0.13	0.16	0.16	0.16	0.16	0.16	0.16
Lucas Oil Stadium										
Base Rent (Per Gross Square Footage):										
Stadium	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.24	$ 0.24	$ 0.24
Halls	-	-	-	-	-	-	-	0.05	0.05	0.05
Meeting Rooms	-	-	-	-	-	-	-	0.16	0.27	0.27
Party Plazas	-	-	-	-	-	-	-	0.38	0.18	0.18
Club Lounges	-	-	-	-	-	-	-	0.34	0.06	0.06

[1] - Rates vary by meeting room; rates presented are blended.

Source: Sales Office - Capital Improvement Board of Managers.

Table VII

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Position:										
Carpenters [2]	$ 26.11	$ 26.88	$ 27.65	$ 29.41	$ 30.41	$ 31.16	$ 31.76	$ 32.99	$ 32.99	$ 33.47
Painters [2]	24.44	25.16	25.89	27.53	28.47	29.16	29.72	30.87	30.87	31.32
Electricians [2]	28.43	29.26	30.09	32.03	33.11	33.92	34.59	35.93	35.93	36.45
Stagehands (House) [2]	27.08	27.88	28.85	29.80	30.72	31.48	32.10	33.38	34.52	35.54
Stagehands (Call In) [2]	27.08	27.88	28.85	29.80	30.72	31.48	32.10	33.38	34.52	35.54
Welders and Pipefitters 1	29.26	29.87	30.36	30.69	31.42	32.14	33.35	34.94	35.99	35.99
Housekeeping [1]	17.13	17.66	18.18	18.82	19.43	20.00	20.50	20.90	21.53	21.53
Set-up [1]	17.13	17.66	18.18	18.82	19.43	20.00	20.50	20.90	21.53	21.53
Change-Over Labor [2]	20.00	25.00	25.00	25.00	25.00	26.00	26.00	28.00	28.00	28.00
Riggers [2]	37.60	38.68	40.00	41.14	42.53	43.54	44.35	46.12	47.62	48.98
Rent-A-Buddy [2]	-	-	-	20.00	20.00	20.00	20.00	28.00	28.00	28.00
Ticket Sellers [2]	15.37	15.97	16.60	17.51	18.03	18.03	18.03	18.57	18.57	18.57
Assistant Treasurer/Treasurer [2]	17.46	18.16	18.90	19.94	20.53	21.15	21.78	22.43	22.43	22.43
Fire Marshalls [1]	16.25	16.88	16.88	17.50	17.50	17.50	17.50	17.50	17.50	17.56
Telecommunications	-	-	-	-	-	-	-	-	28.03	28.44
Part-Time Teamsters [1]:										
Expo Workers	18.88	19.31	19.69	20.38	21.09	-	-	-	-	-
Housekeeping	11.59	11.71	11.84	12.50	12.71	12.96	13.15	13.35	13.75	13.75
Set-Up	11.59	11.71	11.84	12.50	12.71	12.96	13.15	13.35	13.75	13.75
Installation and Dismantling	20.00	20.50	21.00	21.75	24.50	-	-	-	-	-
Installation and Dismantling (Advance Rate)	-	-	-	-	-	24.50	25.35	26.00	26.65	26.65
Installation and Dismantling (Show Rate)	-	-	-	-	-	29.50	30.50	31.25	32.00	32.00

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

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

Table VIII

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

	Revenues	Expenses	CIB Commission[1]	CIB Profit [2]	Total
2001	$ 14,219,911	$ 13,335,838	$ 4,265,973	$ 899,445	$ 5,165,418
2002	14,083,991	13,136,138	4,225,197	859,632	5,084,829
2003	13,425,511	12,672,980	4,027,653	769,755	4,797,408
2004	15,319,720	14,629,156	4,595,916	826,019	5,421,935
2005	16,140,782	15,545,727	4,842,235	728,309	5,570,544
2006	17,172,381	16,237,885	5,151,714	993,779	6,145,493
2007	18,672,495	17,729,488	5,601,749	1,074,026	6,675,775
2008	13,925,935	11,355,237	1,647,517	2,059,350	3,706,867
2009	13,060,511	8,605,225	-	4,532,348	4,532,348
2010	12,792,675	9,721,984	-	3,070,691	3,070,691

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

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

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

Table IX

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

								Indianapolis-Carmel MSA [3]	
Fiscal Year	Junior Subordinate Notes [1]	Subordinate Revenue Bonds [1]	Due to State [2]	Capital Lease Obligations	Other	Total	Per Event Attendee	Per Capita	% of Personal Income
2001	$ 9,172,891	$ 45,280,000	$ -	$ 385,019,648	$ -	$ 439,472,539	$ 255	$ 283	0.87%
2002	11,152,605	43,065,000	-	382,912,275	-	437,129,880	256	277	0.84%
2003	19,544,969	40,515,000	-	375,885,045	-	435,945,014	281	272	0.79%
2004	21,571,509	37,765,000	-	371,953,227	-	431,289,736	271	266	0.75%
2005	24,636,416	34,790,000	70,808,932	365,131,054	-	495,366,402	298	301	0.83%
2006	27,144,492	31,600,000	248,557,010	356,456,643	-	663,758,145	414	397	1.04%
2007	33,759,000	28,195,000	474,121,857	347,064,809	-	883,140,666	521	520	1.35%
2008	33,759,000	24,570,000	66,946,403	931,455,268	16,371,000	1,073,101,671	557	624	1.59%
2009	33,759,000	23,190,000	185,038,966	926,049,285	9,000,000	1,177,037,251	631	675	n/a
2010	33,759,000	21,745,000	265,535,629	900,730,275	18,000,000	1,239,769,904	680	n/a	n/a

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

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

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

n/a = Information is not available.

Table X

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

	2001	2002	2003	2004
Innkeeper's Tax (5%)	$ 14,890,607	$ 15,434,339	$ 16,051,948	$ 17,483,328
Innkeeper's Tax (1%)	2,977,122	3,086,867	3,210,390	3,496,666
Food and Beverage Tax (1%)	14,932,215	16,033,607	15,617,516	17,567,107
Admissions Tax (5%)	4,438,762	4,581,470	4,541,774	4,968,613
Auto Rental Excise Tax (2%)	1,903,793	1,917,522	1,849,856	1,739,924
Cigarette Tax	350,000	350,000	350,000	350,000
PSDA Allocation	6,166,900	5,160,983	6,452,932	5,696,189
Total Original Excise Taxes and Original PSDA Revenues	45,659,399	46,564,788	48,074,416	51,301,827
Innkeeper's Tax (3%)	-	-	-	-
Food and Beverage Tax (1%)	-	-	-	-
Admissions Tax (1%)	-	-	-	-
Auto Rental Excise Tax (2%)	-	-	-	-
PSDA Allocation [2]	-	-	-	-
Regional Food and Beverage Tax (.5%)	-	-	-	-
Total 2005 New Tax Revenues and 2005 PSDA Revenues	-	-	-	-
Innkeeper's Tax (1%) [3]	-	-	-	-
PSDA Allocation [3]	-	-	-	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	-	-	-	-
Specialty License Plate Fees	-	-	-	-
Interlocal Agreement Funding	-	-	-	-
Total State and Local Taxes and Other Assistance	$ 45,659,399	$ 46,564,788	$ 48,074,416	$ 51,301,827

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

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

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

2005 [1]	2006	2007	2008	2009	2010
$ 17,176,553	$ 19,164,522	$ 19,716,399	$ 19,345,115	$ 16,586,647	$ 16,897,910
3,435,311	3,832,904	3,943,280	3,869,023	3,317,330	3,379,581
16,959,958	18,649,983	18,499,125	18,302,507	17,245,791	18,114,074
5,434,476	5,015,698	5,689,486	5,572,962	6,045,410	6,196,366
1,850,410	2,066,784	2,163,710	2,137,402	1,890,765	2,000,674
350,000	350,000	350,000	350,000	350,000	350,000
5,257,272	7,351,193	6,562,676	7,273,513	8,150,302	11,053,696
50,463,980	56,431,084	56,924,676	56,850,522	53,586,245	57,992,301
4,577,005	11,046,858	11,829,839	11,607,069	9,951,988	10,138,743
7,389,454	18,044,932	18,499,124	18,302,508	17,245,791	18,114,075
457,580	1,003,140	1,137,897	1,114,592	1,209,082	1,239,273
846,239	2,065,332	2,163,710	2,137,402	1,890,765	2,000,674
-	-	2,413,605	10,839,606	7,202,432	6,020,354
1,561,027	4,673,376	5,024,380	5,108,824	5,086,286	4,952,111
14,831,305	36,833,638	41,068,555	49,110,001	42,586,344	42,465,230
-	-	-	-	843,325	3,379,581
-	-	-	-	3,582,035	7,844,077
-	-	-	-	4,425,360	11,223,658
-	247,340	788,862	907,315	836,700	901,880
-	-	-	-	-	8,000,000
$ 65,295,285	$ 93,512,062	$ 98,782,093	$ 106,867,838	$ 101,434,649	$ 120,583,069

Table XI

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

	2001	2002	2003	2004
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	$ 14,890,607	$ 15,434,339	$ 16,051,948	$ 17,483,328
Innkeeper's Tax (1%)	2,977,122	3,086,867	3,210,390	3,496,666
Food and Beverage Tax (1%)	14,932,215	16,033,607	15,617,516	17,567,107
Admissions Tax (5%)	4,438,762	4,581,470	4,541,774	4,968,613
Auto Rental Excise Tax (2%)	1,903,793	1,917,522	1,849,856	1,739,924
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	39,492,499	41,403,805	41,621,484	45,605,638
Disbursements - Senior Lease Rental Obligations [1]				
1991 and 1993 Leases	(8,283,666)	(6,281,661)	(3,139,794)	-
1995 Lease	(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)
1997 Lease	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)
2001 Lease	(1,087,600)	(2,457,265)	(2,723,470)	(3,589,560)
2003 Lease	-	-	(1,651,701)	(3,794,113)
Total Disbursements - Senior Lease Rental Obligations	(11,423,266)	(10,790,926)	(9,566,965)	(9,435,673)
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	28,069,233	30,612,879	32,054,519	36,169,965
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt				
PSDA Allocation	6,166,900	5,160,983	6,452,932	5,696,189
Disbursements - Subordinate Lease Rental Obligations and Other Debt [1]				
1997 Lease	(12,765,000)	(12,806,000)	(12,957,000)	(13,176,000)
1999 Subordinate Bonds/Notes	(3,248,250)	(4,370,475)	(4,604,638)	(4,684,888)
Junior Subordinate Notes and Lease Obligations	-	-	(40,790)	(58,352)
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	(16,013,250)	(17,176,475)	(17,602,428)	(17,919,240)
Excess Available for CIB Operations	$ 18,222,883	$ 18,597,387	$ 20,905,023	$ 23,946,914
Coverage Ratio - Senior Obligations	3.46	3.84	4.35	4.83
Coverage Ratios - Senior and Subordinate Obligations [2]	1.66	1.66	1.77	1.88

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

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

[3] - Excludes additional rental payment in 2008 of $16,371,000 to fund a portion of a swap termination payment.

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

2005	2006	2007	2008	2009	2010
$ 17,176,553	$ 19,164,522	$ 19,716,399	$ 19,345,115	$ 16,586,647	$ 16,897,910
3,435,311	3,832,904	3,943,280	3,869,023	3,317,330	3,379,581
16,959,958	18,649,983	18,499,125	18,302,507	17,245,791	18,114,074
5,434,476	5,015,698	5,689,486	5,572,962	6,045,410	6,196,366
1,850,410	2,066,784	2,163,710	2,137,402	1,890,765	2,000,674
350,000	350,000	350,000	350,000	350,000	350,000
45,206,708	49,079,891	50,362,000	49,577,009	45,435,943	46,938,605
-	-	-	-	-	-
(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)	(1,997,800)	(1,006,000)
(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)
(4,624,000)	(4,846,705)	(4,845,706)	(4,844,281)	(4,844,740)	(4,846,490)
(5,293,750)	(6,271,000)	(6,272,000)	(6,273,250)	(6,273,000)	(6,271,250)
(11,969,750)	(13,169,705)	(13,169,706)	(13,169,531)	(14,161,540)	(13,169,740)
33,236,958	35,910,186	37,192,294	36,407,478	31,274,403	33,768,865
5,257,272	7,351,193	6,562,676	7,273,513	8,150,302	11,053,696
(13,416,500)	(13,675,000)	(13,934,000)	(14,213,000)	(14,502,500)	(14,775,500)
(4,766,763)	(4,827,638)	(4,877,763)	(4,922,013)	(2,555,338)	(2,555,872)
(63,988)	(72,881)	(85,812)	(562,425) [3]	(50,301)	(46,250)
(18,247,251)	(18,575,519)	(18,897,575)	(19,697,438)	(17,108,139)	(17,377,622)
$ 20,246,979	$ 24,685,860	$ 24,857,395	$ 23,983,553	$ 22,316,566	$ 27,444,939
3.78	3.73	3.82	3.76	3.21	3.56
1.67	1.78	1.78	1.76	1.72	1.90

Table XI, continued

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

	2009	2010
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations		
Innkeeper's Tax (3%)	$ 9,951,988	$ 10,138,743
Marion County Food and Beverage Tax (1%)	17,245,791	18,114,075
Regional Food and Beverage Tax (.5%)	5,086,286	4,952,111
Admissions Tax (1%)	1,209,082	1,239,273
Auto Rental Excise Tax (2%)	1,890,765	2,000,674
PSDA Tax Allocation	7,202,432	6,020,354
Colts License Plate Fees	836,700	901,880
	43,423,044	43,367,110
Disbursements - Sublease Rental Obligations [2]		
Stadium Sublease Agreement	(20,000,000)	(41,000,000)
Convention Center Sublease Agreement	-	-
	(20,000,000)	(41,000,000)
2005 New Tax Revenues in Excess of Sublease Rental Obligations [1]	$ 23,423,044	$ 2,367,110
Coverage Ratio - Sublease Rental Obligations	2.17	1.06

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

[2] - Sublease Rental Obligation payments are gross and do not take into account amounts paid from capitalized interest or any other sources. These payments began in 2009, so there will be no prior years presented.

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

Table XII

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

	Indianapolis-Carmel MSA [1]			
Year	**Population**	**Personal Income (in millions)**	**Per Capita Personal Income**	**Annual Average Unemployment Rate**
2001	1,554,000	50,516	32,507	3.3%
2002	1,575,820	52,023	33,013	4.6%
2003	1,599,929	54,946	33,631	4.8%
2004	1,622,935	57,289	35,633	4.7%
2005	1,645,027	60,018	36,485	4.9%
2006	1,671,898	64,005	38,283	4.4%
2007	1,697,656	65,586	38,633	3.9%
2008	1,720,796	67,622	39,297	6.7%
2009	1,743,658	n/a	n/a	8.4%
2010	n/a	n/a	n/a	8.4%

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

n/a = Information is not available.

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

Table XIII

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

Employer Name	2010 Employees	2010 % of Total
Clarian Health Partners, Inc.	21,863	2.51%
Eli Lilly and Company	12,068	1.39%
St Vincent Hospitals & Health Service	11,075	1.27%
Community Health Network	8,079	0.93%
FedEx	6,311	0.72%
Stifel Nicholaus	4,647	0.53%
Rolls-Royce	4,316	0.49%
Roche Diagostic Corporation	4,300	0.49%
WellPoint, Inc.	3,950	0.45%
Allison Transmission/Div of GMC	3,800	0.44%
St Francis Hospital & Health Centers	3,628	0.42%
AT&T	3,000	0.34%
	87,037	9.98%

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

Note: Information for 2001 is not readily available.

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

Table XIV

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Position:										
Carpenters	5	3	3	5	3	3	3	4	4	4
Electricians	20	23	23	23	24	21	17	20	16	13
Grounds	3	3	3	3	3	3	3	5	5	5
Housekeeping	81	63	60	61	82	67	62	64	51	40
Pipefitters	13	13	15	14	13	12	12	15	14	14
Painters	3	3	3	3	3	3	3	3	3	3
Sound and lighting	9	8	8	8	8	8	8	10	23	24
Set-up	30	29	37	49	46	31	25	27	23	15
Installation and dismantling	22	15	13	15	11	7	7	6	5	6
Box office	3	4	4	4	4	3	3	4	4	4
Administrative	65	64	65	64	69	64	69	76	61	65
Miscellaneous clerical	3	4	5	5	5	4	5	7	3	4
Telecommunications	-	-	-	-	-	-	-	2	3	4
Fire Marshals	-	-	-	-	-	-	-	1	-	-
Guest Services	-	-	-	-	-	-	-	2	4	4
Total Full-Time Equivalent Employees	257	232	239	254	271	226	217	246	219	205

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

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

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

Table XV

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

Venue	2001 Event Occupancy	2001 Total Occupancy	2002 Event Occupancy	2002 Total Occupancy
Exhibit Halls				
Hall A	31.5%	64.9%	32.9%	60.0%
Hall B	37.0%	73.2%	36.2%	67.9%
Hall C	38.6%	75.6%	33.4%	69.0%
Hall D	37.3%	74.5%	36.2%	71.5%
Hall E	39.2%	76.4%	35.3%	70.7%
Hall F	31.5%	61.9%	33.7%	64.9%
Hall G	29.9%	59.5%	30.7%	57.0%
RCA Dome	20.5%	46.8%	20.8%	43.0%
Ballrooms				
500 Ballroom	46.3%	59.7%	43.6%	58.4%
White River Ballroom	36.2%	49.0%	30.4%	39.2%
Sagamore Ballrooms [2]	49.0%	64.3%	44.0%	59.3%
Wabash Ballrooms [2]	30.1%	39.1%	36.9%	50.1%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

	2006 Event Occupancy	2006 Total Occupancy	2007 Event Occupancy	2007 Total Occupancy
Exhibit Halls				
Hall A	33.4%	61.9%	30.1%	60.5%
Hall B	35.3%	65.5%	31.5%	63.8%
Hall C	30.7%	59.5%	31.8%	63.8%
Hall D	29.9%	58.4%	29.9%	61.4%
Hall E	28.5%	55.1%	29.9%	61.1%
Hall F	29.3%	54.8%	31.5%	58.1%
Hall G	27.9%	51.0%	25.5%	52.3%
RCA Dome	18.9%	43.8%	20.5%	42.2%
Ballrooms				
500 Ballroom	34.2%	48.5%	36.4%	50.4%
White River Ballroom	27.9%	41.6%	29.9%	41.1%
Sagamore Ballrooms [2]	41.2%	56.6%	38.0%	55.3%
Wabash Ballrooms [2]	37.0%	51.6%	34.2%	49.7%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

[1] - Occupancy formulas:
Per Venue Event Occupany = number of event days divided by number of days in the month.
Per Venue Total Occupancy = total days divided by number of days in the month
(total days = number of event days plus number of move-in/out days).
[2] - Average for all associated space.

Source: Sales Office - Capital Improvement Board of Managers.

2003		2004		2005	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
29.9%	63.6%	33.3%	66.4%	33.4%	67.9%
33.7%	71.0%	35.8%	72.4%	33.4%	69.3%
34.0%	73.7%	37.7%	78.1%	35.6%	70.7%
31.8%	69.0%	35.0%	73.5%	34.2%	70.4%
33.2%	69.6%	36.6%	76.0%	32.9%	66.8%
29.3%	57.5%	30.6%	60.4%	31.5%	64.9%
26.6%	51.8%	30.3%	59.3%	31.8%	65.2%
15.3%	41.4%	18.6%	40.2%	18.4%	53.2%
38.9%	50.7%	37.2%	51.9%	35.9%	50.4%
28.5%	42.5%	34.7%	48.9%	28.8%	43.6%
39.2%	56.1%	39.3%	57.8%	39.3%	60.0%
40.5%	56.5%	40.3%	57.3%	36.7%	56.3%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

2008		2009		2010	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
30.3%	66.1%	30.1%	63.1%	29.3%	58.1%
31.4%	66.7%	34.4%	68.9%	29.0%	58.6%
32.2%	68.9%	31.7%	67.5%	29.6%	62.2%
32.8%	67.2%	33.3%	68.3%	31.5%	62.7%
29.2%	64.5%	26.2%	63.1%	27.9%	60.8%
18.9%	41.0%	18.3%	39.1%	20.0%	41.9%
17.8%	39.1%	15.6%	36.9%	14.2%	32.9%
18.1%	44.8%	0.0%	0.0%	0.0%	0.0%
38.3%	50.8%	30.3%	43.7%	22.7%	42.5%
26.7%	34.3%	0.0%	0.0%	0.0%	0.0%
40.6%	56.9%	36.0%	50.2%	23.7%	45.9%
38.6%	52.8%	35.9%	47.9%	23.2%	39.6%
32.2%	54.5%	39.2%	88.1%	16.2%	36.2%
22.0%	36.0%	32.6%	71.3%	14.9%	28.1%
28.0%	28.0%	33.6%	44.8%	18.9%	22.7%
24.5%	35.7%	33.3%	62.2%	14.7%	23.9%
33.6%	46.2%	39.2%	76.2%	18.4%	31.0%
15.4%	26.6%	19.6%	49.7%	0.0%	0.0%