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

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

Comprehensive Annual Financial Report
For the Fiscal Years Ended December 31, 2014 and 2013

Comprehensive Annual Financial Report

Fiscal Years Ended December 31, 2014 and 2013
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

Earl Goode, President

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
December 31, 2014 and 2013

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Indianapolis
INDIANA CONVENTION CENTER & LUCAS OIL STADIUM®

June 9, 2015

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 years ended December 31, 2014 and 2013.

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

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

Profile of the CIB

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

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

On February 9, 2015, the CIB elected Earl Goode as its new Board President. Ann Lathrop stepped down from her position after serving on the Board since 2008, and fulfilling the role of President for five years. Her tenure at the CIB was one of sound financial leadership, a sustained emphasis on transparency, and continued support for our tourism and travel industries.

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

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

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

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

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

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

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

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

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

(5) The budget of the CIB is reviewed and approved by the City-County Council. The overall adopted budget of the City (of which the CIB's budget is a part), is reviewed and certified by the Indiana Department of Local Government Finance ("DLGF").

CIB Facilities: Among the facilities managed by the CIB are the multi-purpose Indiana Convention Center ("ICC") and the state-of-the-art Lucas Oil Stadium ("LOS"). With the expansion of the Convention Center completed in January 2011, the expanded structure covers a 6 city block area in downtown Indianapolis. The LOS site covers a 6½ city block area just south of the expanded Convention Center and is connected by internal and covered structures, allowing combined use opportunities.

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

LOS features a retractable roof, offering spectacular views of the Indianapolis skyline. In addition, LOS has an infill playing surface, 7 locker rooms, exhibit space, meeting rooms, operable north window, dual two-level club lounges, 139 suites, retractable sideline seating, house reduction curtains, two large video boards, ribbon boards, spacious concourses, interior and exterior plaza space, 11 indoor docks and 2 vehicle ramps to the event level. LOS is connected to the Convention Center and several hotels and entertainment options by a pedestrian connector. Tradeshows can take advantage of an indoor 30,000 square foot loading dock, retractable seating and operable walls to utilize up to 183,000 contiguous square feet of space. Football games can be played indoors or outdoors using the retractable roof and operable north window. The house reduction curtain system covers the entire Terrace Level seating, reducing capacity from 63,000 to approximately 41,000. Basketball and other mini-stadium events have the option of playing in the round for up to 71,000 fans or in a much smaller configuration with a house reduction curtain system. Concerts may be played indoors or outdoors in full stadium or reduced house configurations. Seating configurations range in size from 15,000 to 71,000.

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

Victory Field, home to the Indianapolis Indians AAA baseball team, has been recognized as the "Best Minor League Ballpark in America" by prominent publications such as *Baseball America* and *Sports Illustrated.* It is constructed on a 13-acre site in White River State Park, which is subleased to, and operated by, the Indianapolis Indians franchise. Located on the southwest corner of West and Maryland streets, the ballpark is in close proximity to the Indiana Convention Center & Lucas Oil Stadium. Victory Field seats approximately 14,200 people, which includes an open-air stadium seating area and the very popular grassy berms in the outfield areas, which offer inviting, lawn seating. This grassy area, around the outfield wall, can accommodate up to 2,000 people. The park's main deck of seats wraps from behind home plate to the foul poles in left and right field. When fans enter the ballpark, they can walk down the steps to their seats in a lower seating bowl, or up to their seats in the upper bowl. There are 12,200 seats with back and arm rests. The ballpark also features many modern-day amenities, such as 29 luxury suites and cup holders at most seats.

Bankers Life Fieldhouse (formerly Conseco Fieldhouse), widely acknowledged as one of the finest sports and civic arenas in the country, is home to the National Basketball Association’s Indiana Pacers and the Women’s National Basketball Association’s Indiana Fever (2012 WNBA Champions). With a basketball-seating capacity of 18,165 that includes 71 suites and 2,667 club seats, Bankers Life Fieldhouse occupies approximately 750,000 square feet between Delaware and Pennsylvania Streets at Georgia Street in the warehouse district of downtown Indianapolis. The first retro-styled facility in the NBA, Bankers Life Fieldhouse has three seating levels: First Financial Bank Founders Level, Krieg DeVault Club Level and Balcony Level; and the concourses on each level evoke memories of a traditional Indiana basketball Fieldhouse, complemented by state-of-the art amenities. Highlighting the inner bowl of the Fieldhouse are the windows that support the 14-story (140 foot), exposed steel roof. Throughout the day, and during select events, the curtains to these windows are lowered; giving fans not only a view to the outside, but a beautiful view of downtown Indianapolis. The window theme is continued on both the Pennsylvania and Delaware Street sides of the Entry Pavilion, home to the 18 ticket windows and retro-styled ticker board announcing upcoming events. A true tribute to the game of basketball in Indiana, the sightlines were designed for the best viewing of a basketball game; but also give patrons a great view for the many other events held at the Fieldhouse. From concerts, hockey, high school and college sports to the circus and even the World Swimming Championship, the Fieldhouse is also highly acclaimed for both the number and variety of non-basketball events it holds each year. Its many meeting rooms, restaurants and multi-use spaces also make the Fieldhouse ideal for the smaller corporate gatherings and ceremonies held daily. Located in the heart of downtown Indianapolis, the Fieldhouse is located within walking distance of Circle Centre Mall, the Indiana Convention Center, Lucas Oil Stadium, Victory Field, the State Capitol Building and the City-County Building.

Major Initiatives of the CIB: The Indiana Convention Center & Lucas Oil Stadium are excellent venues that have hosted very diverse groups - Super Bowl XLVI® and NFL Experience, NCAA® Men’s and Women’s Final Four® Basketball Championships, Big Ten Football Championship, North American Christian Annual Convention, National FFA Organization Convention, Indiana Black Expo and VFW Annual National Convention.

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

Current Year Events

American Football Coaches Association Annual Convention, JAMfest Cheer Super Nationals, Circle of Stars Gymnastics Invitational, Capitol Sports Volleyball Central Zone Invitational, Signature Equipo Vision LLC, Winter and Summer Conventions, Acquire the Fire, Pumper Cleaner Environmental Expo, Work Truck Show and NTEA Annual Convention, Indiana ComicCon, Public Library Association National Convention, Property Loss Research Bureau Annual Claim Conference, Nike Mideast Qualifier Volleyball, American College Personnel Association Annual Convention, M-PACT 2014, Fire Department Instructors Conference, National Rifle Association of America Annual Meeting/Exhibits, Do it Best Corporation May and October Markets, Indy Pop Con, Business Professionals of America National Leadership Conference, 500 Festival Mini Marathon Expo, National NeedleArts 2014 Summer Trade Show, Association for Iron & Steel Technology AISTECH 2014, BBI 2014 International Fuel Ethanol Workshop & Expo, NBM Shows, American Society for Engineering Educational Annual Conference & Exposition, National Athletic Trainers' Association Annual Meeting, North American Christian Convention Annual Convention, Indiana Black Expo 2014 Summer Celebration, Gen Con "The Best Four Days in Gaming", National Association College Admission Counseling Annual Conference, ExactTarget Connections 2014, Awesome Con, Emergency Nurses Association Annual Scientific Conference, True Woman National Women's Conference, Indianapolis Monumental Marathon Registration, Big Ten Football Fanfest, SEMA/PRI Show, 2014 Monster Jam, Nuclear Cowboyz, 2014 Supercross, National Football Scouting Combine, NCAA® Midwest Regionals, Christian Congregation of Jehovah's Witnesses (English), Christian Congregation of Jehovah's Witnesses (Spanish), Music For All Grand National Championship, Percussive Arts Society International Convention, Circle City Classic, Big Ten Football Championship Game, and Indianapolis Colts Football.

Major Events for 2015

Archery Trade Association Annual Trade Show, JAMfest Super Nationals, Capitol Sports Volleyball Central Zone Invitational, American Physical Therapy Association Combined Sections Meeting, Stanley Black & Decker, Inc. IAR National Sales Meeting, Wizard World Comic Con Indianapolis, WWETT (Water & Wastewater Equipment, Treatment & Transport Expo [formerly Pumper & Cleaner Environmental Expo]), NTEA Annual Convention & Work Truck Show, THE SHOP SHOW, Indiana ComicCon, Nike Mideast Qualifier Volleyball, M-PACT, NABC Annual March National Convention, Fire Department Instructors Conference, 500 Festival Mini Marathon Expo, Indy Pop Con, Pokémon U.S. National Championships, Benevolent & Protective Order of Elks National Convention, Indiana Black Expo - 2015 Summer Celebration, Gen Con "The Best Four Days in Gaming", 2015 USA Gymnastics National Congress & Tradeshow, American Correctional Association 2015 Conference, Die Casting Congress & Exposition, Do it Best Corp. May & October Markets, National Funeral Directors Association Annual Convention, EDUCAUSE Annual Conference, Indianapolis Monumental Marathon Registration, National Federation for Catholic Youth Ministry Conference, Big Ten Football Fanfest, SEMA/PRI Show, 2015 Monster Jam, National Football Scouting Combine, Supercross, NCAA® Men's Final Four®, Kenny Chesney in Concert, One Direction in Concert, DCI World Championships, Music For All Grand National Championship, Big Ten Football Championship, and Indianapolis Colts Football.

Major Events for 2016

JAMfest Super Nationals, Capitol Sports Volleyball Central Zone Invitational, WWETT Expo, NTEA Annual Convention & Work Truck Show, Nike Mideast Qualifier Volleyball, M-PACT, American Coatings Show & Conference (Biennial), Fire Department Instructors Conference, Indiana Comic Con, 500 Festival Mini Marathon Expo, THE B.I.G. SHOW, KeHe Holiday & Product Innovation Show, USA Volleyball Association Girl's Junior National Championship, Gen Con "The Best Four Days in Gaming", United Pentecostal Church International General Conference 2016, Do it Best Corp. May & October Markets, National FFA Convention, LeadingAge 2016 Annual Meeting & Expo, Percussive Arts Society International Convention, Big Ten Football Fanfest, SEMA/PRI Show, 2016 Monster Jam, National Football Scouting Combine, Supercross, DCI World Championships, Music For All Grand National Championship, Big Ten Football Championship, and Indianapolis Colts Football.

Economic Condition

State and Local Economy: Indiana's business environment consistently ranks near the top in both the Midwest and nationally when measured by national indexes and publications. In 2014, Indiana was ranked 1st in the Midwest and 8th nationally in the Tax Foundation's Business Climate Index. *Business Facilities' 2014 State Rankings Report* ranked Indiana 1st in the Midwest and 5th nationally for business climate, while *Chief Executive* magazine ranked Indiana 1st in the Midwest and 6th nationally in its "Best and Worst States" survey. Indiana's performance in several key industries illustrates the strength of its economy.

Indiana Life Sciences: Intellectual capital, public support, academic partnerships, workforce excellence and business and industry collaborations are the driving force behind Indiana's life sciences industry. For more than a century, Indiana has been a center of innovations in the life sciences, pharmaceutical and medical device industries. Indiana's life sciences industry delivers a $59 billion impact to the state's economy and exported more than $9.8 billion in life sciences products in 2013 - the second largest of any state in the country. Indiana is home to more than 1,700 companies in the medical device, pharmaceutical, research and testing, biologistics and agriculture-biotech sectors. The State has long been a world leader in life sciences and is home to industry giants Biomet, Cook Medical, DePuy Orthopaedics, Dow AgroSciences, Eli Lilly and Company, WellPoint, Zimmer, and the North American headquarters of Roche Diagnostics. Beckman Coulter, Boston Scientific, Covance, and Mead Johnson also have major operations located within the State. Indiana boasts the second-largest medical school in the United States, the Indiana University School of Medicine. Indiana is also home to the Indiana University Emerging Technologies Center, a highly successful business incubator which houses many biosciences companies.

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

Information Technology: In 2013, Forbes ranked Indianapolis 9th among major metropolitan areas for growth in technology sector jobs.

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

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

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

Advanced Manufacturing: Indiana's manufacturing sector represents 25 percent of Indiana's economy and contributes $64 billion to its economy each year. Indiana is home to the second largest motor vehicle industry in the nation, producing more than $9.8 billion in goods and creating more than 515,000 jobs. More than 11 percent of all automobiles produced in the United States are produced in Indiana. Indiana is home to major assembly plants for Toyota, Subaru, Honda and General Motors. The State is also home to hundreds of vehicle parts manufacturers, including Chrysler, Cummins, Delphi, Allison Transmission, ArvinMeritor, NTN, Mitsubishi, KYB, Keihin, Enkei, Toa, Tomasco, USSteel, Tower Automotive, PPG and the North American headquarters of Aisin U.S.A.

Motorsports: Motorsports companies have also developed a clear industry cluster in the region. With more race tracks per capita than any other state, Indiana's racing industry is made up of over 2,100 motorsports companies. 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. Six Indiana colleges and universities offer motorsports education opportunities and certifications, including the nation's only motorsport engineering degree.

Commonly referred to as the "Racing Capital of the World", Indianapolis is home to the Indianapolis Motor Speedway. In 2011, the Indianapolis Motor Speedway celebrated the 100th anniversary of the 500 mile race, which was first run in 1911 and which has been broadcast live on the radio, in its entirety, by the Indianapolis Motor Speedway Radio Network since 1953. In 2015, Indianapolis will host the Indianapolis 500, the Crown Royal 400 at the Brickyard, Angie's List Grand Prix of Indianapolis, the Brickyard Vintage Racing Invitational, and the Red Bull Indianapolis GP. These events will have an economic impact of over $1 billion.

Energy, Logistics and Transportation, and Agriculture: At the end of 2014, Indiana ranked 12th in the nation for wind power capacity. Between 2009 and 2010, the State increased its wind power capacity 10-fold. In addition, Indiana is already the 8th-largest biogas producer in the country and, as of 2010, was producing 20,345 megawatt-hours of energy.

Known as the "Crossroads of America", Indiana is home to the 2nd largest FedEx air hub worldwide, ranks 3rd in total freight railroads in the U.S., has the 5th largest cargo airport in the U.S., and ranks 4th in the number of long-distance trucking companies in the State. These assets support logistics-related enterprise and encourage companies to expand or locate their operations in Indiana.

Agriculture also plays a vital role in Indiana's economy, contributing more than $37 billion and supporting approximately 2,900 agribusiness, food processing, and technology companies, as well as 190,000 jobs. With more than 15 million acres of farmland, Indiana is a leading producer of corn, soybeans, hogs, poultry, popcorn and tomato products.

Airport: In 2014, the Airports Council International (ACI) named the Indianapolis International Airport as the best airport in North America for the fourth year in a row. In addition to the various industries that create jobs, the Indianapolis Airport Authority has been a key player in economic growth to the area and has an estimated annual economic impact of $4.5 billion dollars. In 2014, the Indianapolis International Airport (IND) served 7.3 million domestic and international passengers and transported 1.1 million tons of cargo through this facility. The Indianapolis International Airport averages 135 daily departures to 37 nonstop locations.

Key business partners include 10 commercial airlines, FAA, TSA, U.S. Customs & Border Patrol, 58 concessionaires (rental car, retail and other service providers), and tenants including FedEx Corporation, AAR, Express Scripts, Rolls Royce, Comlux, Hawker Beechcraft Services and Signature Flight Support. About 10,000 people work at the airport each day. No property taxes are used to operate and manage the Indianapolis International Airport.

Indianapolis as a Destination

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

Indianapolis is the nation's 12th largest city. According to the U.S. Census Bureau's Statistics for 2013, the estimated population of Indianapolis is 843,393 and 1,953,961 for the Indianapolis Metropolitan Area. Indianapolis is well known for the multitude of cultural, educational, sporting, shopping and dining opportunities offered to its residents and visitors. Indianapolis is the home of "Hoosier Hospitality" the perfect blend of Midwest, small town welcome and big city attractions and opportunities.

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

- Best in the U.S. 2015 - Lonely Planet named Indianapolis number six on its list of destinations to visit.
- #1 Convention City in the U.S. - USA Today readers ranked Indianapolis as their favorite convention destination.
- 52 Places in the World to Visit - The New York Times named Indianapolis as a "terrific" city to visit in 2014.
- 10 Best Downtowns - Livability ranked Indianapolis as the 3rd best downtown in the U.S. in 2014.
- Best City to View from a Bicycle Seat - Away.com listed Indianapolis as one of the seven best cities to bike.
- 10 Best NFL Stadiums - Yahoo's The PostGame named Lucas Oil Stadium as one of the best stadiums in 2014.
- Best Overall Stadium Experience - for the 3rd consecutive season, Stadium Journey ranked Lucas Oil Stadium as its top NFL stadium destination.

In 2014, Indianapolis launched BlueIndy, the largest electric car sharing program in the U.S. This innovative and environmentally friendly program furthered the city's Energy Security initiative. Another recent addition to Indianapolis is an expanded urban cycling model that includes the eight-mile Indy Cultural Trail. This world class urban bicycle and walking path connects six cultural districts, including Fountain Square, to top downtown sites including the Capitol Building, City Market and White River State Park, a 250-acre park that hosts the Indianapolis Zoo and other major attractions. The Indy Cultural Trail joins the 18.5 mile Monon Trail, as well as 74 miles of on-street bike lanes, to expand commuter and recreational routes throughout the city. The Indiana Pacers bikeshare program launched in 2014 and has made over 250 bicycles available for rent at 26 stations throughout the downtown Indianapolis area.

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

The stable economy and many attractions of Indianapolis, along with its central location within the nation, make it a prominent convention and tourist center and the reason it recently won the distinction of Best Convention City by USA TODAY readers. The Indianapolis 500, the Crown Royal 400 at the Brickyard, the Angie's List Gran Prix, the Red Bull Indianapolis GP, the NFL's Indianapolis Colts, the NBA's Indiana Pacers, the WNBA's Indiana Fever, the NASL's Indy Eleven and the AAA Indianapolis Indians baseball team are among the city's prominent sporting attractions, not to mention countless amateur sporting events, including the Big Ten Championship Football Game, the NCAA® Men's and Women's Final Four Basketball Championship and the Men's and Women's Big Ten Basketball Tournaments. In February 2012, Indianapolis hosted the NFL Super Bowl®. Circle Centre Mall, the NCAA Headquarters and Hall of Champions, the Indianapolis Zoo, the Indianapolis Motor Speedway Museum, the Indiana State Museum, the Indianapolis Children's Museum, the Indianapolis Museum of Art, the Eiteljorg Museum of American Indian and Western Art, the American Cabaret Theatre, the Indiana Repertory Theatre, the Indianapolis Symphony Orchestra and the White River State Park have also become popular attractions, along with many outstanding downtown restaurants and sports bars.

According to the most recent data available, visitors spend about $4.4 billion annually in Central Indiana and support more than 75,000 full-time equivalent jobs. Visit Indy, Inc. (Visit Indy), the official "destination marketing organization" for Indianapolis and primary seller of the Indiana Convention Center and Lucas Oil Stadium (ICCLOS) for events to be held 14 months or more from the booking date, reports continued growth in convention market share since the completion of the ICCLOS expansion and the opening of the 1,005-room JW Marriott Indianapolis in 2011. In 2014, Visit Indy booked 880,552 future event-related hotel room-nights (conventions, major meetings, amateur sporting events in partnership with the Indiana Sports Corp., etc.), an all-time record for the organization; in fact, it's more rooms than the organization booked in 2000 and 2001 combined. Some of the recent success can be attributed to Indy's recognition by the readers of USA Today as the "#1 Convention City in America" as well as the city's inclusion on the New York Times' list of "52 Places to Go in 2014." Visit Indy's efforts to drive leisure travel to Indianapolis, which generates tax revenue for the CIB through hotel stays, food and beverage purchases, event tickets, car rentals and other spending, also reached records in 2014, with more than 296,000 weekend leisure hotel room-nights generated during its summer marketing campaign; this represents about a 40 percent increase for this segment during the summer over the past six years. Visit Indy's ability to maintain or grow the city's convention and leisure business, and thus the CIB's tax and operations revenues, will be dependent in part on national/global economic conditions (which significantly influences travel), improvements to the visitor product in competitive cities, improvements to Indianapolis' own visitor product, and adequate resources to successfully promote the city and CIB assets.

Awards and Acknowledgements

Independent Audit: The CIB has an annual audit of its financial statements performed by 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, 2013. This was the 29th 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 L. Levengood, Executive Director

Earl Goode, President

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Capital Improvement Board of Managers of Marion County Indiana

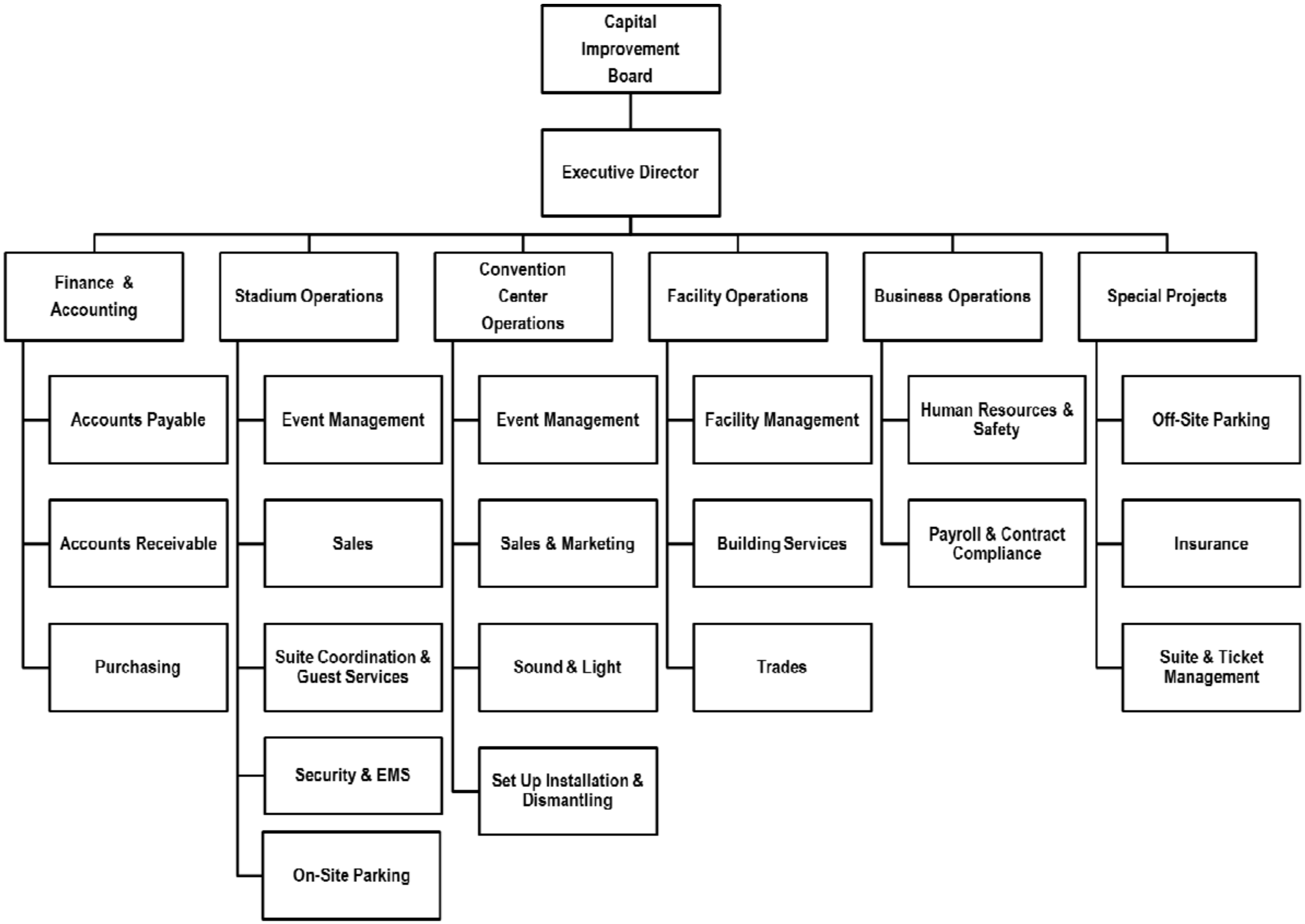
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Capital Improvement Board of Managers of Marion County, Indiana

Organizational Table



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

Mayor, City of Indianapolis The Honorable Gregory A. Ballard

Board Members (during 2014)

Name	Title	Term Ending	Years of Service	Occupation
Ann Lathrop*	President	January 14, 2016	7	CPA, Crowe Horwath, LLP
David Shane	Vice President	January 14, 2016	5	Retired President & CEO, LDI Ltd., LLC
Jim Dora, Jr.	Treasurer	January 14, 2016	5	President & CEO, General Hotels Corporation
Douglas R. Brown	Secretary	January 14, 2016	14	Attorney, Bose McKinney & Evans LLP
Maggie Lewis	Member	January 14, 2016	3	City-County Council, District 7
Carolene Mays	Member	January 14, 2016	5	Commissioner, Indiana Utility Regulatory Commission
Milton O. Thompson	Member	January 14, 2016	4	Attorney, Bleeke Dillon Crandall
Brenda Myers	Member	January 14, 2016	5	Executive Director, Hamilton County Convention & Visitors Bureau
Jay K. Potesta	Member	January 14, 2016	14	Director of Governmental Affairs, Sheet Metal Workers' International Association (SMWIA)

*Earl Goode elected President on February 9, 2015

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

Administrative Personnel

Name	Position	Years of Service
Barney Levengood	Executive Director	24
Megan Ornellas	Chief Financial Officer	2
Timothy Kuehr	Controller	1
Debbie Hennessey	Convention Center Director	2
Michael A. Fox	Stadium Director	30
Thomas L. Boyle	Director of Operations	20

Counsel to the Board

Bingham Greenebaum Doll, LLP
Indianapolis, Indiana

Financial
Section

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Capital Improvement Board of Managers of Marion County (CIB), a component unit of the Consolidated City of Indianapolis - Marion County, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the CIB's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We con-ducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the CIB, as of December 31, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof and for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CIB's basic financial statements. The accompanying Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses and Changes in Net Position, Analysis of Certain Operating Expenses, and Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses, and Changes in Net Position, and Analysis of Certain Operating Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Balance Sheet Information (Combining Statements), Analysis of Revenues, Expenses, and Changes in Net Position, and Analysis of Certain Operating Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

June 9, 2015

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, 2014. 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 ("ICC") & Lucas Oil Stadium ("LOS"), and its use arrangements related to Victory Field and Bankers Life Fieldhouse.

Financial Highlights

The following are some highlights from the CIB's financial statements for the year ended December 31, 2014:

- The CIB's financial position continued to improve in 2014. As was the case in 2013, the CIB ended 2014 with a positive net cash flow and an increase in operating cash balances. The CIB's 2015 budget anticipates meeting 2015 expenditures with budgeted revenues and cash reserves.

- The CIB experienced a decrease in *Total assets and deferred outflows of resources* of about $8.1 million, or .5 percent in 2014. *Current assets - restricted* increased by about $9.6 million primarily due to increases in the stadium and convention center sublease investment accounts, as well as an increase in the receivable from the State of Indiana related to state and local taxes. *Current assets - unrestricted* increased about $26.1 million due to an increase in cash reserves, which was largely the result of tax receipts designated for operating purposes in excess of 2014 cash outlays, and an increase in the current portion of notes receivable. *Capital assets* decreased by about $37.6 million. This represents depreciation expense, net of additions and disposals in 2014.

- *Total liabilities and deferred inflows of resources* decreased by about $15.2 million, or 1.2 percent in 2014. *Current liabilities* increased about $12.0 million in 2014 largely due to an increase in accounts payable, while *Noncurrent liabilities* decreased about $25.7 million due to decreases in capital leases and bonds and notes payable. *Deferred inflows of resources* decreased $1.5 million due to the amortization of these inflows related to bond refunding transactions. *Other noncurrent assets* decreased $6.0 million due to the classification of a portion of the note receivable as current.

- *Net position* increased by about $7.1 million, or 2.6 percent in 2014.

- *Operating revenues* decreased by about $1.9 million, or 6.0 percent in 2014, primarily due to a decrease in food service and concession income.

- *Nonoperating revenues* increased by about $9.3 million, or 6.5 percent due to state and local taxes and other assistance and positive fluctuations in the underlying activities from which all tax revenues are derived.
- *Operating expenses* in 2014 increased by approximately $7.7 million, or 9.3 percent, in large part due to increased utility costs and a large number of repair and maintenance projects.
- *Nonoperating expenses* increased by about $9.0 million, or 11.6 percent. The largest part of this increase is attributable to the support the CIB will be providing to the Indiana Sports Corporation on behalf of the Natatorium and to Bankers Life Fieldhouse.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2014 and 2013:

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

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

The net position of the CIB is composed of three categories:

- *Net investment in capital assets* - this reflects the CIB's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The CIB uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the CIB's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted* - this represents resources that are subject to external restrictions (which principally relate to trust agreements under which capital lease obligations and bonded indebtedness were incurred) on how they may be used.
- *Unrestricted* - this represents resources that may be used to meet the CIB's ongoing obligations to the public and creditors.

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

2014 to 2013 Comparative Balance Sheets

The comparative analysis below is a summary of the Balance Sheets for the fiscal years ended December 31, 2014 and 2013

	2014	2013	$ Variance	% Variance
Assets				
Current assets - unrestricted	$ 150,774	$ 124,692	$ 26,082	20.9 %
Current assets - restricted	105,439	95,814	9,625	10.0
Capital assets, net	1,191,588	1,229,230	(37,642)	(3.1)
Other noncurrent assets	34,000	40,000	(6,000)	(15.0)
Total assets	1,481,801	1,489,736	(7,935)	(0.5)
Deferred Outflows of Resources	629	832	(203)	(24.4)
Total assets and deferred outflows of resources	$ 1,482,430	$ 1,490,568	$ (8,138)	(0.5)
Liabilities				
Current liabilities payable from unrestricted assets	$ 11,254	$ 6,128	$ 5,126	83.6
Current liabilities payable from restricted assets	42,277	35,443	6,834	19.3
Noncurrent liabilities	1,138,538	1,164,240	(25,702)	(2.2)
Total liabilities	1,192,069	1,205,811	(13,742)	(1.1)
Deferred Inflows of Resources	10,105	11,580	(1,475)	(12.7)
Total liabilities and deferred inflows of resources	1,202,174	1,217,391	(15,217)	(1.2)
Net Position				
Net investment in capital assets	69,317	78,478	(9,161)	(11.7)
Restricted	93,178	88,318	4,860	5.5
Unrestricted	117,761	106,381	11,380	10.7
Total net position	280,256	273,177	7,079	2.6
Total liabilities, deferred inflows of resources and net position	$ 1,482,430	$ 1,490,568	$ (8,138)	(0.5)

Note: Dollars are in thousands.

The 2014 increase in *Current assets - unrestricted*, about $26.1 million, or 20.9 percent, from the prior year is reflective of changes in the CIB's cash reserves and receivables. Cash and investments increased due to operating revenues and tax revenues available for operating purposes, in excess of operating expenses, including disbursements of operating loans and advances.

Current assets - restricted increased by about $9.6 million, or 10.0 percent, from the prior year, due to an increase in the stadium and convention center sublease investment accounts, as well as an increase in taxes receivable from the State of Indiana.

Capital assets decreased by about $37.6 million, or 3.1 percent, from the prior year. This decrease is due to depreciation expense of approximately $40.6 million, which was offset by new additions in fixed assets in 2014.

The decrease in *Other assets* of $6.0 million from 2013 to 2014 is due to a portion of CIB's note receivable that is due in 2015 and reflected as current at the end of 2014.

Deferred outflows of resources created from previous bond transactions decreased by $.2 million, or 24.4 percent, due to the amortization of losses on refunding.

Current liabilities payable from unrestricted assets increased about $5.1 million, or 83.6 percent, from the prior year. Accounts payable increased by about $4.6 million from the prior year and grants payable increased by about $.5 million.

Current liabilities payable from restricted assets increased about $6.8 million, or 19.3 percent, from the prior year. The current portion of long-term debt and box office settlement funds increased by approximately $2.1 million and $3.5 million, respectively.

Noncurrent liabilities decreased by about $25.7 million, or 2.2 percent, from the prior year. The net decrease in noncurrent liabilities in 2014 is due to reductions of the capital lease obligations and other debt during the year.

Deferred inflows of resources created from previous bond transactions decreased by $1.5 million, or 12.7 percent, due to the amortization of gains on refunding.

Invested in Capital assets, net of related debt decreased about $9.2 million, or 11.7 percent, in 2014, as a result of depreciation expense in excess of both newly acquired capital assets and reductions of debt. *Restricted net position increased* about $4.8 million, or 5.5 percent, in 2014, as a result of an increase in cash equivalents held with fiscal agent of $5.8 million. This represents tax revenues received to be used to pay the CIB capital leases. There was also an increase in restricted taxes receivable of approximately $1.4 million. The approximate $11.4 million increase, or 10.7 percent, from the prior year in *Unrestricted net position* is primarily due to the continued increase of revenues available for operating purposes, including renewal and replacement expenditures.

2013 to 2012 Comparative Balance Sheets

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

	2013	2012	$ Variance	% Variance
Assets				
Current assets - unrestricted	$ 124,692	$ 103,996	$ 20,696	19.9 %
Current assets - restricted	95,814	85,361	10,453	12.2
Capital assets, net	1,229,230	1,269,525	(40,295)	(3.2)
Other noncurrent assets	40,000	36,500	3,500	9.6
Total assets	1,489,736	1,495,382	(5,646)	(0.4)
Deferred Outflows of Resources	832	1,058	(226)	(21.4)
Total assets and deferred outflows of resources	$ 1,490,568	$ 1,496,440	$ (5,872)	(0.4)
Liabilities				
Current liabilities payable from unrestricted assets	$ 6,128	$ 6,767	$ (639)	(9.4)
Current liabilities payable from restricted assets	35,443	29,046	6,397	22.0
Noncurrent liabilities	1,164,240	1,191,293	(27,053)	(2.3)
Total liabilities	1,205,811	1,227,106	(21,295)	(1.7)
Deferred Inflows of Resources	11,580	13,126	(1,546)	(11.8)
Total liabilities and deferred inflows of resources	1,217,391	1,240,232	(22,841)	(1.8)
Net Position				
Net investment in capital assets	78,478	95,592	(17,114)	(17.9)
Restricted	88,318	80,316	8,002	10.0
Unrestricted	106,381	80,300	26,081	32.5
Total net position	273,177	256,208	16,969	6.6
Total liabilities, deferred inflows of resources and net position	$ 1,490,568	$ 1,496,440	$ (5,872)	(0.4)

Note: Dollars are in thousands.

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

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

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

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

Deferred outflows of resources created from previous bond transactions decreased by $.2 million, or 21.4 percent, due to the amortization of losses on refunding.

Current liabilities payable from unrestricted assets decreased about $.6 million, or 9.4 percent, from the prior year. Accounts payable decreased by about $.8 million from the prior year and accrued interest payable increased by about $.2 million.

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

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

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

Invested in Capital assets, net of related debt decreased about $17.1 million, or 17.9 percent, in 2013, as a result of depreciation expense in excess of both newly acquired capital assets and reductions of debt. *Restricted net position increased* about $8.0 million, or 10.0 percent, in 2013, as a result of an increase in cash equivalents held with fiscal agent of $6.2 million. This represents tax revenues received to be used to pay the CIB capital leases. There was also an increase in restricted taxes receivable of approximately $2.9 million. The approximate $26.1 million increase, or 32.5 percent, from the prior year in *Unrestricted net position* is primarily due to the continued increase of revenues available for operating purposes, including renewal and replacement expenditures.

2014 to 2013 Comparative Statements of Revenues, Expenses and Changes in Net Position

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for the fiscal years ended December 31, 2014 and 2013:

	2014	2013	$ Variance	% Variance
Operating Revenues				
Rental income	$ 9,901	$ 10,416	$ (515)	(4.9) %
Food service and concession commissions	5,387	7,101	(1,714)	(24.1)
Parking lot income	857	1,209	(352)	(29.1)
Labor reimbursements	13,037	13,058	(21)	(0.2)
Other operating income	1,244	579	665	114.9
Total operating revenues	30,426	32,363	(1,937)	(6.0)
Nonoperating Revenues				
Investment income	327	275	52	18.9
State and local taxes and other assistance	152,226	142,922	9,304	6.5
Other	142	221	(79)	(35.7)
Total nonoperating revenues	152,695	143,418	9,277	6.5
Total revenues	183,121	175,781	7,340	4.2
Operating Expenses				
Salaries and wages	15,678	15,040	638	4.2
Fringe benefits	3,529	3,775	(246)	(6.5)
Utilities	8,874	5,413	3,461	63.9
Repairs and maintenance	6,154	4,565	1,589	34.8
Insurance	1,853	1,400	453	32.4
Security	3,122	2,611	511	19.6
Nondepreciable equipment, parts and supplies	3,584	3,714	(130)	(3.5)
Other	6,801	5,411	1,390	25.7
Depreciation and amortization	40,550	40,528	22	0.1
Total operating expenses	90,145	82,457	7,688	9.3
Nonoperating Expenses				
Interest expense	51,838	52,018	(180)	(0.3)
Compensation to Visit Indy, Inc.	10,708	10,605	103	1.0
Bankers Life Fieldhouse operating reimbursements	7,921	-	7,921	100.0
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,300	5,200	100	1.9
Public safety support payments	5,230	7,720	(2,490)	(32.3)
Other	5,435	1,900	3,535	186.1
Total nonoperating expenses	86,432	77,443	8,989	11.6
Total expenses	176,577	159,900	16,677	10.4
Income Before Capital Contributions	6,544	15,881	(9,337)	(58.8)
Capital Contributions	535	1,088	(553)	(50.8)
Increase in Net Position	7,079	16,969	(9,890)	(58.3)
Net Position, Beginning of Year	273,177	256,208	16,969	6.6
Net Position, End of Year	$ 280,256	$ 273,177	$ 7,079	2.6

Note: Dollars are in thousands.

Total operating revenues decreased about $1.9 million, or 6.0 percent. Food service and concessions decreased $1.7 million due to a large client from 2013 not returning in 2014. Rental income decreased slightly by $.5 million and parking lot income decreased by $.3 million due to the loss of the Market Square Arena (“MSA”) lots, which the CIB used to manage.

Total nonoperating revenues increased about $9.3 million, or 6.5 percent, due to an increase in the state and local taxes and other assistance. The most significant factor was an increase in the Marion County innkeeper tax that exceeded 10.0 percent.

Total operating expenses increased by $7.7 million, or 9.3 percent. Salaries and wages increased by about $.6 million, or 4.2 percent. Fringe benefits decreased $.2 million, or 6.5 percent. Repairs and maintenance costs increased $1.6 million due to several large projects.

Total nonoperating expenses increased about $9.0 million, or 11.6 percent. Other nonoperating expenses increased $3.5 million primarily due to the recognition of a multi-year grant commitment to the Indiana Sports Corporation for the Natatorium. Payments for Bankers Life Fieldhouse increased $7.9 million due to a new agreement that was reached in 2014. Public safety support payments decreased $2.5 million as provided for in the associated agreement with the City of Indianapolis. This agreement stipulated monthly payments equivalent to 100.0 percent of the revenues derived from the 2013 new tax increases for the first twelve months, and 25.0 percent for each month thereafter.

Capital contributions recognized of approximately $.5 million in 2014 represent capital additions at Lucas Oil Stadium reimbursed by the Indiana Stadium and Convention Building Authority.

2013 to 2012 Comparative Statements of Revenues, Expenses and Changes in Net Position

The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for the fiscal years ended December 31, 2013 and 2012:

	2013	2012	$ Variance	% Variance
Operating Revenues				
Rental income	$ 10,416	$ 8,550	$ 1,866	21.8 %
Food service and concession commissions	7,101	3,971	3,130	78.8
Parking lot income	1,209	1,430	(221)	(15.5)
Labor reimbursements	13,058	14,089	(1,031)	(7.3)
Other operating income	579	1,056	(477)	(45.2)
Total operating revenues	32,363	29,096	3,267	11.2
Nonoperating Revenues				
Investment income	275	337	(62)	(18.4)
State and local taxes and other assistance	142,922	138,776	4,146	3.0
Other	221	103	118	114.6
Total nonoperating revenues	143,418	139,216	4,202	3.0
Total revenues	175,781	168,312	7,469	4.4
Operating Expenses				
Salaries and wages	15,040	15,458	(418)	(2.7)
Fringe benefits	3,775	3,564	211	5.9
Utilities	5,413	5,399	14	0.3
Repairs and maintenance	4,565	4,364	201	4.6
Insurance	1,400	1,516	(116)	(7.7)
Security	2,611	2,629	(18)	(0.7)
Nondepreciable equipment, parts and supplies	3,714	3,886	(172)	(4.4)
Other	5,411	9,325	(3,914)	(42.0)
Depreciation and amortization	40,528	40,413	115	0.3
Total operating expenses	82,457	86,554	(4,097)	(4.7)
Nonoperating Expenses				
Interest expense	52,018	50,982	1,036	2.0
Compensation to Visit Indy, Inc.	10,605	9,105	1,500	16.5
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,200	5,200	-	-
Public safety support payments	7,720	-	7,720	100.0
Other	1,900	577	1,323	229.3
Total nonoperating expenses	77,443	65,864	11,579	17.6
Total expenses	159,900	152,418	7,482	4.9
Income Before Capital Contributions	15,881	15,894	(13)	(0.1)
Capital Contributions	1,088	812	276	34.0
Increase in Net Position	16,969	16,706	263	1.6
Net Position, Beginning of Year	256,208	239,502	16,706	7.0
Net Position, End of Year	$ 273,177	$ 256,208	$ 16,969	6.6

Note: Dollars are in thousands.

Total operating revenues increased about $3.3 million, or 11.2 percent. Labor reimbursements decreased about $1.0 million, or 7.3 percent, mainly related to the additional revenue in 2012 due to the Super Bowl. Rental income and food service income increased by $1.9 million and $3.1 million, respectively, in part due to the increased event activity at ICC and LOS in 2013.

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

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

Total nonoperating expenses increased about $11.6 million, or 17.6 percent. Interest expense increased approximately $1.0 million and compensation to Visit Indy increased $1.5 million. Public safety support payments increased $7.7 million as a result of an agreement with the City of Indianapolis. This agreement included a one-time $5 million public safety support payment made in 2013, as well as, monthly payments equal to 100.0 percent of the first twelve months of the revenues derived from the 2013 new tax increases.

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

Overall Financial Analysis

The CIB's financial position continued to improve in 2014. As was the case in 2013, the CIB ended 2014 with a positive net cash flow and an increase in operating cash balances. The CIB's 2015 budget anticipates meeting 2015 expenditures with budgeted revenues and cash reserves.

Capital Asset and Debt Administration

Capital Assets

As discussed, the CIB is organized and operated to acquire, construct, lease, finance, operate, promote and publicize capital improvements and thereby serve the convention and visitor industry and the commercial, industrial and cultural interests of Indiana and its citizens. Because these assets are leased from the other governments and ownership of the assets ultimately reverts to the CIB upon expiration or termination of these leases, they are accounted for as property owned under capital leases and are depreciated along with other assets owned by the CIB. Readers are referred to footnotes 3 and 4 to the financial statements for more detailed information on capital asset activity. These capital improvements (capital assets) consist primarily of the following:

Indiana Convention Center & Lucas Oil Stadium

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

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

In 2005, the CIB entered into a lease and other agreements with the Colts extending their relationship and commitment with the City of Indianapolis and setting forth the terms of their use of the CIB's facilities. The Colts will play their home NFL games in Indianapolis through their 2034 season. The CIB is obligated to operate, maintain and insure the Indiana Convention Center & Lucas Oil Stadium at its expense.

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

Bankers Life Fieldhouse (formerly Conseco Fieldhouse)

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

Bankers Life Fieldhouse was built using a mix of private and public funds, including the proceeds from a 1997 tax-exempt and taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Bankers Life Fieldhouse secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals.

In 2014, the CIB entered into an Amended and Restate Operating Agreement with the Pacers. In this amendment, the CIB secured a ten-year agreement with three one-year options. In addition, the language that would allow the Pacers to trigger an early termination right based on operating losses was removed. Language was added that would entitle the City of Indianapolis to a right of first offer. In exchange, the CIB agreed to assume certain operating expenses, such as off-site storage, general liability insurance, daily security and utilities. An annual operating payment of over $7 million will be made to the Pacers and $33.5 million will be provided in building improvements over the term of the agreement.

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

Victory Field

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

Victory Field was built using a mix of public and private funds, including the proceeds from a taxable bond offering of MCCRFA. A lease agreement (between MCCRFA, as lessor, and the CIB, as lessee) related to Victory Field also secures the related bonds, along with certain state and local taxes which are committed by the CIB to pay lease rentals. The CIB is obligated to cause Victory Field to be operated, maintained and insured; those obligations are undertaken by the Indians.

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

Long-Term Debt

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

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

MCCRFA's revenue bonds are payable solely from the respective trust estates under which they were issued and rely upon the receipt of debt service lease rentals to provide for their payment. The CIB's lease payments to MCCRFA are funded and secured by a pledge of certain state and local tax revenues that varies depending on which debt is involved. More specific information concerning these financing and security arrangements related to CIB's facilities can be found in footnotes 4, 5 and 7 to the financial statements.

The IFA's revenue obligations are payable from and secured by ISCBA obligations that are supported by the ISCBA's leases with IOMB, as lessee, who in turn receives rent under subleases with the CIB, as sublessee. The CIB's lease payments to IOMB are funded and secured by a pledge of certain state and local tax revenues. More specific information concerning these financing and security arrangements related to CIB's facilities can be found in footnotes 4 and 7 to the financial statements.

In addition to its lease obligations, the CIB has direct outstanding revenue bonds and note indebtedness of its own. Such borrowings were undertaken for a variety of purposes, including making certain capital improvements, meeting certain contractual commitments with recurring users of its facilities and providing working capital. Like its lease obligations, these indebtedness obligations are payable from, and secured by, certain state and local tax revenues, which pledges vary depending on which debt is involved. While the CIB has contractually agreed to certain debt-related limitations in connection with its capital lease obligations and bond indebtedness, certain provisions of Indiana law also limit the amount of bond and note indebtedness that it may incur.

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

Economic Factors and Other Matters

With the ICC expansion as a key driver, Indianapolis tourism and convention business continued to grow in 2014. As a convention and tourism business, the CIB is charged with the public purpose of promoting and publicizing Indianapolis and the central Indiana region. It continues to pursue this core purpose. The CIB's focus for the business of the ICC & LOS in 2015 includes maximizing the use of the facilities by concentrating on hosting large trade show events, consideration of its available rentable space (and amenities) to meet demand (and effectively compete with other national offerings) and minimizing the wear and tear on facilities (by proactively and continuously undertaking maintenance and repairs).

There are no events scheduled for CIB facilities that have been cancelled for 2015 that would adversely affect operations. Regardless, the CIB will pursue continuing efforts involving the CIB's marketing relationships with Visit Indy to attract new and recurring conventions, trade shows, sports, tourism, cultural events and other activities to its facilities and in the Central Indiana region.

Requests for Information

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

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

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets and Deferred Outflows of Resources		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 63,723,717	$ 50,951,433
Cash equivalents held with fiscal agent	20,843,733	15,242,407
Investments	53,088,903	53,418,225
Interest receivable	52,876	64,268
Accounts receivable	2,886,482	2,982,371
Inventories	38,946	38,946
Current portion of note receivable	6,000,000	-
Prepaid expenses and other	4,139,321	1,994,166
Total unrestricted assets	150,773,978	124,691,816
Restricted Assets		
Cash and cash equivalents	15,806,721	11,924,539
Cash equivalents held with fiscal agent	61,793,121	57,476,025
Interest receivable	40,971	49,670
Receivable from State of Indiana	27,798,623	26,364,120
Total restricted assets	105,439,436	95,814,354
Total current assets	256,213,414	220,506,170
Noncurrent Assets		
Note receivable	34,000,000	40,000,000
Nondepreciable capital assets	132,888,849	131,608,147
Depreciable capital assets, net	1,058,698,846	1,097,621,625
Total noncurrent assets	1,225,587,695	1,269,229,772
Total assets	1,481,801,109	1,489,735,942
Deferred Outflows of Resources		
Deferred loss on capital lease refinancing	628,585	831,878
Total assets and deferred outflows of resources	$ 1,482,429,694	$ 1,490,567,820

	2014	2013
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 9,584,305	$ 4,962,315
Unearned revenue	267,973	241,283
Accrued expenses and withholdings	709,588	724,453
Current portion of grants payable to Indiana Sports Corporation	500,000	-
Accrued interest payable	191,816	200,255
Total current liabilities payable from unrestricted assets	11,253,682	6,128,306
Payable From Restricted Assets		
Funds held for others - box office	8,101,853	4,586,285
Rental deposits	2,084,003	1,768,840
Unearned revenue	1,000,000	-
Accrued interest payable	1,076,201	1,141,007
Current portion of long-term debt	30,014,461	27,947,098
Total current liabilities payable from restricted assets	42,276,518	35,443,230
Total current liabilities	53,530,200	41,571,536
Noncurrent Liabilities		
Grants payable to Indiana Sports Corporation	4,000,000	-
Bonds and notes payable	65,158,218	66,972,271
Capital leases payable	1,069,380,126	1,096,844,074
Net pension obligation	-	423,298
Total noncurrent liabilities	1,138,538,344	1,164,239,643
Total liabilities	1,192,068,544	1,205,811,179
Deferred Inflows of Resources		
Deferred gains on capital lease refinancings	10,105,208	11,579,742
Total liabilities and deferred inflows of resources	1,202,173,752	1,217,390,921
Net Position		
Net investment in capital assets	69,317,267	78,477,465
Restricted		
For debt service	84,195,610	78,335,704
For capital projects	4,620,865	5,569,415
For facility operating costs	4,360,904	4,413,104
Unrestricted	117,761,296	106,381,211
Total net position	280,255,942	273,176,899
Total liabilities, deferred inflows of recources and net position	$ 1,482,429,694	$ 1,490,567,820

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues		
Rental income	$ 9,900,660	$ 10,416,132
Food service and concession commissions	5,386,550	7,100,477
Parking lot income	856,771	1,209,008
Labor reimbursements	13,037,347	13,057,670
Other operating income	1,244,052	579,418
	30,425,380	32,362,705
Operating Expenses		
Salaries and wages	15,677,705	15,039,746
Fringe benefits	3,528,519	3,775,228
Utilities	8,873,546	5,413,326
Repairs and maintenance	6,154,353	4,565,363
Insurance	1,852,980	1,399,559
Security	3,121,731	2,611,043
Nondepreciable equipment, parts and supplies	3,583,666	3,713,366
Other	6,801,231	5,411,222
Depreciation and amortization	40,550,478	40,528,314
	90,144,209	82,457,167
Operating Loss	(59,718,829)	(50,094,462)
Nonoperating Revenues (Expenses)		
Investment income	327,490	274,569
State and local taxes and other assistance	152,226,092	142,921,658
Interest expense	(51,838,276)	(52,017,898)
Compensation to Visit Indy, Inc.	(10,708,000)	(10,605,000)
Bankers Life Fieldhouse operating reimbursements	(7,921,022)	-
Inducements/revenue sharing to Indianapolis Colts	(3,500,362)	(3,500,000)
Indianapolis Colts' Day-of-Game expenses	(1,800,000)	(1,700,000)
Grants to other organizations	(5,450,000)	(488,501)
Public safety support payments	(5,230,144)	(7,720,125)
Gain (loss) on sale/disposal of capital assets	15,453	(1,411,290)
Other	141,641	221,136
	66,262,872	65,974,549
Increase in Net Position Before Capital Contributions	6,544,043	15,880,087
Capital Contributions	535,000	1,088,209
Increase in Net Position	7,079,043	16,968,296
Net Position, Beginning of Year	273,176,899	256,208,603
Net Position, End of Year	$ 280,255,942	$ 273,176,899

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, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities		
Receipts from customers and users	$ 34,374,903	$ 37,999,055
Payments to suppliers and others	(25,600,867)	(23,380,225)
Payments to employees	(19,644,387)	(18,824,565)
Net cash used in operating activities	(10,870,351)	(4,205,735)
Cash Flows From Noncapital Financing Activities		
Payments to Visit Indy, Inc.	(12,708,000)	(9,105,000)
State and local taxes and other assistance	70,851,170	58,343,820
Grants paid to other organizations	(950,000)	(488,501)
Bankers Life Fieldhouse operating reimbursements	(7,921,022)	-
Public safety support payments	(5,230,144)	(7,720,125)
Payments to Indianapolis Colts	(5,300,362)	(5,200,000)
Net cash provided by noncapital financing activities	38,741,642	35,830,194
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(27,439,792)	(22,817,171)
Interest paid on long-term liabilities	(53,169,215)	(53,217,994)
Acquisition of capital assets	(3,020,712)	(3,066,603)
Proceeds from sale of capital assets	37,353	2,909,364
State and local taxes and other assistance	79,940,419	81,649,806
Baseball Park Capital Improvement Fund rental payments received	141,641	118,888
Proceeds from ISCBA close-out agreement	1,535,000	-
Net cash provided by (used in) capital and related financing	(1,975,306)	5,576,290
Cash Flows From Investing Activities		
Purchase of investment securities	(20,964,591)	(62,665,598)
Proceeds from sales and maturities of investment securities	20,966,341	9,000,000
Interest received on investment securities and cash equivalents	675,153	408,076
Disbursement of loan to Pacers Basketball, LLC	-	(5,000,000)
Net cash provided by (used in) investing activities	676,903	(58,257,522)
Net Increase (Decrease) in Cash and Cash Equivalents	26,572,888	(21,056,773)
Cash and Cash Equivalents, Beginning of Year	135,594,404	156,651,177
Cash and Cash Equivalents, End of Year	$ 162,167,292	$ 135,594,404

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, 2014 and 2013

	2014	2013
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	$ 19,801	$ 328,419
Additions to capital assets due to Lucas Oil Stadium and Indiana Convention Center Expansion projects	218,207	944,513
Capital contributions	-	1,088,209
Increase in capital lease obligation	218,207	944,513
Amortization of deferred gains and loss on lease refinancings	1,271,241	1,319,946
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (59,718,829)	$ (50,094,462)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	40,550,478	40,528,314
Change in assets and liabilities		
Accounts receivable	93,289	4,350,191
Inventories	-	15,000
Prepaid expenses	(145,155)	(13,334)
Accounts payable	4,930,608	(269,184)
Unearned revenue	26,690	(22,513)
Accrued expenses and withholdings	(438,163)	(9,591)
Funds held for others - box office	3,515,568	1,605,468
Rental deposits	315,163	(295,624)
Net cash used in operating activities	$ (10,870,351)	$ (4,205,735)

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Measurement Focus and Basis of Accounting and Financial Reporting

The CIB is a business-type activity that prepares its financial statements on the accrual basis and economic resources measurement focus in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, the CIB considers all highly liquid investments (including those that are held with fiscal agent and/or are restricted) with an original maturity of three months or less when purchased to be cash equivalents.

Inventories

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

Receivable From State of Indiana

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

	2014	2013
State and local taxes	$ 27,449,323	$ 26,008,920
Specialty license plate fees	349,300	355,200
	$ 27,798,623	$ 26,364,120

Capital Assets

Purchased capital assets are stated at cost. Donated capital assets are stated at estimated fair value at the date of donation. Depreciation is charged as an expense of operations using the straight-line method. The CIB uses a capitalization threshold of $20,000 for recording individual capital assets. Estimated useful lives used to compute depreciation are as follows:

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

The CIB capitalized interest as a component of construction in progress, based on interest costs of borrowings specifically for the project. There was no interest capitalized during 2014 or 2013.

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. The CIB has recorded a current liability of $390,454 and $365,626 for accrued vacation and related benefits at December 31, 2014 and 2013, respectively, as these benefits are expected to be used within one year. No accrual for employees' sick pay or personal time is recorded since employees are not paid for unused sick leave or personal time upon termination of employment.

Original Issue Discounts and Premiums

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

Revenue and Expense Recognition

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

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

Restricted Assets

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

Annual Budget

The CIB makes operating and capital expenditures only as provided in its approved budget. The CIB is required by law to adopt an operating and capital budget, which in total cannot be increased by the CIB without the approval of the City-County Council. While the CIB also budgets for certain debt service costs, payment of these costs does not require City-County Council approval. The CIB prepares its annual budget on the modified accrual basis, while the accompanying financial statements are on the accrual basis.

New Pronouncement

In 2015, the CIB will implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The CIB will be required to recognize its proportionate share of the collective net pension liability to the Indiana Public Employees' Retirement Fund (PERF). The CIB will also be required to recognize a new measure of pension expense, which will be different from the actuarially determined contributions (annual required contributions) for the plan. Note disclosures and required supplementary information will be based on the new measures.

Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on the change in net position.

Note 2: Cash, Cash Equivalents and Investments

Deposits

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

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

Investments

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

The maturity ranges and credit ratings for the CIB's investment securities at December 31, 2014 and 2013 follow:

		2014		
	Ratings	Total	Less Than 1 Year	1 - 2 Years
U.S. Government-sponsored enterprise securities				
Federal National Mortgage Association	AA+/Aaa	$ 6,420,830	$ 6,420,830	$ -
Federal Home Loan Bank	AA+/Aaa	6,936,968	3,482,286	3,454,682
Federal Home Loan Bank	AA+/NR	3,450,127	-	3,450,127
Total U.S. Government-sponsored enterprise securities		16,807,925	9,903,116	6,904,809
U.S. Treasury notes	AA+/Aaa	36,280,978	22,224,736	14,056,242
Open-end money market mutual funds	AAA/Aaa	83,185,850	83,185,850	-
		$ 136,274,753	$ 115,313,702	$ 20,961,051

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

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

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

Custodial Credit Risk **-** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CIB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The CIB's open-end money market mutual funds are not subject to custodial credit risk at December 31, 2014 and 2013, as their existence is not evidenced by securities that exist in physical or book entry form. The CIB's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

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

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

Summary of Carrying Values

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

	2014	2013
Carrying value		
Deposits	$ 78,981,442	$ 62,769,874
Investments	136,274,753	126,242,755
	$ 215,256,195	$ 189,012,629
Cash and cash equivalents		
Current - unrestricted	$ 84,567,450	$ 66,193,840
Current - restricted	77,599,842	69,400,564
Total cash and cash equivalents	162,167,292	135,594,404
Investment securities		
Current - unrestricted	53,088,903	53,418,225
Total investment securities	53,088,903	53,418,225
	$ 215,256,195	$ 189,012,629

Investment Income

Investment income for the years ended December 31, 2014 and 2013 consisted of:

	2014	2013
Interest and dividend income	$ 327,490	$ 274,569

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

	2014	2013
Operating reserve - rental deposits	$ 2,084,003	$ 1,768,839
Bond fund	6,810,424	6,823,750
Renewal and replacement	5,000,000	5,000,000
Stadium and convention center sublease accounts	46,398,205	41,445,813
Stadium and convention center sublease reserve account	8,584,492	9,206,462
Box office	8,101,853	4,586,285
Baseball capital improvement fund	620,865	569,415
	$ 77,599,842	$ 69,400,564

Note 3: Capital Assets

A summary of changes to capital assets for the years ended December 31, 2014 and 2013 follows:

	2014			
	Beginning Balance, January 1, 2014	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2014
Capital assets, not being depreciated:				
Land and land improvements	$ 131,608,147	$ -	$ -	$ 131,608,147
Construction in progress	-	1,280,702	-	1,280,702
Total capital assets, not being depreciated	131,608,147	1,280,702	-	132,888,849
Capital assets, being depreciated:				
Buildings and improvements	1,302,399,526	613,879	-	1,303,013,405
Land improvements	6,127,550	-	-	6,127,550
Equipment, furniture and fixtures and other	110,131,896	1,013,820	(37,342)	111,108,374
Total capital assets, being depreciated	1,418,658,972	1,627,699	(37,342)	1,420,249,329
Less accumulated depreciation for:				
Buildings and improvements	(253,475,889)	(32,845,415)	-	(286,321,304)
Land improvements	(4,144,581)	(249,633)	-	(4,394,214)
Equipment, furniture and fixtures and other	(63,416,877)	(7,455,430)	37,342	(70,834,965)
Total accumulated depreciation	(321,037,347)	(40,550,478)	37,342	(361,550,483)
Total capital assets, being depreciated, net	1,097,621,625	(38,922,779)	-	1,058,698,846
Capital assets, net	$ 1,229,229,772	$ (37,642,077)	$ -	$ 1,191,587,695

	2013			
	Beginning Balance, January 1, 2013	Transfers and Additions	Transfers and Disposals	Ending Balance, December 31, 2013
Capital assets, not being depreciated:				
Land and land improvements	$ 131,608,147	$ -	$ -	$ 131,608,147
Total capital assets, not being depreciated	131,608,147	-	-	131,608,147
Capital assets, being depreciated:				
Buildings and improvements	1,304,725,804	4,256,922	(6,583,200)	1,302,399,526
Land improvements	6,127,550	-	-	6,127,550
Equipment, furniture and fixtures and other	109,745,954	385,942	-	110,131,896
Total capital assets, being depreciated	1,420,599,308	4,642,864	(6,583,200)	1,418,658,972
Less accumulated depreciation for:				
Buildings and improvements	(222,820,529)	(32,828,823)	2,173,463	(253,475,889)
Land improvements	(3,894,948)	(249,633)	-	(4,144,581)
Equipment, furniture and fixtures and other	(55,967,019)	(7,449,858)	-	(63,416,877)
Total accumulated depreciation	(282,682,496)	(40,528,314)	2,173,463	(321,037,347)
Total capital assets, being depreciated, net	1,137,916,812	(35,885,450)	(4,409,737)	1,097,621,625
Capital assets, net	$ 1,269,524,959	$ (35,885,450)	$ (4,409,737)	$ 1,229,229,772

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

Note 4: Capital Leases Payable

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

The IFA issued approximately $666,500,000 in Lease Appropriation Bonds (Series 2005A, 2007A and 2008A) for purposes of financing the costs of constructing Lucas Oil Stadium (“LOS”) and approximately $329,200,000 in Lease Appropriation Bonds (Series 2008A, 2009A and 2009B) in relation to expanding the Indiana Convention Center (the “ICC Expansion”). The IFA loaned the resulting bond proceeds to the Indiana Stadium and Convention Building Authority (“ISCBA”), which was created for the purposes of acquiring, constructing, equipping, owning, leasing and financing facilities for lease to, or for the benefit of, a capital improvement board.

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

The ISCBA leases the LOS and ICC Expansion through December 31, 2040 under separate Lease Agreements ("Stadium Lease Agreement" and "Convention Center Lease Agreement") to the Indiana Office of Management and Budget ("IOMB"). The IOMB, in turn, subleases LOS and the ICC Expansion under separate Sublease Agreements ("Stadium Sublease Agreement" and "Convention Center Sublease Agreement") to the CIB.

Sublease rentals are payable solely from, and are secured exclusively by a pledge of, the 2005 New Excise Tax Revenues, the 2005 PSDA Revenues and certain fees as later described in these notes, and starting in 2028 (following retirement of the previously outstanding lease and bond obligations of the CIB), certain of the CIB's existing state and local tax assistance revenues. Such amounts are pledged in accordance with an Amended and Restated Stadium and Convention Special Fund Revenue Deposit Agreement between the CIB, IOMB, the ISCBA, the IFA, the Indiana State Budget Director and the Deposit Trustee. Payment by the Deposit Trustee to the Stadium Bond or Convention Center Bond Trustee for the purpose of paying sublease rental payments under the Subleases constitutes lease rentals under the Leases and payment of amounts due under the respective loan agreements.

MCCRFA was created pursuant to IC 36-10-9.1 and is authorized thereunder to acquire one or more capital improvements from the CIB or other local governments, by purchase or lease and to fund or refund indebtedness incurred on account of such capital improvements to enable the respective government to make a savings on its debt service obligations.

Pursuant to its Master Lease Agreement with MCCRFA, the CIB is leasing a portion of the Indiana Convention Center and a baseball facility ("Victory Field") located adjacent thereto. Under a separate Master Lease Agreement II, the CIB is leasing Bankers Life Fieldhouse (a multi-purpose arena) and an adjacent parking garage.

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

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

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

In relation to a 2003 refunding transaction for MCCRFA, the CIB recorded a deferred inflow of resources of $2,445,312 on the restructuring of its Master Lease Agreement with MCCRFA, which was being amortized into income over the period ending in 2021. Due to the aforementioned 2012 refunding, $675,456 of the then unamortized balance of $809,010 of the 2003 deferred inflow of resources was included in the determination of the 2012 deferred outflow of resources on the restructuring of the Master Lease Agreement.

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

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

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

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

Future minimum lease payments at December 31, 2014, together with the present value of the net minimum lease payments, are as follows:

2015	$ 77,577,688
2016	76,510,604
2017	82,558,651
2018	88,483,254
2019	88,484,949
2020 - 2024	441,861,173
2025 - 2029	371,994,226
2030 - 2034	302,371,727
2035 - 2039	187,916,632
	1,717,758,904
Amount representing interest	(620,189,317)
Present value of net minimum lease payments	1,097,569,587
Current portion of capital lease obligations	(28,189,461)
Total long-term portion of capital lease obligations	$ 1,069,380,126

Note 5: Long-Term Debt

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

Junior Subordinate Notes

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

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

During 2014 and 2013, no additional borrowing under such loans occurred. The aggregate balance of these loans at December 31, 2014 and 2013 is $33,759,000. Accrued and unpaid interest on these notes at December 31, 2014 and 2013 amounted to $11,816 and $20,255, respectively.

Series 1999A Bonds

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

Information regarding the Series 1999 Subordinate Bonds at December 31, 2014 and 2013 follows:

	2014	2013
Term bonds, maturing June 1, 2015 to June 1, 2021. Interest at 5.00%, due semiannually on June 1 and December 1	$ 15,260,000	$ 17,000,000
Unamortized discount	(35,782)	(46,729)
Total Series 1999A	$ 15,224,218	$ 16,953,271

Treasurer of State Junior Subordinate Notes

The CIB has entered into a Note Purchase Agreement with the Treasurer of the State of Indiana. On December 15, 2009, the CIB completed an initial State Treasurer Loan and issued a note ("2009 Note") in the amount of $9,000,000, bearing interest at a per annum rate of 5.25 percent with a maturity date of December 15, 2019. The note was reissued in July 2010 with an interest rate of 4.25 percent and again in November 2011 with an interest rate of 3 percent. On December 15, 2010, the CIB completed a second State Treasurer Loan and issued a note ("2010 Note") in the amount of $9,000,000, bearing interest at 3.46 percent with a maturity date of December 15, 2020. This note was reissued in November 2011 with an interest rate of 3 percent. Interest payments on both the 2009 and 2010 Notes were to commence June 1, 2013; however, interest was prepaid in the amount of $1,707,183 in December 2012. Interest payments are required to be made annually thereafter on each June 1 for the 2009 Note and December 1 for the 2010 Note.

The debt service requirements to maturity for long-term debt of the CIB (excluding capital lease obligations) are as follows at December 31, 2014:

	Principal	Interest	Total
2015	$ 1,825,000	$ 1,277,630	$ 3,102,630
2016	1,915,000	1,184,130	3,099,130
2017	35,769,000	1,106,260	36,875,260
2018	2,115,000	962,625	3,077,625
2019	11,220,000	999,750	12,219,750
2020 - 2021	14,175,000	552,125	14,727,125
	$ 67,019,000	$ 6,082,520	$ 73,101,520

Note 6: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2014 and 2013:

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	17,000,000	-	(1,740,000)	15,260,000	1,825,000
Treasurer of State Junior Subordinate Notes, Series 2009A	9,000,000	-	-	9,000,000	-
Treasurer of State Junior Subordinate Notes, Series 2010A	9,000,000	-	-	9,000,000	-
Capital leases	1,123,051,172	228,990	(25,710,575)	1,097,569,587	28,189,461
(Discount)/premium	(46,729)	-	10,947	(35,782)	-
Grant payable	-	5,000,000	(500,000)	4,500,000	500,000
	$ 1,191,763,443	$ 5,228,990	$ (27,939,628)	$ 1,169,052,805	$ 30,514,461

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Current Portion
Long-term obligations					
Junior Subordinate Notes	$ 33,759,000	$ -	$ -	$ 33,759,000	$ -
Excise Taxes Revenue Subordinate Bonds, Series 1999A	18,655,000	-	(1,655,000)	17,000,000	1,740,000
Treasurer of State Junior Subordinate Notes, Series 2009A	9,000,000	-	-	9,000,000	-
Treasurer of State Junior Subordinate Notes, Series 2010A	9,000,000	-	-	9,000,000	-
Capital leases	1,143,268,830	944,513	(21,162,171)	1,123,051,172	26,207,098
(Discount)/premium	(58,924)	-	12,195	(46,729)	-
	$ 1,213,623,906	$ 944,513	$ (22,804,976)	$ 1,191,763,443	$ 27,947,098

Note 7: State and Local Taxes and Other Assistance

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

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

Marion County Innkeeper's Tax

Since 1997, a 6 percent 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 percent 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 percent (the "2005 Marion County Innkeeper's Tax") and again in 2009 (effective September 1, 2009) by an additional 1 percent (the "2009 Marion County Innkeeper's Tax").

Marion County Food and Beverage Tax

Since 1981, a 1 percent 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 percent (the "2005 Marion County Food and Beverage Tax").

Marion County Admissions Tax

Since 1997, a 5 percent Marion County Admissions Tax (the "Original Marion County Admissions Tax") has been imposed on each person who pays a price of admission to certain events held in a facility financed in whole or in part by bonds or notes issued under IC 18-4-17 (before its repeal), IC 36-10-9 or IC 36-10-9.1. As stated in IC 6-9-13, the tax equals 5 percent 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 percent (the "2005 Marion County Admissions Tax"), and again in 2013 (effective March 1, 2013) by an additional 4 percent (the "2013 Marion County Admissions Tax").

Marion County Supplemental Auto Rental Excise Tax

Since 1997, a 2 percent 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 percent 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 percent (the "2005 Marion County Supplemental Auto Rental Excise Tax"). Additionally, it was increased in 2013 (effective March 1, 2013) by an additional 2 percent (the "2013 Marion County Supplemental Auto Rental Excise Tax").

Regional County Food and Beverage Tax

In 2005, a 1 percent 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 percent, 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 percent Regional County Food and Beverage Tax up to annual maximum of $5 million.

Indiana Cigarette Tax

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

Original Excise Tax Revenues

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

2005 New Tax Revenues

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

Professional Sports Development Area Revenues

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

In 1997, the Commission adopted a resolution establishing the Marion County PSDA and the State Budget Agency approved such resolution. All Covered Taxes generated within the designated area are to be deposited into the PSDA Fund (the "Original PSDA Revenues"); provided, however, that the total amount of state revenue (i.e., Indiana Gross Retail Tax, Indiana Use Tax and Indiana Adjusted Gross Income Tax) captured by the PSDA may not exceed $5,000,000 per year for 20 consecutive years (the "State PSDA Cap"). The Original PSDA Revenues are distributed to the CIB to be used to pay obligations relating to Bankers Life Fieldhouse.

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

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

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

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

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

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

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

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

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

In 2009, the Commission adopted a resolution expanding the Marion County PSDA and the State Budget Agency approved such resolution. The Commission resolution designates certain hotel, motel, or multi-brand complex of hotels and motels with significant meeting space that are located in the 2009 Tax Area Addition. By this designation and effective July 1, 2009, all Covered Taxes (except for Marion County Food and Beverage Taxes) generated from such hotel and motel facilities in the 2009 Tax Area Addition (the “2009 PSDA Revenues”) are captured and distributed to the CIB to be used to pay operating expenses of the CIB facilities; provided, however, that the total amount of state revenue (i.e., Indiana Gross Retail Tax, Indiana Use Tax and Indiana Adjusted Gross Income Tax) captured by the PSDA expansion may not exceed $8,000,000 per year. The 2009 Tax Area Addition designation expires January 1, 2041.

The expanded PSDA currently includes: (1) Bankers Life Fieldhouse, (2) the Indiana Convention Center & Lucas Oil Stadium, (3) Victory Field, (4) the Indianapolis Colts Practice Facility and (5) the area in Indianapolis bounded on the east by Illinois Street, on the south by Maryland Street, and on the west and north by Washington Street, as those streets were located on June 1, 2009 (the “2009 Tax Area Addition”).

2009 New Tax Revenues

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

2013 New Tax Revenues

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

In connection with a Public Safety Support Agreement dated March 1, 2013, between the CIB and the Consolidated City of Indianapolis-Marion County, the CIB paid to the Consolidated City of Indianapolis-Marion County 100 percent of the revenue from these increases for the first twelve months the increases were in effect. Thereafter, the CIB is to pay to the Consolidated City of Indianapolis-Marion County 25 percent of the revenue from these increases, but not to exceed $3,000,000 annually. The term of the Public Safety Support Agreement extends to February 28, 2017 and thereafter automatically renews for additional four-year periods until terminated.

Specialty License Plate Fees

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

Interlocal Agreement

In 2010, an Interlocal Cooperation Agreement was established pursuant to which the Metropolitan Development Commission of Marion County, Indiana, acting in its capacity as the Redevelopment Commission of the City of Indianapolis, Indiana (the "Redevelopment Commission"), provides $8,000,000 of funding annually to the CIB to further their mutual purposes, including to better assure the CIB's funding sources for Visit Indy, Inc. Visit Indy, Inc. is an important body through which the convention and visitor industry and the commercial, industrial and cultural interests of Indianapolis and its citizens are promoted and publicized, including the CIB's capital improvements. The CIB received $8,000,000 of funding in 2014 and 2013. The agreement renews annually and assumes the same terms and level of funding, subject to certain factors, including, the availability of funds, and unless either party gives a six-month termination notice prior to the end of the annual cycle.

Summary of State and Local Taxes and Other Assistance

State and local taxes and other assistance received or accrued by the CIB in 2014 and 2013 include the following components:

	2014	2013
Marion County food and beverage (1%)	$ 22,197,299	$ 21,003,275
Innkeeper’s tax (5%)	24,442,590	22,146,073
Innkeeper’s tax (1%)	4,888,518	4,429,215
Auto rental excise tax (2%)	2,329,548	2,143,664
Admissions tax (5%)	6,466,187	6,893,128
Cigarette tax	350,000	350,000
PSDA tax allocation	7,711,600	7,456,830
Total Original Excise Taxes and Original PSDA Revenues	68,385,742	64,422,185
Marion County food and beverage (1%)	22,197,287	21,003,275
Regional food and beverage (1%)	5,404,418	5,208,134
Innkeeper’s tax (3%)	14,665,554	13,287,644
Auto rental excise tax (2%)	2,329,548	2,143,664
Admissions tax (1%)	1,293,237	1,365,402
PSDA tax allocation	8,692,067	9,622,556
Total 2005 New Tax Revenues and 2005 PSDA Revenues	54,582,111	52,630,675
Innkeeper’s tax (1%)	4,888,518	4,429,215
PSDA tax allocation	8,162,404	8,196,782
Total 2009 New Tax Revenues and 2009 PSDA Revenues	13,050,922	12,625,997
Auto rental excise tax (2%)	2,329,548	1,817,460
Admissions tax (4%)	5,172,949	2,688,901
Total 2013 New Tax Revenues	7,502,497	4,506,361
Specialty License Plate Fees	704,820	736,440
Interlocal Agreement funding	8,000,000	8,000,000
Total state and local taxes and other assistance	$ 152,226,092	$ 142,921,658

Total lease rental and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2014 and 2013 amounted to $79,952,235 and $75,640,361 respectively.

Note 8: Agreements With Pacers Basketball, LLC

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

The Financial Agreement provided for targeted profitability for the Pacers. If this target was not reached, the CIB was required to reimburse the Pacers for certain operating expenses. In addition, the Pacers remained obligated, upon early termination of the Financial Agreement, to repay the CIB for advances made through 1999 for utility and maintenance costs of the CIB's previous arena facility, Market Square Arena. At the conclusion of each NBA Season during the initial twenty-year term of the Financial Agreement, 5 percent of such cumulative advances were to be forgiven.

In 2012 and 2010, the CIB, MCCRFA and the Pacers entered into amendments to the Operating Agreement which provided various amendatory and additional covenants. Under these amendments, the CIB agreed to provide three $40,000,000 noninterest-bearing operating loans to the Pacers. The loans were subject to certain approval, repayment and forgiveness provisions. The CIB's note receivable balance from the Pacers at December 31, 2014 and 2013 was $40,000,000 and $40,000,000, respectively. The amendments also required the CIB to make capital improvements to Bankers Life Fieldhouse of up to $3,500,000.

During 2014, the CIB signed an Amended and Restated Operating Agreement with MCCRFA, Pacers Basketball, LLC and certain entities related to Pacers Basketball, LLC. This agreement supersedes the original Operating and Financial Agreements and related amendments. The initial term of the Amended and Restated Operating Agreement expires in 2024, with the Pacers possessing a unilateral option to extend the agreement for one year. The Amended and Restated Operating Agreement provides generally that the Pacers may terminate the agreement under certain circumstances as follows: (i) CIB's failure to obtain, prior to any fiscal year, approval of an annual budget or other appropriation sufficient to satisfy its obligations under the Amended and Restated Operating Agreement, including its obligation to pay certain operating expense reimbursements (approximately $7,100,000 in year one), pay certain operating expense items (approximately $3,700,000 in year one), pay the video/sound system license fee (approximately $800,000 in year one), fund its obligations with respect to scheduled capital repairs and replacements (aggregating $7,000,000) and fund its obligations with respect to refresh improvements (aggregating $26,500,000); (ii) CIB's failure to pay (after receiving a final appropriation therefor) any operating expense reimbursements, operating expense items or video/sound system license for which it is responsible or the amount of any final non-appealable judgment rendered against the CIB under the Amended and Restated Operating Agreement; (iii) certain circumstances involving eminent domain, damage or destruction of the Fieldhouse; (iv) breach of the Pacers right to exclusively possess and operate the Fieldhouse; (v) default under the Fieldhouse lease related to the MCCRFA bonds that result in termination of such lease or possession by MCCRFA; (vi) CIB's failure to honor any indemnity obligation under the Amended and Restated Operating Agreement or Parking Agreement and such obligation is found by a court to be unenforceable; (vii) CIB's or MCCRFA's failure to fulfill any material obligation under the Amended and Restated Operating Agreement or the related Parking Agreement and such obligation is found by a court to be unenforceable; (viii) certain circumstances following the death of Herbert Simon under which certain Pacers loans are called or matured, the Pacers are unable to obtain replacement financing on a non-recourse basis (with the assistance of the CIB if it so chooses) and the CIB does not successfully execute its right of first offer; (ix) certain circumstances under which the NBA ceases to exist and the Pacers do not join a successor or replacement professional basketball league.

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

The Amended and Restated Operating Agreement also provides for scheduled forgiveness of previous operating loans and advances to the Pacers. At December 31, 2014 and 2013, the outstanding note receivable balance was $40,000,000 and $40,000,000, respectively, and the unamortized balance of advances aggregated $7,966,693 and $9,125,486, respectively.

Note 9: Lease Agreement With the Indianapolis Colts

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

Contractual Undertaking

During 2007, the Colts undertook a $34,000,000 loan through the NFL's G-3 program and a $66,000,000 loan through a series of transactions involving fixed rate bonds, with a par amount of $74,050,000, issued by the City of Indianapolis (the "City's Colts Loan") and the Bond Bank to finance its commitment. To secure the Bond Bank's bonds issued as part of the City's Colts Loan, the CIB entered into a Contractual Undertaking ("Undertaking"), secured by a subordinate pledge on certain Original Excise Tax Revenues and the Indiana Cigarette Tax Revenues of the CIB, which would require payments to the Bond Bank by the CIB if the Colts fail to timely repay the City's Colts Loan. The Colts are obligated to pay the City's Colts Loan with interest such that no payments are anticipated on such Undertaking by the CIB. The Undertaking remains in effect until all of the associated Bond Bank bonds, the term of which extend through 2035, have been paid in full. The CIB's obligation with regard to this Undertaking is not subject to acceleration, except as therein provided, and is treated as debt of the CIB with regard to its legal debt limit. The CIB is subrogated to the rights of the Bond Bank and the City if it is required to make any payments in connection with this Undertaking. There is no right of set-off for amounts the CIB pays to the Colts under the Colts Lease Agreement, if the Colts do not make a loan payment. However, if the CIB fails to pay amounts due under the Colts Lease Agreement, the Colts may offset such amounts against its required loan payments. The total amount subject to the Undertaking at December 31, 2014 is approximately $69,045,000.

Note 10: Baseball Facility

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

Under the Ground Lease and a related agreement, the CIB agreed to provide for the construction of the baseball facility and to sublease the facility to the Indianapolis Indians, Inc., a minor league baseball franchise. 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, 2014 are as follows:

	Fixed Rentals	Additional Rentals	Total
2015	$ 500,000	$ 50,000	$ 550,000

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

Note 11: Hudnut Commons (formerly, Capitol Commons)

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

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

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

Note 12: Risk Management

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

Note 13: Pension Plan

Plan Description

The CIB contributes to the Indiana Public Employees' Retirement Fund ("PERF"), established in accordance with IC 5-10.3 to act as a common investment and administrative agent for units of state and local governments in Indiana. PERF is administered by the Indiana Public Retirement System ("INPRS") and is governed by the INPRS Board of Trustees ("INPRS Board"). PERF provides retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Substantially all of the CIB's full-time employees are covered by PERF.

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the Public Employees' ASA Only Plan ("PERF ASA Only Plan"). However, the PERF ASA Only Plan, which became effective March 1, 2013, only applies to newly hired full-time employees of the State of Indiana who may elect to participate in either the PERF Hybrid Plan or the PERF ASA Only Plan.

There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined-benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Annuity Savings Account ("ASA") that supplements the defined-benefit at retirement.

Prior to July 1, 2013, PERF operated as an agent multiple-employer defined-benefit pension plan. Effective July 1, 2013, PERF became a cost-sharing, multi-employer defined-benefit pension plan. This means the pension obligations to the employees of all participating employers have been pooled and pension plan assets can be used to pay the benefits of the employees of any participating employer. This change did not affect the contribution rate for the CIB.

Funding Policy

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

The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For 2014, the CIB contributed 11.20 percent of employee compensation to the plan. The ASA consists of the employee contribution, which is set by statute at 3 percent of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee’s account. The employer may choose to make the contributions on behalf of its participating employees, which the CIB has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10 percent of their compensation into their ASA. An employee's contribution and interest credits belong to the employee and do not belong to the state or the CIB.

Retirement Benefits

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the employee’s ASA. Retirement benefits vest after ten years of creditable service. The vesting period is eight years for certain elected officials. At retirement, an employee may choose to receive a lump-sum payment of the amount credited to the employee’s ASA, receive the amount as an annuity or leave the contributions invested with INPRS.

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

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

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

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

Disability and Survivor Benefits

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

Upon the death in service of an employee with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the employee had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the employee had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of an employee who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

The authority to establish or amend benefit provisions of PERF rests with the Indiana General Assembly.

Contributions Required and Contributions Made

The CIB's required contributions to PERF for the years ended December 31, 2014, 2013 and 2012 were $1,240,976 (11.20 percent of employee compensation), $973,580 (9.75 percent of employee compensation) and $975,205 (8.25 percent of employee compensation), respectively. The CIB's actual contributions made were equal to the actuarially required contributions for these calendar years.

At December 31, 2013, the CIB had recorded a net pension obligation to PERF of $423,298 that was based upon a June 30, 2013 actuarial valuation for the plan. The CIB has estimated its net pension obligation to be zero as of December 31, 2014 in response to the move by PERF to a cost-sharing, multi-employer plan structure, effective July 1, 2013, and in anticipation of recognizing its proportionate share of the collective net pension liability to PERF in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* that will be effective for the CIB for the year ending December 31, 2015.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan and can be found at http://www.inprs.in.gov/. This report may also be obtained by writing to: Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, Indiana, 46204, or by calling 888-526-1687.

Note 14: Commitments and Contingencies

Visit Indy, Inc.

In return for its assistance in attracting users to the Indiana Convention Center & Lucas Oil Stadium, the CIB has agreed to compensate Visit Indy, Inc. ("Visit Indy") monthly in the form of a base amount. The base fee paid to Visit Indy was $752,500 per month in 2013 and 2014. The CIB contributed an additional $3,000,000 to Visit Indy in December 2012, portions of which were to be credited against the base compensation or refunded to the CIB in 2013 or 2014, respectively, if certain eligibility requirements were not met by Visit Indy. This contribution was recorded as an asset at December 31, 2012. Of this amount, $1,500,000 was recorded as contribution expense in 2013 and $1,500,000 was recorded as contribution expense in 2014, since all eligibility requirements were satisfied by Visit Indy.

In December 2014, a new funding agreement was executed with Visit Indy for 2015 and 2016. The CIB contributed $3,500,000 to Visit Indy in December 2014, portions of which may be credited against the base compensation or refunded to the CIB in 2015 or 2016, respectively, if certain eligibility requirements are not met. The CIB agreed to compensate Visit Indy a base fee of $791,666 per month in 2015. In 2016, the base fee will equal the 2015 base fee plus an increase equivalent to the percentage increase in CIB tax revenues.

Department of Metropolitan Development

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

Indiana Sports Corporation

During 2014, the CIB approved a multi-year grant to the Indiana Sports Corporation to assist with the ongoing repairs and maintenance of the Indiana University Natatorium on the campus of Indiana University-Purdue University at Indianapolis. The grant amounts to $500,000 annually for a term of 10 years, beginning in 2014.

Litigation

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

Other Supplementary Information

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis of Marion County)
Balance Sheet Information
December 31, 2014

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Unrestricted			
Cash and cash equivalents	$ 61,697,053	$ 2,026,664	$ 63,723,717
Cash equivalents held with fiscal agent	-	20,843,733	20,843,733
Investments	53,088,903	-	53,088,903
Interest receivable	52,876	-	52,876
Accounts receivable	2,882,732	3,750	2,886,482
Inventories	38,946	-	38,946
Current portion of note receivable	6,000,000	-	6,000,000
Prepaid expenses and other	4,139,321	-	4,139,321
Total unrestricted assets	127,899,831	22,874,147	150,773,978
Restricted Assets			
Cash and cash equivalents	15,806,721	-	15,806,721
Cash equivalents held with fiscal agent	-	61,793,121	61,793,121
Interest receivable	40,820	151	40,971
Receivable from State of Indiana	4,360,904	23,437,719	27,798,623
Total restricted assets	20,208,445	85,230,991	105,439,436
Total current assets	148,108,276	108,105,138	256,213,414
Noncurrent Assets			
Note receivable	34,000,000	-	34,000,000
Nondepreciable capital assets	132,888,849	-	132,888,849
Depreciable capital assets, net	1,058,698,846	-	1,058,698,846
Total noncurrent assets	1,225,587,695	-	1,225,587,695
Total assets	1,373,695,971	108,105,138	1,481,801,109
Deferred Outflows of Resources			
Deferred loss on capital lease refinancing	-	628,585	628,585
Total assets and deferred outflows of resources	$ 1,373,695,971	$ 108,733,723	$ 1,482,429,694
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 9,584,305	$ -	$ 9,584,305
Unearned revenue	267,973	-	267,973
Accrued expenses and withholdings	709,588	-	709,588
Current portion of grants payable to Indiana Sports Corporation	500,000	-	500,000
Accrued interest payable	-	191,816	191,816
Total current liabilities payable from unrestricted assets	11,061,866	191,816	11,253,682
Payable From Restricted Assets			
Funds held for others - box office	8,101,853	-	8,101,853
Rental deposits	2,084,003	-	2,084,003
Unearned revenue	1,000,000	-	1,000,000
Accrued interest payable	-	1,076,201	1,076,201
Current portion of long-term debt	-	30,014,461	30,014,461
Total current liabilities payable from restricted assets	11,185,856	31,090,662	42,276,518
Total current liabilities	22,247,722	31,282,478	53,530,200
Noncurrent Liabilities			
Grants payable to Indiana Sports Corporation	4,000,000	-	4,000,000
Bonds and notes payable	-	65,158,218	65,158,218
Capital lease payable	-	1,069,380,126	1,069,380,126
Total noncurrent liabilities	4,000,000	1,134,538,344	1,138,538,344
Total liabilities	26,247,722	1,165,820,822	1,192,068,544
Deferred Inflows of Resources			
Deferred gains on capital lease refinancings	-	10,105,208	10,105,208
Total liabilities and deferred inflows of resources	26,247,722	1,175,926,030	1,202,173,752
Net Position			
Net investment in capital assets	1,191,587,695	(1,122,270,428)	69,317,267
Restricted	9,022,589	84,154,790	93,177,379
Unrestricted	146,837,965	(29,076,669)	117,761,296
Total net position	1,347,448,249	(1,067,192,307)	280,255,942
Total liabilities, deferred inflows of resources and net position	$ 1,373,695,971	$ 108,733,723	$ 1,482,429,694

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Analysis of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2014

	Capital Improvement Fund	Capital Improvement Bond Fund	Total
Operating Revenues			
Rental income	$ 9,900,660	$ -	$ 9,900,660
Food service and concession commissions	5,386,550	-	5,386,550
Parking lot income	856,771	-	856,771
Labor reimbursements	13,037,347	-	13,037,347
Other operating income	1,244,052	-	1,244,052
	30,425,380	-	30,425,380
Operating Expenses			
Salaries and wages	15,677,705	-	15,677,705
Fringe benefits	3,528,519	-	3,528,519
Utilities	8,873,546	-	8,873,546
Repairs and maintenance	6,154,353	-	6,154,353
Insurance	1,852,980	-	1,852,980
Security	3,121,731	-	3,121,731
Nondepreciable equipment, parts and supplies	3,583,666	-	3,583,666
Other	6,801,231	-	6,801,231
Depreciation and amortization	40,550,478	-	40,550,478
	90,144,209	-	90,144,209
Operating Loss	(59,718,829)	-	(59,718,829)
Nonoperating Revenues (Expenses)			
Investment income	308,237	19,253	327,490
State and local taxes and other assistance	28,553,419	123,672,673	152,226,092
Interest expense	-	(51,838,276)	(51,838,276)
Compensation to Visit Indy, Inc.	(10,708,000)	-	(10,708,000)
Bankers Life Fieldhouse operating reimbursements	(7,921,022)	-	(7,921,022)
Inducements/revenue sharing to Indianapolis Colts	(3,500,362)	-	(3,500,362)
Indianapolis Colts’ Day-of-Game expenses	(1,800,000)	-	(1,800,000)
Grants to other organizations	(5,450,000)	-	(5,450,000)
Public safety support payments	(5,230,144)	-	(5,230,144)
Gain (loss) on sale/disposal of capital assets	15,453	-	15,453
Other	141,641	-	141,641
	(5,590,778)	71,853,650	66,262,872
Increase (Decrease) in Net Position Before Capital Contributions	(65,309,607)	71,853,650	6,544,043
Capital Contributions	535,000	-	535,000
Increase (Decrease) in Net Position	(64,774,607)	71,853,650	7,079,043
Net Position, Beginning of Year	1,380,642,339	(1,107,465,440)	273,176,899
Transfers from bond fund	31,580,517	(31,580,517)	-
Net Position, End of Year	$ 1,347,448,249	$ (1,067,192,307)	$ 280,255,942

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, 2014 and 2013

	2014	2013
Salaries and Wages		
Administration	$ 969,160	$ 987,236
Office	2,226,058	2,006,763
Supervision	1,212,202	1,162,849
Mechanical	3,882,417	3,686,005
Service	1,701,240	1,588,340
Temporary	5,686,628	5,608,553
	$ 15,677,705	$ 15,039,746
Fringe Benefits		
Social security taxes	$ 963,778	$ 944,514
Public employees' retirement fund	787,650	973,580
Employees' insurance	1,180,854	1,171,424
State unemployment taxes	63,891	109,825
Workers' compensation	181,161	208,153
Other	351,185	367,732
	$ 3,528,519	$ 3,775,228
Utilities		
Electricity	$ 4,174,720	$ 2,242,697
Steam	1,972,936	848,057
Chilled water	1,992,635	1,989,893
Water and sewer	632,345	286,800
Gas	100,910	45,879
	$ 8,873,546	$ 5,413,326
Repairs and Maintenance		
Control systems maintenance contract	$ 98,536	$ 85,946
Elevator and escalator maintenance contract	231,780	225,030
Computer maintenance contracts	231,779	175,463
Major repairs	4,679,352	3,275,318
Grounds maintenance	441,599	304,304
Fire extinguisher system	74,265	92,894
Sprinkler system	3,491	3,892
Trash removal	66,495	71,756
Communication repairs	67,146	122,380
LOS maintenance contracts	259,910	208,380
	$ 6,154,353	$ 4,565,363

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, 2014 and 2013

	2014	2013
Insurance		
Fire and extended coverage	$ 929,810	$ 922,462
Public liability	836,336	401,104
Fidelity bond	86,834	75,993
	$ 1,852,980	$ 1,399,559
Security		
Security staff	$ 3,121,731	$ 2,611,043
Nondepreciable Equipment, Parts and Supplies	$ 3,583,666	$ 3,713,366
Other		
Advertising and promotion	$ 430,103	$ 326,275
Telephone	66,131	61,908
Legal fees	1,466,302	1,065,303
Accounting and audit fees	110,053	76,648
Consulting fees	908,412	325,987
Architects and engineers	99,577	168,006
Equipment rental	515,343	476,459
Postage	9,021	10,203
Travel	10,004	12,831
Dues and subscriptions	10,838	7,831
Bad debts	1,187	1,172
Suite cable service	26,199	6,891
Medical services - Indianapolis Colts games	55,063	54,272
Parking	209,862	215,424
Set-up/installation and dismantling fees	2,646,392	2,390,204
Miscellaneous	236,744	211,808
	$ 6,801,231	$ 5,411,222

Statistical Section
(Unaudited)

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

Contents | **Pages**

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

Table I

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

	2005 [1]	2006	2007	2008
Net investment in capital assets	$ (13,784,985)	$ 2,835,109	$ 23,170,426	$ 147,019,581
Restricted	39,885,681	45,478,777	52,270,165	56,831,449
Unrestricted	66,826,463	54,066,813	35,442,304	(6,523,360)
Total net position	$ 92,927,159	$ 102,380,699	$ 110,882,895	$ 197,327,670

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

2009	2010	2011	2012	2013	2014
$ 134,281,780	$ 118,659,477	$ 116,153,760	$ 95,592,243	$ 78,477,465	$ 69,317,267
69,703,922	66,208,915	77,675,379	80,315,975	88,318,223	93,177,379
3,985,965	24,487,590	45,821,793	80,300,385	106,381,211	117,761,296
$ 207,971,667	$ 209,355,982	$ 239,650,932	$ 256,208,603	$ 273,176,899	$ 280,255,942

Table II

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

	2005	2006	2007	2008
Operating revenues				
Rental income	$ 5,839,044	$ 5,688,825	$ 6,354,696	$ 6,326,285
Food service and concession commissions	5,570,544	6,145,493	6,675,775	3,677,833
Parking lot income	359,422	417,013	411,846	664,680
Labor reimbursements	6,236,543	5,118,373	6,033,689	8,557,650
Advertising income	1,220,620	1,165,194	1,300,477	-
Other	1,653,322	982,432	1,047,026	603,098
Total operating revenues	20,879,495	19,517,330	21,823,509	19,829,546
Nonoperating revenues				
Investment income	1,982,455	3,747,243	4,270,088	2,106,780
State and local taxes and other assistance	65,295,285	93,512,062	98,782,093	106,867,838
Gain (loss) on sale/disposal of capital assets	40,419,560	15,318	(28,588)	17,598
Other	1,623,547	4,586,582	1,206,312	319,170
Total nonoperating revenues	109,320,847	101,861,205	104,229,905	109,311,386
Total Revenues	130,200,342	121,378,535	126,053,414	129,140,932
Operating expenses				
Salaries, wages and fringe benefits	14,696,686	13,563,112	13,849,005	16,544,495
Utilities	3,966,307	4,016,331	4,259,820	5,278,056
Repairs, maintenance, equipment, parts and supplies	2,448,289	2,115,986	1,918,641	1,948,935
Insurance	1,233,739	1,088,082	1,107,108	1,281,698
Security	1,099,567	1,372,344	1,173,598	3,216,882
Other	4,887,005	4,316,574	5,394,458	6,202,122
Depreciation and amortization	29,529,972	29,551,039	29,844,812	38,023,853
Total operating expenses	57,861,565	56,023,468	57,547,442	72,496,041
Nonoperating expenses				
Interest expense	21,137,501	20,711,441	20,197,976	19,353,144
Bankers Life Fieldhouse operating reimbursements	-	-	-	-
Compensation to Visit Indy, Inc.	6,726,445	7,052,924	7,736,800	7,970,491
Payments to Indianapolis Colts	5,838,335	5,993,335	10,539,932	7,795,422
Grants to other organizations	5,882,975	3,601,582	2,986,823	3,479,845
Public safety support payments	-	-	-	-
Other	5,717,528	18,542,245	18,542,245	34,913,245
Total nonoperating expenses	45,302,784	55,901,527	60,003,776	73,512,147
Total Expenses	103,164,349	111,924,995	117,551,218	146,008,188
Capital Contributions	-	-	-	103,312,031
Increase in Net Position	$ 27,035,993	$ 9,453,540	$ 8,502,196	$ 86,444,775

2009	2010	2011	2012	2013	2014
$ 6,791,593	$ 6,313,472	$ 9,059,609	$ 8,550,211	$ 10,416,132	$ 9,900,660
4,532,348	3,070,691	4,751,669	3,970,814	7,100,477	5,386,550
1,313,711	1,498,870	1,008,637	1,430,227	1,209,008	856,771
7,892,040	7,780,220	11,052,122	14,088,686	13,057,670	13,037,347
-	-	-	-	-	-
746,845	413,886	1,486,114	1,056,423	579,418	1,244,052
21,276,537	19,077,139	27,358,151	29,096,361	32,362,705	30,425,380
407,443	207,154	240,385	336,931	274,569	327,490
101,434,649	120,583,069	128,797,124	138,776,422	142,921,658	152,226,092
-	11,028	(1,059,636)	(127,086)	(1,411,290)	15,453
72,774	80,746	88,709	102,990	221,136	141,641
101,914,866	120,881,997	128,066,582	139,089,257	142,006,073	152,710,676
123,191,403	139,959,136	155,424,733	168,185,618	174,368,778	183,136,056
14,530,703	13,224,267	15,996,726	19,021,245	18,814,974	19,206,224
5,441,608	5,414,506	5,427,906	5,398,935	5,413,326	8,873,546
1,357,256	5,244,483	7,445,010	8,249,662	8,278,729	9,738,019
1,255,953	1,116,622	1,246,862	1,515,684	1,399,559	1,852,980
2,784,096	3,310,355	2,799,552	2,629,337	2,611,043	3,121,731
4,253,411	4,619,506	6,209,407	9,325,541	5,411,222	6,801,231
35,795,575	32,531,535	36,402,218	40,413,230	40,528,314	40,550,478
65,418,602	65,461,274	75,527,681	86,553,634	82,457,167	90,144,209
34,129,715	48,649,587	48,878,681	50,981,983	52,017,898	51,838,276
-	-	-	-	-	7,921,022
7,780,503	9,191,660	9,035,902	9,105,000	10,605,000	10,708,000
5,313,734	4,940,000	5,260,000	5,200,000	5,200,000	5,300,362
526,947	-	705,894	450,000	488,501	5,450,000
-	-	-	-	7,720,125	5,230,144
-	-	-	-	-	-
47,750,899	62,781,247	63,880,477	65,736,983	76,031,524	86,447,804
113,169,501	128,242,521	139,408,158	152,290,617	158,488,691	176,592,013
622,095	6,892,503	14,278,375	812,137	1,088,209	535,000
$ 10,643,997	$ 18,609,118	$ 30,294,950	$ 16,707,138	$ 16,968,296	$ 7,079,043

Table III

Capital Improvement Board of Managers
Event Statistics
Last Ten Fiscal Years

	2005	2006	2007	2008
Number of Events				
Entertainment	9	10	8	12
Trade Shows	17	20	21	22
Local, Business and Social	179	185	238	308
State Convention Business	71	71	64	83
National Convention Business	28	38	34	42
Competition	34	40	45	47
Total Number of Events	338	364	410	514
Event Days				
Entertainment	9	12	8	15
Trade Shows	48	50	48	54
Local, Business and Social	251	237	348	401
State Convention Business	132	139	118	139
National Convention Business	95	131	113	130
Competition	52	54	66	78
Total Event Days	587	623	701	817
Attendance				
Entertainment	59,404	47,548	49,380	127,078
Trade Shows	110,343	141,118	117,177	102,289
Local, Business and Social	137,768	122,689	204,449	248,436
State Convention Business	83,912	87,482	92,685	85,516
National Convention Business	353,930	298,994	293,984	317,815
Competition	918,434	905,908	936,939	1,044,627
Total Attendance	1,663,791	1,603,739	1,694,614	1,925,761

Source: Sales Office - Capital Improvement Board of Managers.

2009	2010	2011	2012	2013	2014
12	10	5	6	2	4
18	15	19	19	13	18
163	174	148	130	130	140
72	79	84	74	71	79
69	43	83	85	115	106
67	62	101	97	78	86
401	383	440	411	409	433
17	15	7	8	2	6
45	39	47	66	37	44
192	206	175	163	145	164
126	137	129	118	128	129
182	123	216	270	304	290
103	92	155	149	108	119
665	612	729	774	724	752
155,346	93,344	11,886	52,709	7,420	22,066
85,449	160,239	168,136	652,201	209,611	246,567
83,716	77,008	71,640	57,067	133,327	125,578
126,368	85,331	66,408	69,687	74,510	100,844
333,576	303,882	468,324	413,477	509,242	635,701
1,080,090	1,103,387	1,222,636	1,196,333	1,188,153	1,267,171
1,864,545	1,823,191	2,009,030	2,441,474	2,122,263	2,397,927

Table IV

Capital Improvement Board of Managers
Largest Customers
Current Year

	December 31, 2014							
	Rental Income		Labor Reimbursements		Food Service Commissions		Total	
	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total	$ Amount	% of Total
Customer 1	$ 553,463	5.89%	$ 760,125	5.83%	$ 97,604	1.81%	$ 1,411,192	5.07%
Customer 2	250,000	2.66%	950,045	7.29%	-	0.00%	1,200,045	4.31%
Customer 3	475,749	5.06%	548,261	4.21%	107,005	1.99%	1,131,015	4.07%
Customer 4	154,282	1.64%	719,509	5.52%	204,362	3.79%	1,078,153	3.88%
Customer 5	224,348	2.39%	483,685	3.71%	132,278	2.46%	840,311	3.02%
Customer 6	233,568	2.48%	297,562	2.28%	293,688	5.45%	824,818	2.97%
Customer 7	210,384	2.24%	107,535	0.82%	226,697	4.21%	544,616	1.96%
Customer 8	156,437	1.67%	208,094	1.60%	170,298	3.16%	534,829	1.92%
Customer 9	42,493	0.45%	173,243	1.33%	211,244	3.92%	426,980	1.53%
Customer 10	160,090	1.70%	12,045	0.09%	234,762	4.36%	406,897	1.46%
Subtotal	2,460,814	26.18%	4,260,104	32.68%	1,677,938	31.15%	8,398,856	30.19%
Balance from other customers	6,939,846	73.82%	8,777,243	67.32%	3,708,612	68.85%	19,425,701	69.81%
	$ 9,400,660	100.00%	$ 13,037,347	100.00%	$ 5,386,550	100.00%	$ 27,824,557	100.00%

Note: Information for 2005 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Base Rent (Per Net Square Foot [1]):										
One to Four Open Days	$ 0.75	$ 0.75	$ 0.75	$ 0.80	$ 0.85	$ 0.90	$ 0.95	$ 0.98	$ 1.01	$ 1.04
Five to Seven Open Days	0.80	0.80	0.80	0.85	0.90	0.95	1.00	1.03	1.11	1.14
After Seven Days - ICC	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.05	1.16	1.19
After Seven Days - LOS	-	-	-	0.97	1.02	1.07	1.07	1.15	1.16	1.19

[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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.06	$ 0.06
RCA Dome	0.13	0.13	0.13	-	-	-	-	-	-	-
Sagamore Ballrooms	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.17	0.17
Wabash Ballrooms	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.17	0.17
500 Ballroom / Reception Room	0.11	0.11	0.11	0.11	0.11	0.11	0.13	0.13	0.13	0.13
White River Ballroom	0.10	0.10	0.10	-	-	-	-	-	-	-
Meeting Rooms [1]	0.13	0.13	0.13	0.12	0.12	0.12	0.16	0.16	0.17	0.17
Non-Convention Meetings										
Base Rent (Per Gross Square Footage):										
Halls	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.07	$ 0.08	$ 0.08
RCA Dome	0.16	0.16	0.16	-	-	-	-	-	-	-
Sagamore Ballrooms	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.19	0.19
Wabash Ballrooms	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.19	0.19
500 Ballroom / Reception Room	0.12	0.12	0.12	0.12	0.12	0.12	0.14	0.14	0.15	0.15
White River Ballroom	0.11	0.11	0.11	-	-	-	-	-	-	-
Meeting Rooms [1]	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.17	0.17
Lucas Oil Stadium										
Base Rent (Per Gross Square Footage):										
Stadium	$ -	$ -	$ -	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.27
Halls	-	-	-	0.05	0.05	0.05	0.05	0.05	0.05	0.06
Meeting Rooms	-	-	-	0.16	0.27	0.27	0.27	0.27	0.27	0.31
Party Plazas	-	-	-	0.38	0.18	0.18	0.18	0.18	0.18	0.18
Club Lounges	-	-	-	0.34	0.06	0.06	0.06	0.06	0.06	0.14

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

Source: Sales Office - Capital Improvement Board of Managers.

Table VII

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Position:										
Carpenters [2]	$ 30.41	$ 31.16	$ 31.76	$ 32.99	$ 32.99	$ 33.47	$ 34.44	$ 35.12	$ 35.46	$ 36.33
Painters [2]	28.47	29.16	29.72	30.87	30.87	31.32	32.23	32.86	33.18	33.98
Electricians [2]	33.11	33.92	34.59	35.93	35.93	36.45	37.52	38.25	38.62	40.84
Stagehands (House) [2]	30.72	31.48	32.10	33.38	34.52	35.54	36.55	37.20	37.57	38.51
Stagehands (Call In) [2]	30.72	31.48	32.10	33.38	34.52	35.54	36.55	37.20	37.57	38.51
Welders and Pipefitters [1]	31.42	32.14	33.35	34.94	35.99	35.99	38.53	39.29	39.69	39.69
Housekeeping [1]	19.43	20.00	20.50	20.90	21.53	21.53	21.53	21.96	21.96	22.82
Set-up [1]	19.43	20.00	20.50	20.90	21.53	21.53	21.53	21.96	21.96	22.82
Change-Over Labor [2]	25.00	26.00	26.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Riggers [2]	42.53	43.54	44.35	46.12	47.62	48.98	50.50	51.26	51.76	53.05
Rent-A-Buddy [2]	20.00	20.00	20.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Ticket Sellers [2]	18.03	18.03	18.03	18.57	18.57	18.57	18.57	19.13	19.13	19.13
Assistant Treasurer/Treasurer [2]	20.53	21.15	21.78	22.43	22.43	22.43	22.43	23.10	23.10	23.10
Fire Marshalls [1]	17.50	17.50	17.50	17.50	17.50	17.56	17.50	17.50	17.50	17.50
Telecommunications	-	-	-	-	28.03	28.44	29.26	29.84	30.12	30.85
Part-Time Teamsters [1]:										
Expo Workers	21.09	-	-	-	-	-	-	-	-	-
Housekeeping	12.71	12.96	13.15	13.35	13.75	13.75	13.75	13.89	13.89	14.21
Set-Up	12.71	12.96	13.15	13.35	13.75	13.75	13.75	13.89	13.89	14.21
Installation and Dismantling	24.50	-	-	-	-	-	-	-	-	-
Installation and Dismantling (Advance Rate)	-	24.50	25.35	26.00	26.65	26.65	27.05	27.50	27.50	28.30
Installation and Dismantling (Show Rate)	-	29.50	30.50	31.25	32.00	32.00	32.50	33.00	33.00	34.00

[1] - Hourly rates currently change July 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
2005	$ 16,140,782	$ 15,545,727	$ 4,842,235	$ 728,309	$ 5,570,544
2006	17,172,381	16,237,885	5,151,714	993,779	6,145,493
2007	18,672,495	17,729,488	5,601,749	1,074,026	6,675,775
2008	13,925,935	11,355,237	1,647,517	2,059,350	3,706,867
2009	13,060,511	8,605,225	-	4,532,348	4,532,348
2010	12,792,675	9,721,984	-	3,070,691	3,070,691
2011	15,122,275	10,370,606	-	4,751,669	4,751,669
2012	14,474,034	10,503,220	-	3,970,814	3,970,814
2013	22,374,396	15,273,919	-	7,100,477	7,100,477
2014	20,451,249	15,064,699	-	5,386,550	5,386,550

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

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

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

Table IX

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

								Indianapolis-Carmel MSA [4]	
Fiscal Year	Junior Subordinate Notes [1]	Subordinate Revenue Bonds [1, 3]	Due to State [2]	Capital Lease Obligations	Other	Total	Per Event Attendee	Per Capita	% of Personal Income
2005	$ 24,636,416	$ 34,670,567	$ 70,808,932	$ 365,131,054	$ -	$ 495,246,969	$ 298	$ 301	0.83%
2006	27,144,492	31,463,466	248,557,010	356,456,643	-	663,621,611	414	397	1.03%
2007	33,759,000	28,058,319	474,121,857	347,064,809	-	883,003,985	521	520	1.33%
2008	33,759,000	24,450,944	66,946,403	931,455,268	16,371,000	1,072,982,615	557	624	1.56%
2009	33,759,000	23,087,579	185,038,966	926,049,285	9,000,000	1,176,934,830	631	675	1.76%
2010	33,759,000	21,658,178	265,535,629	900,730,275	18,000,000	1,239,683,082	680	706	1.80%
2011	33,759,000	20,162,694	-	1,152,047,761	18,000,000	1,223,969,455	609	688	1.67%
2012	33,759,000	18,596,076	-	1,143,268,830	18,000,000	1,213,623,906	497	675	1.57%
2013	33,759,000	16,953,271	-	1,123,051,172	18,000,000	1,191,763,443	562	654	1.51%
2014	33,759,000	15,224,218	-	1,097,569,587	18,000,000	1,164,552,805	486	n/a	n/a

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

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

[3] - Amounts are net of discounts and premiums.

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

n/a = Information is not available.

Table X

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

	2005 [1]	2006	2007	2008
Innkeeper's Tax (5%)	$ 17,176,553	$ 19,164,522	$ 19,716,399	$ 19,345,115
Innkeeper's Tax (1%)	3,435,311	3,832,904	3,943,280	3,869,023
Food and Beverage Tax (1%)	16,959,958	18,649,983	18,499,125	18,302,507
Admissions Tax (5%)	5,434,476	5,015,698	5,689,486	5,572,962
Auto Rental Excise Tax (2%)	1,850,410	2,066,784	2,163,710	2,137,402
Cigarette Tax	350,000	350,000	350,000	350,000
PSDA Allocation	5,257,272	7,351,193	6,562,676	7,273,513
Total Original Excise Taxes and Original PSDA Revenues	50,463,980	56,431,084	56,924,676	56,850,522
Innkeeper's Tax (3%)	4,577,005	11,046,858	11,829,839	11,607,069
Food and Beverage Tax (1%)	7,389,454	18,044,932	18,499,124	18,302,508
Admissions Tax (1%)	457,580	1,003,140	1,137,897	1,114,592
Auto Rental Excise Tax (2%)	846,239	2,065,332	2,163,710	2,137,402
PSDA Allocation [2]	-	-	2,413,605	10,839,606
Regional Food and Beverage Tax (.5%)	1,561,027	4,673,376	5,024,380	5,108,824
Total 2005 New Tax Revenues and 2005 PSDA Revenues	14,831,305	36,833,638	41,068,555	49,110,001
Innkeeper's Tax (1%) [3]	-	-	-	-
PSDA Allocation [3]	-	-	-	-
Total 2009 New Tax Revenues and 2009 PSDA Revenues	-	-	-	-
Auto rental excise tax (2%) [4]	-	-	-	-
Admissions tax (4%) [4]	-	-	-	-
Total 2013 New Tax Revenues	-	-	-	-
Specialty License Plate Fees	-	247,340	788,862	907,315
Interlocal Agreement Funding	-	-	-	-
Total State and Local Taxes and Other Assistance	$ 65,295,285	$ 93,512,062	$ 98,782,093	$ 106,867,838

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

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

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

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

2009	2010	2011	2012	2013	2014
$ 16,586,647	$ 16,897,910	$ 20,058,708	$ 22,594,512	$ 22,146,073	$ 24,442,590
3,317,330	3,379,581	4,011,742	4,518,902	4,429,215	4,888,518
17,245,791	18,114,074	19,456,828	21,363,190	21,003,275	22,197,299
6,045,410	6,196,366	4,944,580	6,537,019	6,893,128	6,466,187
1,890,765	2,000,674	2,051,253	2,349,515	2,143,664	2,329,548
350,000	350,000	350,000	350,000	350,000	350,000
8,150,302	11,053,696	7,691,826	7,212,774	7,456,830	7,711,600
53,586,245	57,992,301	58,564,937	64,925,912	64,422,185	68,385,742
9,951,988	10,138,743	12,035,225	13,556,707	13,287,644	14,665,554
17,245,791	18,114,075	19,456,828	21,363,190	21,003,275	22,197,287
1,209,082	1,239,273	988,916	1,307,404	1,365,402	1,293,237
1,890,765	2,000,674	2,051,253	2,349,515	2,143,664	2,329,548
7,202,432	6,020,354	7,444,361	8,544,320	9,622,556	8,692,067
5,086,286	4,952,111	5,387,617	5,193,634	5,208,134	5,404,418
42,586,344	42,465,230	47,364,200	52,314,770	52,630,675	54,582,111
843,325	3,379,581	4,011,742	4,518,902	4,429,215	4,888,518
3,582,035	7,844,077	9,959,285	8,270,978	8,196,782	8,162,404
4,425,360	11,223,658	13,971,027	12,789,880	12,625,997	13,050,922
-	-	-	-	1,817,460	2,329,548
-	-	-	-	2,688,901	5,172,949
-	-	-	-	4,506,361	7,502,497
836,700	901,880	896,960	745,860	736,440	704,820
-	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
$ 101,434,649	$ 120,583,069	$ 128,797,124	$ 138,776,422	$ 142,921,658	$ 152,226,092

Table XI

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

	2005	2006	2007	2008
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	$ 17,176,553	$ 19,164,522	$ 19,716,399	$ 19,345,115
Innkeeper's Tax (1%)	3,435,311	3,832,904	3,943,280	3,869,023
Food and Beverage Tax (1%)	16,959,958	18,649,983	18,499,125	18,302,507
Admissions Tax (5%)	5,434,476	5,015,698	5,689,486	5,572,962
Auto Rental Excise Tax (2%)	1,850,410	2,066,784	2,163,710	2,137,402
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	45,206,708	49,079,891	50,362,000	49,577,009
Disbursements - Senior Lease Rental Obligations [1]				
1995 Lease	(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)
1997 Lease	(1,046,000)	(1,046,000)	(1,046,000)	(1,046,000)
2001 Lease	(4,624,000)	(4,846,705)	(4,845,706)	(4,844,281)
2003 Lease	(5,293,750)	(6,271,000)	(6,272,000)	(6,273,250)
2011 Leases	-	-	-	-
2012 Lease	-	-	-	-
Total Disbursements - Senior Lease Rental Obligations	(11,969,750)	(13,169,705)	(13,169,706)	(13,169,531)
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	33,236,958	35,910,186	37,192,294	36,407,478
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt				
PSDA Allocation	5,257,272	7,351,193	6,562,676	7,273,513
Disbursements - Subordinate Lease Rental Obligations and Other Debt [1]				
1997 Lease	(13,416,500)	(13,675,000)	(13,934,000)	(14,213,000)
1999 Subordinate Bonds/Notes	(4,766,763)	(4,827,638)	(4,877,763)	(4,922,013)
2011 Lease	-	-	-	-
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	(18,183,263)	(18,502,638)	(18,811,763)	(19,135,013)
Excess Available for CIB Operations	$ 20,310,967	$ 24,758,741	$ 24,943,207	$ 24,545,978
Coverage Ratio - Senior Obligations	3.78	3.73	3.82	3.76
Coverage Ratios - Senior and Subordinate Obligations	1.67	1.78	1.78	1.76

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

Note: The 2005 New Tax Revenues, 2009 Innkeeper's Tax, 2009 PSDA Revenues, and 2013 New Tax Revenues are not included in this schedule since they are not pledged to secure these Obligations.

2009	2010	2011	2012	2013	2014
$ 16,586,647	$ 16,897,910	$ 20,058,708	$ 22,594,512	$ 22,146,073	$ 24,442,590
3,317,330	3,379,581	4,011,742	4,518,902	4,429,215	4,888,518
17,245,791	18,114,074	19,456,828	21,363,190	21,003,275	22,197,299
6,045,410	6,196,366	4,944,580	6,537,019	6,893,128	6,466,187
1,890,765	2,000,674	2,051,253	2,349,515	2,143,664	2,329,548
350,000	350,000	350,000	350,000	350,000	350,000
45,435,943	46,938,605	50,873,111	57,713,138	56,965,355	60,674,142
(1,997,800)	(1,006,000)	(1,006,000)	(1,006,000)	(1,006,000)	(408,867)
(1,046,000)	(1,046,000)	(523,000)	-	-	-
(4,844,740)	(4,846,490)	(2,424,023)	-	-	-
(6,273,000)	(6,271,250)	(6,271,750)	(4,281,805)	(2,134,413)	-
-	-	(1,399,679)	(4,225,282)	(5,827,617)	(5,844,389)
-	-	-	(500,219)	(3,192,081)	(5,780,226)
(14,161,540)	(13,169,740)	(11,624,452)	(10,013,306)	(12,160,111)	(12,033,482)
31,274,403	33,768,865	39,248,659	47,699,832	44,805,244	48,640,660
8,150,302	11,053,696	7,691,826	7,212,774	7,456,830	7,711,600
(14,502,500)	(14,775,500)	(7,453,000)	-	-	-
(2,555,338)	(2,555,872)	(2,185,556)	(991,400)	(2,540,400)	(2,543,900)
-	-	(2,989,100)	(9,098,125)	(13,561,925)	(14,903,975)
(17,057,838)	(17,331,372)	(12,627,656)	(10,089,525)	(16,102,325)	(17,447,875)
$ 22,366,867	$ 27,491,189	$ 34,312,829	$ 44,823,081	$ 36,159,749	$ 38,904,385
3.21	3.56	4.38	5.76	4.68	5.04
1.72	1.90	2.41	3.23	2.28	2.32

Table XI, continued

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

	2009	2010	2011	2012	2013	2014
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations						
Innkeeper's Tax (3%)	$ 9,951,988	$ 10,138,743	$ 12,035,225	$ 13,556,707	$ 13,287,644	$ 14,665,554
Marion County Food and Beverage Tax (1%)	17,245,791	18,114,075	19,456,828	21,363,190	21,003,275	22,197,287
Regional Food and Beverage Tax (.5%)	5,086,286	4,952,111	5,387,617	5,193,634	5,208,134	5,404,418
Admissions Tax (1%)	1,209,082	1,239,273	988,916	1,307,404	1,365,402	1,293,237
Auto Rental Excise Tax (2%)	1,890,765	2,000,674	2,051,253	2,349,515	2,143,664	2,329,548
PSDA Tax Allocation	7,202,432	6,020,354	7,444,361	8,544,320	9,622,556	8,692,067
Colts License Plate Fees	836,700	901,880	896,960	745,860	736,440	704,820
	43,423,044	43,367,110	48,261,160	53,060,630	53,367,115	55,286,931
Disbursements - Sublease Rental Obligations [2]						
Stadium Sublease Agreement	(20,000,000)	(41,000,000)	(39,077,337)	(35,827,338)	(34,565,458)	(34,852,287)
Convention Center Sublease Agreement	-	-	(4,501,609)	(9,588,640)	(12,792,212)	(15,606,775)
	(20,000,000)	(41,000,000)	(43,578,946)	(45,415,978)	(47,357,670)	(50,459,062)
2005 New Tax Revenues in Excess of Sublease Rental Obligations [1]	$ 23,423,044	$ 2,367,110	$ 4,682,214	$ 7,644,652	$ 6,009,445	$ 4,827,869
Coverage Ratio - Sublease Rental Obligations	2.17	1.06	1.11	1.17	1.13	1.10

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

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

Note: The Original Excise Tax Revenues, 2009 Innkeeper's Tax, 2009 PSDA Revenues, and 2013 New Tax Revenues are not included in this schedule since they are not pledged to secure these Sublease Rental Obligations.

Table XII

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

	Indianapolis-Carmel MSA [1]			
Year	**Population**	**Personal Income (in millions)**	**Per Capita Personal Income**	**Annual Average Unemployment Rate**
2005	1,645,027	60,018	36,485	4.9%
2006	1,671,898	64,679	38,686	4.4%
2007	1,697,656	66,396	39,110	3.9%
2008	1,720,796	68,804	39,984	6.7%
2009	1,743,658	66,989	38,419	8.4%
2010	1,756,241	68,888	39,225	8.4%
2011	1,778,568	73,298	41,212	8.2%
2012	1,798,634	77,492	43,084	7.9%
2013	1,823,479	78,929	43,285	5.8%
2014	n/a	n/a	n/a	5.3%

[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

	2014	
Employer Name	**Employees**	**% of Total**
St. Vincent Health	17,398	1.82%
IU Health	11,810	1.23%
Eli Lilly and Company	10,735	1.12%
Community Health	10,402	1.09%
Wal-Mart	8,830	0.92%
Marsh Supermarkets	8,000	0.84%
Kroger	7,840	0.82%
Fed-Ex Express	6,000	0.63%
Roche Diagnostics	4,600	0.48%
Rolls-Royce	4,300	0.45%
Anthem/Wellpoint	4,200	0.44%
Franciscan St. Francis Health	4,100	0.43%
AT&T	4,000	0.42%
	102,215	10.69%

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

Note: Information for 2005 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Position:										
Carpenters	3	3	3	4	4	4	4	8	4	5
Electricians	24	21	17	20	16	13	15	20	17	17
Grounds	3	3	3	5	5	5	5	5	5	6
Housekeeping	82	67	62	64	51	40	37	33	29	30
Pipefitters	13	12	12	15	14	14	14	14	13	15
Painters	3	3	3	3	3	3	3	3	3	4
Sound and lighting	8	8	8	10	23	24	33	31	44	43
Set-up	46	31	25	27	23	15	14	13	13	13
Installation and dismantling	11	7	7	6	5	6	8	10	9	12
Box office	4	3	3	4	4	4	4	6	4	4
Administrative	69	64	69	76	61	65	69	76	79	81
Miscellaneous clerical	5	4	5	7	3	4	6	7	7	5
Telecommunications	-	-	-	2	3	4	6	5	5	6
Fire Marshals	-	-	-	1	-	-	-	-	-	-
Guest services	-	-	-	2	4	4	4	4	5	5
Total Full-Time Equivalent Employees	271	226	217	246	219	205	222	235	237	246

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	2005 Event Occupancy	2005 Total Occupancy	2006 Event Occupancy	2006 Total Occupancy
Exhibit Halls				
Hall A	33.4%	67.9%	33.4%	61.9%
Hall B	33.4%	69.3%	35.3%	65.5%
Hall C	35.6%	70.7%	30.7%	59.5%
Hall D	34.2%	70.4%	29.9%	58.4%
Hall E	32.9%	66.8%	28.5%	55.1%
Hall F	31.5%	64.9%	29.3%	54.8%
Hall G	31.8%	65.2%	27.9%	51.0%
Hall H [3]	-	-	-	-
Hall I [3]	-	-	-	-
Hall J [3]	-	-	-	-
Hall K [3]	-	-	-	-
RCA Dome	18.4%	53.2%	18.9%	43.8%
Ballrooms				
500 Ballroom	35.9%	50.4%	34.2%	48.5%
White River Ballroom	28.8%	43.6%	27.9%	41.6%
Sagamore Ballrooms [2]	39.3%	60.0%	41.2%	56.6%
Wabash Ballrooms [2]	36.7%	56.3%	37.0%	51.6%
Lucas Oil Stadium				
Stadium	-	-	-	-
Exhibit Halls [2]	-	-	-	-
Quarterback Club	-	-	-	-
Lounges [2]	-	-	-	-
Concourse	-	-	-	-
North Terrace	-	-	-	-

Venue	2010 Event Occupancy	2010 Total Occupancy	2011 Event Occupancy	2011 Total Occupancy
Exhibit Halls				
Hall A	29.3%	58.1%	31.2%	65.8%
Hall B	29.0%	58.6%	28.8%	64.1%
Hall C	29.6%	62.2%	26.0%	62.2%
Hall D	31.5%	62.7%	30.7%	66.8%
Hall E	27.9%	60.8%	25.5%	61.4%
Hall F	20.0%	41.9%	23.0%	53.7%
Hall G	14.2%	32.9%	21.1%	51.5%
Hall H [3]	-	-	18.5%	45.7%
Hall I [3]	-	-	19.7%	47.4%
Hall J [3]	-	-	23.4%	52.0%
Hall K [3]	-	-	19.9%	47.7%
RCA Dome	-	-	-	-
Ballrooms				
500 Ballroom	22.7%	42.5%	30.7%	39.7%
White River Ballroom	-	-	-	-
Sagamore Ballrooms [2]	23.7%	45.9%	31.6%	45.2%
Wabash Ballrooms [2]	23.2%	39.6%	39.8%	48.2%
Lucas Oil Stadium				
Stadium	16.2%	36.2%	18.4%	31.8%
Exhibit Halls [2]	14.9%	28.1%	14.1%	26.8%
Quarterback Club	18.9%	22.7%	12.1%	13.9%
Lounges [2]	14.7%	23.9%	13.4%	18.9%
Concourse	18.4%	31.0%	19.2%	28.8%
North Terrace	-	-	-	-

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

[2] - Average for all associated space.

[3] - Halls H, I, J and K opened on 1/20/11 as part of Convention Center expansion

Source: Sales Office - Capital Improvement Board of Managers.

2007		2008		2009	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
30.1%	60.5%	30.3%	66.1%	30.1%	63.1%
31.5%	63.8%	31.4%	66.7%	34.4%	68.9%
31.8%	63.8%	32.2%	68.9%	31.7%	67.5%
29.9%	61.4%	32.8%	67.2%	33.3%	68.3%
29.9%	61.1%	29.2%	64.5%	26.2%	63.1%
31.5%	58.1%	18.9%	41.0%	18.3%	39.1%
25.5%	52.3%	17.8%	39.1%	15.6%	36.9%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20.5%	42.2%	18.1%	44.8%	-	-
36.4%	50.4%	38.3%	50.8%	30.3%	43.7%
29.9%	41.1%	26.7%	34.3%	-	-
38.0%	55.3%	40.6%	56.9%	36.0%	50.2%
34.2%	49.7%	38.6%	52.8%	35.9%	47.9%
-	-	32.2%	54.5%	39.2%	88.1%
-	-	22.0%	36.0%	32.6%	71.3%
-	-	28.0%	28.0%	33.6%	44.8%
-	-	24.5%	35.7%	33.3%	62.2%
-	-	33.6%	46.2%	39.2%	76.2%
-	-	15.4%	26.6%	19.6%	49.7%

2012		2013		2014	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
25.7%	57.7%	26.8%	54.2%	25.5%	52.6%
29.5%	64.8%	27.1%	55.3%	24.1%	50.7%
23.5%	59.6%	26.6%	59.2%	25.2%	54.8%
27.3%	63.7%	28.5%	61.9%	27.1%	58.6%
26.8%	61.2%	26.0%	59.2%	24.4%	56.4%
28.4%	63.7%	27.1%	60.5%	22.7%	50.4%
21.3%	54.4%	22.2%	53.2%	20.3%	47.4%
23.5%	55.5%	27.9%	59.2%	23.8%	53.7%
25.7%	60.1%	27.7%	63.3%	23.3%	53.4%
29.5%	63.4%	28.8%	63.3%	26.0%	58.4%
23.2%	56.6%	28.5%	62.2%	24.7%	57.0%
-	-	-	-	-	-
33.6%	49.7%	35.1%	47.4%	32.6%	43.6%
-	-	-	-	-	-
32.2%	51.0%	35.3%	51.7%	32.6%	47.9%
30.8%	44.6%	36.7%	48.3%	32.1%	43.2%
17.3%	40.3%	19.5%	43.2%	20.4%	41.1%
14.2%	35.7%	14.0%	33.5%	16.0%	32.1%
14.6%	26.1%	11.1%	12.7%	14.4%	17.4%
14.4%	31.1%	10.9%	23.4%	15.4%	29.4%
18.1%	39.5%	16.0%	30.4%	20.1%	37.8%
-	-	-	-	-	-