

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

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



Annual Comprehensive Financial Report
For the Fiscal Years Ended December 31, 2022 and 2021

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Annual Comprehensive Financial Report

Fiscal Years Ended December 31, 2022 and 2021
Capital Improvement Board of Managers
(of Marion County, Indiana) - a Component
Unit of the Consolidated City of Indianapolis -
Marion County
Indianapolis, Indiana

Prepared by:

Finance and Accounting Department

Marci Reddick, President

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Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated
City of Indianapolis-Marion County)
December 31, 2022 and 2021

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Introductory Section

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June 13, 2023

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

We are pleased to present the Annual Comprehensive Financial Report of the Capital Improvement Board of Managers (of Marion County, Indiana) (“CIB”), for the fiscal years ended December 31, 2022 and 2021.

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

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

Profile of the CIB

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

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The CIB is authorized by the statute to finance, construct, equip, operate and maintain any capital facilities or improvements of general public benefit or welfare which would tend to promote convention, cultural, entertainment and recreational activities and thereby positively impact the wider public and civic well-being of the community. While the CIB receives certain excise tax revenue, the CIB has no taxing power. The exercise of any taxing power requires the action of the Indiana General Assembly and, in certain instances when so authorized by the Indiana General Assembly, the enactment by ordinance of the City-County Council. Additionally, certain of these taxes are statutorily restricted to limited purposes. The CIB operates facilities used in convention, cultural, entertainment and recreational activities in downtown Indianapolis. Such activities are maintained, for accounting and reporting purposes, in a single enterprise fund.

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

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

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

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

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

Investments - The CIB established an Investment Policy. All investments must comply with Statutory Requirements, ensure the safety of principal, maintain sufficient liquidity, pursue a due and prudent rate of return and be made with due and appropriate care.

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

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

Budget: - The CIB maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual approved budget.

- (1) The Chief Financial Officer prepares the budget for review and approval by the members of the governing board of the CIB.
- (2) The budget is advertised online at www.budgetnotices.in.gov.
- (3) The CIB's board approves and submits the budget to the City-County Council for its review.
- (4) The Municipal Corporations Committee of the Council holds public hearings on the budget of the CIB and forwards it for approval to the City-County Council.
- (5) The budget of the CIB is reviewed and approved by the City-County Council. The overall adopted budget of the City (of which the CIB's budget is a part), is reviewed and certified by the Indiana Department of Local Government Finance ("DLGF").

CIB Facilities: Among the facilities managed by the CIB are the multi-purpose Indiana Convention Center ("ICC") and Lucas Oil Stadium ("LOS"). The ICC covers a 6 city block area in downtown Indianapolis. The LOS site covers a 6½ city block area just south of the Convention Center. Both facilities are connected allowing combined use opportunities.

Since opening in 1972, the Indiana Convention Center has had four major expansions, with the fourth being completed in January 2011. With this latest expansion, the Indiana Convention Center now contains 566,600 square feet of clear span convention and exhibition space, 71 meeting rooms and 3 ballrooms. The 11 exhibit halls range in size from 36,300 square feet to 88,900 square feet. The Sagamore Ballroom, with 33,335 square feet, can be divided into seven different sections. The 500 Ballroom has 13,536 square feet and an adjoining reception room. The 10,202 square foot Wabash Ballroom features a 24' ceiling and may be divided into three separate sections.

LOS, ranked as the #1 NFL stadium experience for 2018 by *Stadium Journey* magazine, features a retractable roof, offering spectacular views of the Indianapolis skyline. In addition, LOS has an infill playing surface, 7 locker rooms, exhibit space, meeting rooms, operable north window, dual two-level club lounges, 139 suites, retractable sideline seating, house reduction curtains, two large video boards, ribbon boards, spacious concourses, interior and exterior plaza space, 11 indoor docks and 2 vehicle ramps to the event level. LOS is connected to the Convention Center and several hotels and entertainment options by a pedestrian connector. Tradeshows can take advantage of an indoor 30,000 square foot loading dock, retractable seating and operable walls to utilize up to 183,000 contiguous square feet of space. Football games can be played indoors or outdoors using the retractable roof and operable north window. The house reduction curtain system covers the entire Terrace Level seating, reducing capacity from 63,000 to approximately 41,000. Basketball and other mini-stadium events have the option of playing in the round for up to 71,000 fans or in a much smaller configuration with a house reduction curtain system. Concerts may be played indoors or outdoors in full stadium or reduced house configurations. Seating configurations range in size from 15,000 to 71,000.

In addition to managing the Indiana Convention Center & Lucas Oil Stadium, the CIB also shares in the maintenance of Victory Field, Gainbridge Fieldhouse and various parking garages.

Victory Field, home to the Indianapolis Indians AAA baseball team, has been recognized as the "Best Minor League Ballpark in America" by prominent publications such as *Baseball America* and *Sports Illustrated*. It is constructed on a 13-acre site in White River State Park, which is subleased to, and operated by, the Indianapolis Indians franchise. Located on the southwest corner of West and Maryland streets, the ballpark is in close proximity to the Indiana Convention Center & Lucas Oil Stadium. Victory Field seats approximately 14,200 people, which includes an open-air stadium seating area and the very popular grassy berms in the outfield areas, which offer inviting, lawn seating. This grassy area, around the outfield wall, can accommodate up to 2,000 people. The park's main deck of seats wraps from behind home plate to the foul poles in left and right field. When fans enter the ballpark, they can walk down the steps to their seats in a lower seating bowl, or up to their seats in the upper bowl. There are 12,200 seats with backs and arm rests. The ballpark also features many modern-day amenities, such as 28 luxury suites and cup holders at most seats, digital video boards, state-of-the-art sound system and new home plate club.

Gainbridge Fieldhouse (formerly known as Bankers Life Fieldhouse and Conseco Fieldhouse), widely acknowledged as one of the finest sports and civic arenas in the country, is home to the National Basketball Association's Indiana Pacers and the Women's National Basketball Association's Indiana Fever (2012 WNBA Champions). With a basketball-seating capacity of 17,923 that includes 52 suites, a courtside club and two sideline clubs, Lexus Loft with 112 loge seats and 120 theater seats, Gainbridge Fieldhouse occupies approximately 750,000 square feet between Delaware and Pennsylvania Streets at Georgia Street in the warehouse district of downtown Indianapolis. The first retro-styled facility in the NBA, Gainbridge Fieldhouse has four seating levels: Key Bank Suite Level, Main Concourse Level, Krieg DeVault Mezzanine Level and Balcony Level. The concourses on each level evoke memories of a traditional Indiana basketball Fieldhouse, complemented by state-of-the-art amenities. Highlighting the inner bowl of the Fieldhouse are the windows that support the 14-story (140 foot), exposed steel roof. The window theme is continued on both the Pennsylvania and Delaware Street sides of the Entry Pavilion. A true tribute to the game of basketball in Indiana, the sightlines were designed for the best viewing of a basketball game; but also give patrons a great view for the many other events held at the Fieldhouse. From concerts, hockey, high school and college sports to the rodeo and even the World Swimming Championship, the Fieldhouse is also highly acclaimed for both the number and variety of non-basketball events it holds each year. Its many meeting rooms, Salesforce Practice Court and multi-use spaces make the Fieldhouse ideal for the smaller corporate gatherings and ceremonies held daily. Located in the heart of downtown Indianapolis, the Fieldhouse is located within walking distance of Circle Centre Mall, the Indiana Convention Center, Lucas Oil Stadium, Victory Field, the State Capitol Building and the City-County Building. Between 2020-2023 Gainbridge Fieldhouse is under a three year, three phase \$360

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

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 entire March Madness tournament, NCAA® Women's Final Four® Basketball Championships, Big Ten Football Championship, North American Christian Annual Convention, National FFA Organization Convention, Indiana Black Expo, Fire Department Instructors Conference (FDIC), Gen Con "The Best Four Days in Gaming", Performance Racing Industry Show, and VFW Annual National Convention.

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

Current Year (2022) Events

NCAA Annual Convention, JAMfest Super Nationals, Central Zone Invitational, Circle of Stars Gymnastics Invitational, CFP National Championship Game and Fan Central, Indiana Green Expo, Mid America Pool Spa and Outdoor Living, Indiana Home and Garden Show, Culver Franchising Systems, WWETT, NFL Scouting Combine, NTEA Work Truck Week, National Council of Teachers of Mathematics Regional Conference, Supercross, Nike Mideast Qualifier, U.S. Finals Cheerleading Competition, American Coatings Show, Monster Jam, Indiana Comic Convention, Pathway to Health, FDIC, OneAmerica 500 Festival Mini Marathon, Delta Dental 500 Festival 5k Packet Pickup, IUPUI Commencement, Tyler Technologies CONNECT, American Academy of PA's, Graphics Pro Expo, PopCon, Kiwanis International, National Safety Council Midwest Expo, APIC Annual Conference, The Gospel Coalition National Women's Conference, USA Volleyball Girls Jr. National Championship, Premier Showcase, Sigma Gamma Rho Sorority Centennial Convention, Knanaya Catholic Congress of North America, Presbyterian Church Youth Triennium, DCI World Championships, American Trucking Associations National Truck Driving Championships, Do it Best Fall Market, American Society of Plumbing Engineers Biennial Convention, Revive Our Hearts True Woman Conference, Circle City Classic Game, PSMJ Metalcon, Informs Annual Meeting, BOA Regional Competition, National FFA, Gerontological Society of America, Music For All Grand Nationals, Percussive Arts Society International Convention, American Physical Society, IHSAA State Football Championships, International Association of Fairs & Expos, Big Ten Football Championship, Performance Racing Industry Show, Urbana Student Missions Conference, Indianapolis Colts Football

Major Events for 2023

Archery Trade Association, JAMfest Super Nationals, Central Zone Invitational, National ESEA Conference, Circle of Stars, Monster Jam, Indiana Home and Garden Show, WWETT, NTEA Work Truck Show, Supercross, Nike Mideast Qualifier, American Chemical Society, National Rifle Association, IUPUI Commencement, SLEEP Annual Meeting, Church of the Nazarene General Assembly, National Athletic Trainers Association, United Church of Christ Biennial, AHRA Annual Meeting, Gen Con, DCI World Championships, NCSL Legislative Summit, Do it Best Fall Market, American Orthotic & Prosthetic Association, Louisville vs Indiana College Football, United Pentecostal Church General Conference, Structural Building Components Association, The Gospel Coalition National Conference, Railway Interchange, BOA Super Regional Competition, Jack Henry & Associates, Society of Actuaries Annual Meeting, Music For All Grand Nationals, Percussive Arts Society, Performance Racing Industry Show, Indianapolis Colts Football

Major Events for 2024

U.S. Conference of Catholic Bishops, NBA All-Star Weekend Fan Zone, Big Ten Football Championship, Performance Racing Industry Show, National FF Convention & Expo, Indianapolis Colts Football, Gen Con, Monster Jam, Supercross, DCI World Championships, Nike Mideast Qualifier, FDIC International, OneAmerica 500 Festival Mini Marathon, JAMfest Cheer Super Nationals, Indiana ComicCon, Central Zone Invitational, Beyond Monumental, Music for All Bands of America, Southern Baptist Convention, USA Swimming Olympic Swimming Trials, WWETT, NTEA Work Truck Week, National Confectioners Association Sweets and Snacks Expo, Church of God International General Assembly, Do it Best Corp. Fall Market, Indiana Home and Garden Show, American Coatings Show, PopCon, Gospel Coalition- National Womens' Conference, National Football Scouting Combine

Indianapolis as a Destination

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

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

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

Indianapolis is the nation’s 15th largest city. According to the U.S. Census Bureau’s Statistics for 2021, the estimated population of Indianapolis is 882,039 and 2,129,479 for the Indianapolis Metropolitan Area. Indianapolis offers a multitude of cultural, educational, sporting, shopping and dining opportunities to both residents and visitors alike.

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

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

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

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

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

- #1 Convention City in the U.S. – *USA Today*
- World's Greatest Places 2021 – *TIME Magazine*
- Best Places to Go in 2021 - *Condé Nast Traveler*
- Best Places to Travel in 2021 – *Travel + Leisure*
- America's Favorite Places – *Travel + Leisure*
- America's Most Underrated City – *Forbes*
- Airbnb's Top Destinations for 2021 – *USA Today*
- Best Places to View the 2024 Solar Eclipse - *Roadtrippers*
- Best Airport in North America (for 11 consecutive years) – *Airports Council International*

Indianapolis welcomed more than 30.1 million visitors in 2019, providing \$5.8 billion in economic impact, producing \$1.4 billion in tax receipts, and generating 84,600 full-time-equivalent jobs in Central Indiana. While 2020 took a major hit, 2021 results showed positive signs of continued recovery as visitor volume increased 36.5% to 26.9 million, providing \$3.7 billion in tourism spending, producing \$1.1 billion in tax receipts and supporting more than 65,000 full-time equivalent jobs.

According to the Indiana Business Review, the Indianapolis-Carmel-Anderson forecast 2023, the Indianapolis metropolitan area economy expects 2.7% real GDP growth in 2022 and .8% in 2023. In a normal year, real GDP grows between 2.0% and 3.0%. An expected rise in the federal funds rate to 4.5% through the fourth quarter will dampen demand and severely slow growth within the economy. Spending on goods will especially decline and have a disproportionately negative impact on regional economies that rely upon manufacturing. With a forecast of slower growth, unemployment is expected to increase to 4.2% nationally, and 3.0% in Indianapolis during 2023.

The hallmarks of the Indianapolis economy have long been its diversity and steady growth, which is part of the foundation of Indy's strong performance during the past several years. Indianapolis boasts of diverse strengths in the manufacturing, distribution, retail and service sectors while economic diversity keeps Indianapolis on a steady growth track. Additionally, Indiana's real estate availability affords a wide selection of available land, existing office space and industrial parks. Finally, many of the city's accomplishments, such as Victory Field, Gainbridge 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 won the distinction of 'Best Convention City' by *USA TODAY* readers.

Visit Indy, Inc. (Visit Indy), the official "destination marketing organization" for Indianapolis, reports continued growth in convention market share since the completion of the ICCLOS expansion and the opening of the 1,012-room JW Marriott Indianapolis in 2011. In 2022, Visit Indy booked 798,828 future group hotel room-nights (conventions, major meetings, amateur sporting events in partnership with the Indiana Sports Corp., etc.).

Efforts to drive leisure travel to Indianapolis, which generates tax revenue for the CIB through hotel stays, food and beverage purchases, event tickets, car rentals and other spending, helped generate 999,099 Friday/Saturday non-group hotel room-nights in 2022. The 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 influence travel), improvements to the visitor product in competitive cities, improvements to Indianapolis' own visitor product, and adequate resources to successfully promote the city and CIB assets.

Awards and Acknowledgements

Independent Audit: The CIB has an annual audit of its financial statements performed by Katz, Sapper & Miller, LLP, which was contracted by the Indiana State Board of Accounts. The independent auditor's report on the CIB's financial statements is included in the financial section of this report.

Awards: The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the CIB for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the 37th consecutive year that the CIB has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,



Andrew J. Mallon, Executive Director



Marci Reddick, President

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

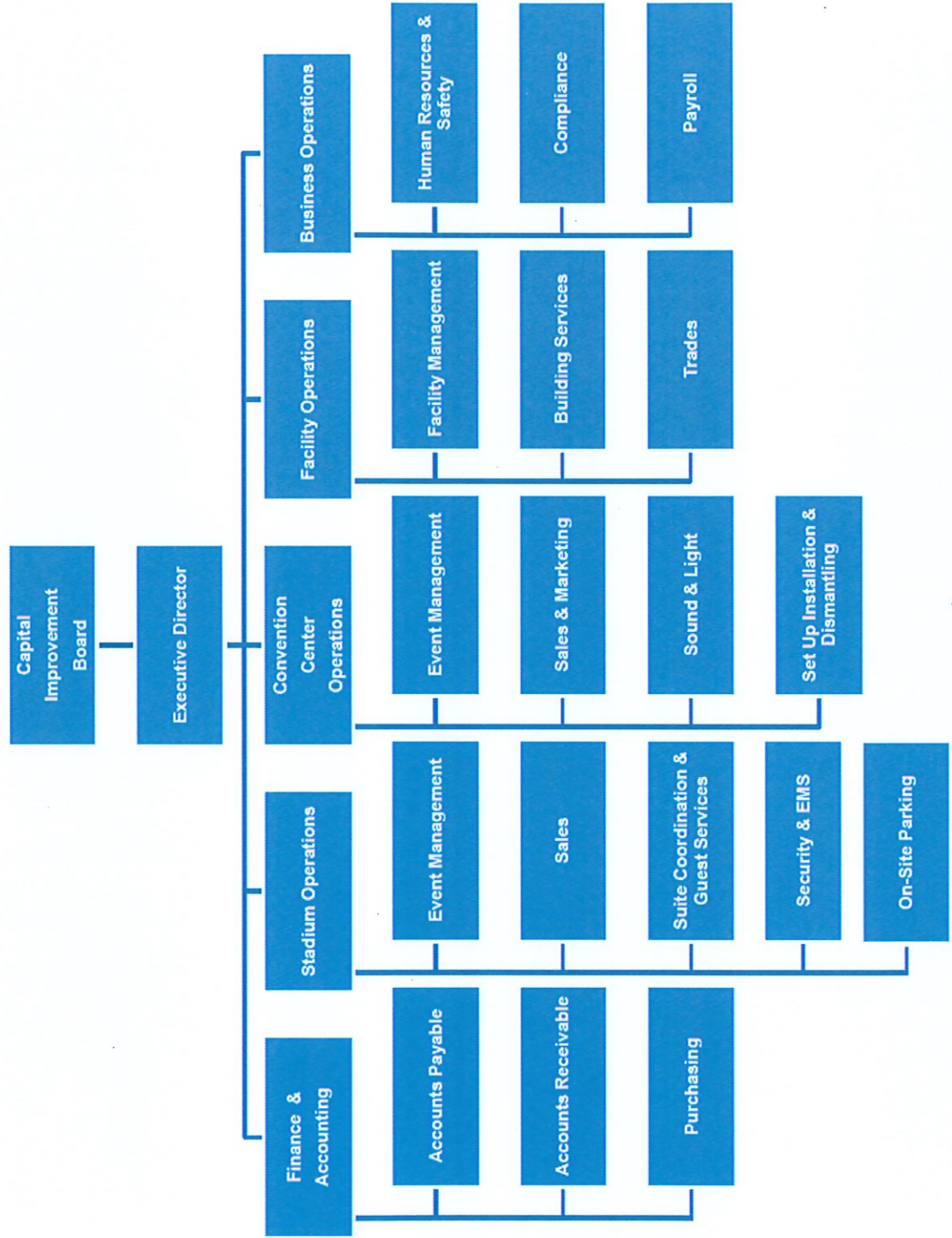
Christopher P. Morrill

Executive Director/CEO

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Capital Improvement Board of Managers of Marion County, Indiana

Organization Table



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

Mayor, City of Indianapolis - The Honorable Joe Hogsett

Board Members (during 2022)

Name	Title	Term Ending	Years of Service	Occupation
Melina Kennedy	President	January 14, 2024	7	Vice President - Product Compliance and Regulatory Affairs at Cummins, Inc.
David E. Corbitt	Vice President	January 14, 2024	7	Partner, Krieg Devault LLP
Michael Terrell	Treasurer	January 14, 2024	7	Partner, Taft Stettinius & Hollister LLP
David Ruhmkorff	Secretary	January 14, 2024	7	International Vice President (Retired), IBEW Sixth District Office
Jim Dora, Jr.	Member	January 14, 2024	13	President & CEO, General Hotels Corporation
Sarah Fisher	Member	January 14, 2023	4	CEO and Owner, SMO Entertainment
Earl Goode	Member	January 14, 2023	4	Chief of Staff, Office of the Governor
Maggie Lewis	Member	January 14, 2024	11	City-County Councilor, District 10
Jaime Bohler Smith	Member	January 14, 2024	1	Executive Director/CEO Visit Hendricks County

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

Administrative Personnel

Name	Position	Years of Service
Andy Mallon	Executive Director	4
Timothy M. Kuehr	Chief Financial Officer	9
Eric Neuburger	Stadium Director	6
Thomas L. Boyle	Director of Operations	28
Kobi M. Wright	Senior Staff Counsel and Business Operations Director	6

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

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**Financial
Section**



Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Capital Improvements Board of Managers of Marion County, Indiana (the CIB), a component unit of the Consolidated City of Indianapolis – Marion County, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the CIB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the CIB as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CIB's basic financial statements. The accompanying 2022 analysis of certain operating expenses is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 analysis of certain operating expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2023 on our consideration of the CIB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CIB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CIB's internal control over financial reporting and compliance.

Katz, Apper & Miller, LLP

Indianapolis, Indiana
June 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Introduction

The management of Capital Improvement Board of Managers of Marion County, Indiana ("CIB"), which is a component unit of the Consolidated City of Indianapolis-Marion County ("City") and conducts its business in the City, offers readers of the CIB's financial statements this narrative overview and analysis of the financial activities of the CIB for the fiscal years ended on December 31, 2022 and 2021. This Management's Discussion and Analysis is being presented to provide additional information regarding the activities of the CIB in connection with its financial statements and to meet the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The CIB is organized to finance, construct, equip, operate, and maintain capital improvements and thereby serve the convention and visitor industry and the commercial, industrial and cultural interests of Indiana and its citizens. This presently occurs principally through its operation of the Indiana Convention Center ("ICC") & Lucas Oil Stadium ("LOS"), and its use arrangements related to Victory Field and Gainbridge Fieldhouse.

Financial Highlights

The following are some highlights from the CIB's financial statements for the year ended December 31, 2022:

- The CIB's net financial position increased in 2022 due to increased Operating Revenues as events that were cancelled or postponed in 2020 and the first half of 2021 due to the pandemic, returned, starting in June of 2021 and Tax Revenues increased to record levels in 2022 as the economy improved. In addition, the CIB received a significant grant from The City of Indianapolis (\$50 million) to offset losses incurred during the pandemic. The CIB's 2023 budget anticipates meeting 2023 expenditures with budgeted revenues and cash reserves.
- The CIB experienced an increase in *total assets and deferred outflows of resources* of about \$101 million, or 6.2%, in 2022. *Current assets - unrestricted* increased by \$77 million primarily due to the \$50 million grant received from The City of Indianapolis as well as \$18 million of matured investments being reinvested into short term investments. *Current assets - restricted* increased by about \$26 million due to increased tax receipts and receivables from the State of Indiana. *Capital assets* increased by about \$17 million due to an increase in capital expenditures for the Gainbridge Fieldhouse renovation. *Other noncurrent assets* decreased by \$20 million due to investments that are now classified as short term investments. *Deferred outflows of resources* increased by \$1 million due mainly to deferrals associated with the net pension liability.
- *Total liabilities and deferred inflows of resources* decreased by about \$48 million, or 4.3% in 2022. *Current liabilities* decreased by about \$5 million in 2022 largely due to a decrease in accounts payable. *Noncurrent liabilities* decreased by about \$38 million due to the principal reductions of long term debt. *Deferred inflows of resources* decreased by about \$5 million due mainly to deferrals associated with the net pension liability and a reduction in the deferred gain on refunding.
- *Net position* increased by about \$149 million, or 28.4%, in 2022.

- *Operating revenues* increased by \$10 million, or 43.3%, in 2022, primarily due to the impact of having a full year of events in 2022 as events were cancelled in the first five months of 2021 as a result of the pandemic.
- *Nonoperating revenues* increased by \$102 million, or 55.4% in 2022 due to the increase in tax revenues that come from hotels, restaurants, and admissions taxes experiencing a full year of normal revenues compared to 2021, when the impact of the pandemic was still being felt in the first half of 2021. In addition, there was a \$50 million grant received from The City of Indianapolis.
- *Operating expenses* in 2022 increased by \$17 million, or 20.2%, in 2022 due to the increases in spending related to the return of events that didn't take start taking place until June, 2021.
- *Nonoperating expenses* increased by \$8 million, or 10.7%, due mainly to the full year impact in 2022 of the lease expense of the fieldhouse renovation project.

Overview of Financial Statements

This financial report of the CIB includes the following financial statements for the calendar years 2022 and 2021:

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

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

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

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

The Statements of Net Position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the CIB using the accrual basis of accounting. The CIB's net position represents one way to measure the CIB's financial health. In a general way, changes in net position that occur over time may also serve as an indicator of whether the financial position of the CIB is strengthening or softening. However, to assess the overall fiscal health of the CIB, readers of the CIB's financial statements should consider additional nonfinancial factors such as the ability of the CIB to retain and attract conventions, trade shows, tourism, sporting and cultural events and other activities that utilize the capital assets of the CIB; the general economic health and outlook in Indianapolis-Marion County in the hotel and motel, retail food and beverage and rental car industries, which are subject to certain local taxes that are committed to and financially support the CIB; and the general economic health and outlook locally (that is, Indianapolis-Marion County and

the surrounding region) as well as nationally with regard to consumer appetite for scheduling, attending and supporting the events and activities at the facilities of the CIB.

2022 to 2021 Comparative Statements of Net Position

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

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

Note: Dollars above are in thousands.

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

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

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

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

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

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

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

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

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

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

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

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

2021 to 2020 Comparative Statements of Net Position

The comparative analysis below is a summary of the Statements of Net Position for the fiscal years ended December 31, 2021 and 2020:

	2021	2020	\$ Variance	% Variance
Assets				
Current assets - unrestricted	\$ 105,145	\$ 124,675	\$ (19,530)	(15.7) %
Current assets - restricted	241,993	148,163	93,830	63.3
Capital assets, net	1,264,350	1,016,981	247,369	24.3
Other noncurrent assets	27,997	7,000	20,997	300.0
Total assets	1,639,485	1,296,819	342,666	26.4
Deferred Outflows of Resources				
	1,469	1,055	414	39.3
Total assets and deferred outflows of resources	\$ 1,640,954	\$ 1,297,874	\$ 343,080	26.4 %
Liabilities				
Current liabilities payable from unrestricted assets	\$ 33,708	\$ 9,308	\$ 24,400	262.1 %
Current liabilities payable from restricted assets	45,006	59,753	(14,747)	(24.7)
Noncurrent liabilities	1,023,000	805,620	217,380	27.0
Total liabilities	1,101,714	874,681	227,033	26.0
Deferred Inflows of Resources				
	12,882	4,960	7,922	159.7
Total liabilities and deferred inflows of resources	1,114,596	879,641	234,955	26.7
Net Position				
Net investment in capital assets	252,853	160,714	92,139	57.3
Restricted	176,824	142,589	34,235	24.0
Unrestricted	96,681	114,930	(18,249)	(15.9)
Total net position	526,358	418,233	108,125	25.9
Total liabilities, deferred inflows of resources and net position	\$ 1,640,954	\$ 1,297,874	\$ 343,080	26.4 %

Note: Dollars above are in thousands.

The 2021 decrease in *Current assets - unrestricted*, about \$21 million, or 16.5%, from the prior year is reflective of changes in the CIB's cash reserves, receivables, and prepaids.

Current assets - restricted increased by about \$95 million, or 64.1%, from the prior year, due to the increase in cash reserves and state tax receivables.

Capital assets increased by about \$247 million, or 24.3%, from the prior year. This increase is due mostly to the financed purchase obligation asset of the Gainbridge Fieldhouse renovation.

The increase in *Other noncurrent assets* of \$21 million from the prior year is due to an increase in noncurrent investments.

Deferred outflows of resources increased by \$414 thousand, due to amounts associated with the CIB's net pension liability.

Current liabilities payable from unrestricted assets increased by about \$24 million, or 262.1%, from the prior year due mainly to the increase in accounts payable.

Current liabilities payable from restricted assets decreased \$15 million, or 24.7%, from the prior year. The current portion of long-term debt accounted for almost all of the decrease.

Noncurrent liabilities increased by \$217 million, or 27.0%, from the prior year. The net increase in noncurrent liabilities in 2021 is due to the financed purchase and bond obligations related to the Gainbridge Fieldhouse renovation financing.

Deferred inflows of resources increased by \$8 million, or 159.7% from the prior year as a result of deferred gains on debt refinancing that took place in 2021.

Net position- Net investment in capital assets increased about \$92 million, or 57.3%, in 2021, as a result of newly acquired capital assets and reductions of capital-related debt.

Restricted net position increased about \$34 million, or 24.0%, in 2021, as a result of the increase in cash, cash equivalents, and state tax receivables.

The approximate \$18 million, or 15.9%, decrease from the prior year in *Unrestricted net position* is primarily due to the increase in unrestricted current liabilities of \$24 million.

2022 to 2021 Comparative Statements of Revenues, Expenses and Changes in Net Position

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

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

Note: Dollars above are in thousands.

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

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

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

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

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

2021 to 2020 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, 2021 and 2020:

	2021	2020	\$ Variance	% Variance
Operating Revenues				
Rental income	\$ 6,871	\$ 4,056	\$ 2,815	69.4 %
Food service and concession commissions	2,804	-	2,804	NA
Parking lot income	533	-	533	NA
Labor reimbursements	11,902	4,890	7,012	143.4
Other operating income	1,534	696	838	120.4
Total operating revenues	<u>23,644</u>	<u>9,642</u>	<u>14,002</u>	<u>145.2</u>
Nonoperating Revenues				
Investment income	377	3,013	(2,636)	(87.5)
State and local taxes and other assistance	163,474	109,518	53,956	49.3
Other	20,612	15,742	4,870	30.9
Total nonoperating revenues	<u>184,463</u>	<u>128,273</u>	<u>56,190</u>	<u>43.8</u>
Total revenues	<u>208,107</u>	<u>137,915</u>	<u>70,192</u>	<u>50.9</u>
Operating Expenses				
Salaries and wages	10,949	9,128	1,821	19.9
Fringe benefits	3,048	3,614	(566)	(15.7)
Utilities	6,774	5,668	1,106	19.5
Repairs and maintenance	2,746	2,080	666	32.0
Insurance	2,636	2,269	367	16.2
Security	3,284	1,811	1,473	81.3
Contractual labor	6,536	2,022	4,514	223.2
Nondepreciable equipment, parts and supplies	3,270	3,725	(455)	(12.2)
Food service and concession expense	-	960	(960)	(100.0)
Parking lot expense	-	76	(76)	(100.0)
Other	3,172	3,101	71	2.3
Depreciation and amortization	40,125	39,443	682	1.7
Total operating expenses	<u>82,540</u>	<u>73,897</u>	<u>8,643</u>	<u>11.7</u>
Nonoperating Expenses				
Interest expense	34,540	37,162	(2,622)	(7.1)
Compensation to Visit Indy, Inc.	10,760	11,657	(897)	(7.7)
Bankers Life Fieldhouse operating expenses and reimbursements	13,960	13,417	543	4.0
Pacers Basketball note receivable forgiveness	4,000	4,000	-	-
Colts inducements/Revenue Sharing and Day-of-Game expenses	5,663	5,346	317	5.9
Public safety support payments	1,002	1,507	(505)	(33.5)
Loss (Gain) on sale/disposal of capital assets	148	226	(78)	(34.5)
Other	839	14,727	(13,888)	(94.3)
Total nonoperating expenses	<u>70,912</u>	<u>88,042</u>	<u>(17,130)</u>	<u>(19.5)</u>
Total expenses	<u>153,452</u>	<u>161,939</u>	<u>(8,487)</u>	<u>(5.2)</u>
Increase (Decrease) in Net Position Before Capital Contributions	54,655	(24,024)	78,679	327.5
Capital Contributions	<u>53,470</u>	<u>1,735</u>	<u>51,735</u>	<u>2,982.3</u>
Increase (Decrease) in Net Position	108,125	(22,289)	130,414	585.1
Net Position, Beginning of Year	<u>418,233</u>	<u>440,522</u>	<u>(22,289)</u>	<u>(5.1)</u>
Net Position, End of Year	<u>\$ 526,358</u>	<u>\$ 418,233</u>	<u>\$ 108,125</u>	<u>25.9 %</u>

Note: Dollars above are in thousands.

Operating revenues increased by \$14 million, or 145.2% in 2021, primarily due to the return of events that had been cancelled in 2020 as a result of the pandemic.

Nonoperating revenues increased by \$56 million, or 43.8% in 2021 due to the increase in tax revenues that come from hotels, restaurants, and admissions taxes and an increase in grants received.

Operating expenses in 2021 increased by \$9 million, or 11.7%, in 2021 due to the increase in spending related to the events that took place in 2021 that were canceled in 2020 due to the pandemic.

Nonoperating expenses decreased by about \$17 million, or 19.5% due to a decrease in pandemic related grants to partner organizations that were made in 2020 and not repeated in 2021.

Capital contributions increased by \$52 million in 2021 due to receiving two large capital contributions for the Bicentennial Unity Plaza and the Fieldhouse Project.

Capital Asset and Debt Administration

Capital Assets

As discussed, the CIB is organized to finance, construct, equip, operate, and maintain capital improvements and thereby serve the convention and visitor industry and the commercial, industrial and cultural interests of Indiana and its citizens. Because these assets are leased from other governmental units and ownership of the assets ultimately reverts to the CIB upon expiration or termination of these leases, they are accounted for as property owned under financed purchases and are depreciated along with other assets owned by the CIB. Readers are referred to footnotes 4 and 5 to the financial statements for more detailed information on capital asset activity. These capital improvements (capital assets) consist primarily of the following:

Indiana Convention Center & Lucas Oil Stadium

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

The Indiana Convention Center & Lucas Oil Stadium were constructed, expanded and improved using a mix of private and public funds, including the proceeds from a number of tax-exempt and taxable bond offerings by Marion County Convention and Recreational Facilities Authority ("MCCRFA") and the Indiana Finance Authority ("IFA"). All MCCRFA bonds relating to the ICC were retired in 2021. MCCRFA-CIB lease agreements relating to the ICC securing the related MCCRFA bonds with certain state and local taxes were terminated and MCCRFA transferred its ownership rights in the ICC to the CIB. IFA bonds relating to the ICC & LOS are secured by leases and subleases to be paid by the CIB from certain pledged state and local taxes. Such state and local taxes also secure certain bond and other indebtedness of the CIB and other lease obligations of the CIB 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.

Gainbridge Fieldhouse (formerly Bankers Life Fieldhouse and Conseco Fieldhouse)

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

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

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

Victory Field

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

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

Long-Term Debt

The CIB’s long-term debt is comprised of financed purchase obligations and bond indebtedness. The CIB has acquired certain of its existing capital assets through finance purchasing arrangements involving MCCRFA, the Indiana Office of Management and Budget (“IOMB”), the Indiana Stadium and Convention Building Authority (“ISCBA”), and the IFA (collectively and individually their interests being referred to in this discussion as “the State Leasing Entities”).

MCCRFA’s revenue bonds are payable solely from the respective trust estates under which they were issued and rely upon the receipt of debt service lease rentals to provide for their payment. The CIB’s lease payments to MCCRFA are funded and secured by a pledge of certain state and local tax revenues that varies depending on which debt is involved.

The IFA's revenue obligations are payable from and secured by ISCBA obligations that are supported by the ISCBA's leases with IOMB, as lessee, who in turn receives rent under subleases with the CIB, as sublessee. The CIB's lease payments to IOMB are funded and secured by a pledge of certain state and local tax revenues.

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

In 2021, the CIB issued a \$22,925,000 revenue bond indebtedness for repair, maintenance and improvement obligations at Gainbridge Fieldhouse. The State of Indiana's constitution limits the amount of non-lease debt that the CIB may issue to approximately 0.66% of its current certified assessed value. By this limit, based on an assessed value of \$55,807,439,512 applicable to CIB for 2022, the CIB's 2022 non-lease debt limit was \$368,329,101.

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

Economic Factors and Other Matters

The Indianapolis economy continued its recovery throughout 2022, with output, employment and incomes trending back toward where they were at the end of 2019. The CIB will pursue continuing efforts, including the CIB's marketing relationships with Visit Indy, to attract new and recurring conventions, trade shows, sports, tourism, cultural events and other activities to its facilities and in the Central Indiana region.

As a convention and tourism business, the CIB is charged with the public purpose of promoting and publicizing Indianapolis and the central Indiana region. It continues to pursue this core purpose. The CIB's focus for the business of the Indiana Convention Center & Lucas Oil Stadium in 2022 includes maximizing the use of the facilities by concentrating on hosting large trade show events, consideration of its available rentable space (and amenities) to meet demand (and effectively compete with other national offerings) and minimizing the wear and tear on facilities (by proactively and continuously undertaking maintenance and repairs).

Requests for Information

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

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

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Net Position
December 31, 2022 and 2021

	2022	2021
Assets and Deferred Outflows of Resources		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 143,735,373	\$ 84,329,321
Investments	27,926,596	10,454,140
Interest receivable	92,930	-
Accounts receivable	6,069,020	5,728,377
Current portion of note receivable	2,000,000	2,000,000
Prepaid expenses and other	2,469,628	2,632,698
Total unrestricted assets	182,293,547	105,144,536
Restricted Assets		
Cash and cash equivalents	31,642,232	54,285,281
Cash equivalents held with fiscal agent	195,378,366	156,934,268
Interest receivable	143,563	51,932
Receivable from State of Indiana	40,946,546	30,721,880
Total restricted assets	268,110,707	241,993,361
Total current assets	450,404,254	347,137,897
Noncurrent Assets		
Investments	4,754,127	22,996,479
Note receivable	3,000,000	5,000,000
Nondepreciable capital assets	222,639,253	168,615,915
Depreciable capital assets, net	1,059,015,963	1,095,734,512
Total noncurrent assets	1,289,409,343	1,292,346,906
Total assets	1,739,813,597	1,639,484,803
Deferred Outflows of Resources	2,532,799	1,469,090
Total assets and deferred outflows of resources	\$ 1,742,346,396	\$ 1,640,953,893

	<u>2022</u>	<u>2021</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	\$ 19,231,659	\$ 32,330,556
Unearned revenue	188,922	105,090
Accrued expenses and withholdings	883,582	772,376
Current portion of grants payable	500,000	500,000
Total current liabilities payable from unrestricted assets	<u>20,804,163</u>	<u>33,708,022</u>
Payable From Restricted Assets		
Funds held for others	7,989,804	2,922,015
Rental deposits	2,055,782	2,187,858
Accrued interest payable	526,447	584,104
Current portion of long-term debt	42,375,473	39,312,216
Total current liabilities payable from restricted assets	<u>52,947,506</u>	<u>45,006,193</u>
Total current liabilities	<u>73,751,669</u>	<u>78,714,215</u>
Noncurrent Liabilities		
Grants payable	-	500,000
Bonds payable, net	27,283,911	27,963,221
Financed purchase obligations	952,554,946	992,796,484
Net pension liability	4,994,093	1,740,472
Total noncurrent liabilities	<u>984,832,950</u>	<u>1,023,000,177</u>
Total liabilities	<u>1,058,584,619</u>	<u>1,101,714,392</u>
Deferred Inflows of Resources	<u>8,162,136</u>	<u>12,881,660</u>
Total liabilities and deferred inflows of resources	<u>1,066,746,755</u>	<u>1,114,596,052</u>
Net Position		
Net investment in capital assets	286,439,922	252,853,220
Restricted		
For debt service	207,286,975	159,706,198
For capital projects	5,000,000	5,000,000
For facility operating costs	3,986,338	3,267,944
For economic development	7,261,633	8,849,047
Unrestricted	<u>165,624,773</u>	<u>96,681,432</u>
Total net position	<u>675,599,641</u>	<u>526,357,841</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,742,346,396</u>	<u>\$ 1,640,953,893</u>

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		
Rental income	\$ 9,955,173	\$ 6,871,450
Food service and concession commissions	2,443,413	2,803,829
Parking lot income	819,760	532,765
Labor reimbursements	18,752,567	11,902,146
Other operating income	1,905,115	1,533,864
	33,876,028	23,644,054
Operating Expenses		
Salaries and wages	13,862,672	10,949,239
Fringe benefits	4,184,451	3,048,233
Utilities	8,296,920	6,774,256
Repairs and maintenance	3,933,899	2,746,388
Insurance	3,121,482	2,636,110
Security	3,902,804	3,284,083
Contractual labor	12,286,082	6,536,718
Nondepreciable equipment, parts and supplies	4,953,453	3,269,545
Other	4,284,495	3,172,056
Depreciation and amortization	40,354,550	40,123,746
	99,180,808	82,540,374
Operating Loss	(65,304,780)	(58,896,320)
Nonoperating Revenues (Expenses)		
Investment income	3,586,944	376,792
State and local taxes and other assistance	213,601,734	163,473,637
Interest expense	(43,296,922)	(34,539,828)
Compensation to Visit Indy, Inc.	(10,759,865)	(10,759,865)
Bankers Life Fieldhouse operating expenses and reimbursements	(13,783,251)	(13,960,468)
Pacers Basketball note receivable forgiveness	(2,000,000)	(4,000,000)
Inducements/revenue sharing to Indianapolis Colts	(3,500,000)	(3,500,000)
Indianapolis Colts' Day-of-Game expenses	(2,209,000)	(2,162,750)
Grants to other organizations	(606,249)	(838,380)
Public safety support payments	(2,317,895)	(1,001,978)
Loss on sale/disposal of capital assets	-	(148,335)
City of Indianapolis ARPA funds grant	50,000,000	-
Other	19,514,259	20,612,253
	208,229,755	113,551,078
Increase in Net Position Before Capital Contributions	142,924,975	54,654,758
Capital Contributions	6,316,825	53,470,000
Increase in Net Position	149,241,800	108,124,758
Net Position, Beginning of Year	526,357,841	418,233,083
Net Position, End of Year	\$ 675,599,641	\$ 526,357,841

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, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 38,737,584	\$ 22,659,375
Payments to suppliers and others	(54,858,421)	(26,249,753)
Payments to employees	(18,902,587)	(15,650,388)
Net cash used in operating activities	(35,023,424)	(19,240,766)
Cash Flows From Noncapital Financing Activities		
Payments to Visit Indy, Inc.	(10,759,865)	(10,759,865)
State and local taxes and other assistance	114,152,704	71,852,224
Federal government assistance	50,000,000	-
Grants paid to other organizations	(1,106,249)	(1,588,380)
Bankers Life Fieldhouse operating expenses and reimbursements	(13,783,251)	(13,960,468)
Payments out of Bid Fund	(500,000)	-
Public safety support payments	(2,317,895)	(1,001,978)
Payments to Indianapolis Colts	(5,709,000)	(5,662,750)
Net cash provided by noncapital financing activities	129,976,444	38,878,783
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term liabilities	(31,184,981)	(161,910,282)
Interest paid on long-term liabilities	(31,053,517)	(31,036,190)
Acquisition of capital assets	(56,698,535)	(21,089,283)
Proceeds from capital grants	6,316,825	53,470,000
Proceeds from sale of bonds	-	28,529,314
Proceeds from refunding of long-term liabilities	-	117,260,000
State and local taxes and other assistance	88,702,010	78,980,263
Net cash provided (used) in capital and related financing activities	(23,918,198)	64,203,822
Cash Flows From Investing Activities		
Purchase of investment securities	(10,305,414)	(72,864,928)
Proceeds from sales and maturities of investment securities	10,460,000	72,511,740
Interest received on investment securities and cash equivalents	4,017,693	504,676
Net cash provided by investing activities	4,172,279	151,488
Net Increase in Cash and Cash Equivalents	75,207,101	83,993,327
Cash and Cash Equivalents, Beginning of Year	295,548,870	211,555,543
Cash and Cash Equivalents, End of Year	\$ 370,755,971	\$ 295,548,870

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, 2022 and 2021

	2022	2021
Noncash Noncapital Financing Activities		
Forgiveness of Pacers Basketball note receivable	\$ 2,000,000	\$ 4,000,000
Noncash Capital and Related Financing Activities		
Capital assets acquisitions included in accounts payable	7,284,073	21,389,416
Loss on disposal of assets	-	(148,335)
Increase in financed purchase obligations	12,446,200	372,998,671
Amortization of deferred gains and loss on lease refinancings	1,562,939	3,041,629
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (65,304,780)	\$ (58,896,320)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	40,354,550	40,123,746
Change in assets and liabilities		
Accounts receivable	(340,643)	(1,791,909)
Prepaid expenses	163,071	(644,599)
Deferred outflows related to pensions	(1,063,708)	(414,421)
Accounts payable	(14,059,702)	3,341,415
Unearned revenue	83,832	95,441
Accrued expenses and withholdings	111,206	96,704
Funds held for others	5,067,789	(122,977)
Rental deposits	(132,076)	307,353
Deferred inflows related to pensions	(3,156,584)	2,497,863
Net pension liability	3,253,621	(3,833,062)
Net cash used in operating activities	\$ (35,023,424)	\$ (19,240,766)

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Measurement Focus and Basis of Accounting and Financial Reporting

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

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2022 and 2021

Adoption of GASB Statement No. 87, Leases

In 2022, CIB adopted GASB Statement No. 87, *Leases* (Statement No. 87) which provides a new framework for accounting for leases under the principle that leases are financings. The adoption of Statement No. 87 did not have a significant impact on the CIB other than terminology changes for liabilities that were previously reported as capital leases which are now referred to as financed purchase obligations. The CIB does not have any material leases that are not considered short term within the context of Statement No. 87. The CIB assesses any lease agreement that it enters into based on the total days of occupancy of the lessee, not based solely on the term of the lease. Under this analysis, the CIB does have multiyear leasing arrangements that result in total occupancy of the leased asset being less than one year and therefore has been classified as short-term under Statement No 87.

Use of Estimates

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

Cash, Cash Equivalents and Investments

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

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

Receivable from State of Indiana

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

	2022	2021
State and local taxes	\$ 40,720,526	\$ 30,498,640
Specialty license plate fees	226,020	223,240
	\$ 40,946,546	\$ 30,721,880

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2022 and 2021

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.

Capital Assets

Purchased capital assets are stated at cost. Donated capital assets and capital assets received in a service concession arrangement are stated at acquisition value. Depreciation is charged as an expense of operations using the straight-line method. The CIB uses a capitalization threshold of \$20,000 for recording individual capital assets. Estimated useful lives used to compute depreciation are as follows:

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

Compensated Absences

Employees earn vacation time based on their anniversary date. Employees may carry over from the previous year up to 30 unused earned vacation days. The CIB has recorded a current liability of \$524,092 and \$561,297 for accrued vacation and related benefits at December 31, 2022 and 2021, respectively, as these benefits are expected to be used within one year. No accrual for employees’ sick pay or personal time is recorded since employees are not paid for unused sick leave or personal time upon termination of employment.

Cost-Sharing Defined-Benefit Pension Plan

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

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2022 and 2021

Original Issue Discounts and Premiums

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

Deferred Outflows of Resources

As of December 31, 2022 and 2021, deferred outflows of resources consisted of the following:

	<u>2022</u>	<u>2021</u>
Net difference between projected and actual earnings on pension plan investments	\$ 616,324	\$ -
Changes in assumptions - pension	676,425	875,469
Changes in proportion and differences between contributions recognized and proportionate share of contributions - pension	523,668	5,438
Difference between expected and actual experience - pension	107,691	59,529
CIB's contributions made subsequent to the measurement date of the net pension liability	<u>608,691</u>	<u>528,654</u>
Total deferred outflows of resources	<u>\$ 2,532,799</u>	<u>\$ 1,469,090</u>

Deferred Inflows of Resources

As of December 31, 2022 and 2021, deferred inflows of resources consisted of the following:

	<u>2022</u>	<u>2021</u>
Changes in proportion and differences between contributions recognized and proportionate share of contributions - pension	\$ 1,026,498	\$ 1,730,200
Net difference between projected and actual earnings on pension plan investments	-	2,259,844
Difference between expected and actual experience - pension	18,993	34,752
Changes in assumptions - pension	213,664	390,943
Deferred gains on financed purchase obligation refinancings	<u>6,902,981</u>	<u>8,465,921</u>
Total deferred inflows of resources	<u>\$ 8,162,136</u>	<u>\$ 12,881,660</u>

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2022 and 2021

Revenue and Expense Recognition

Operating revenues of the CIB are derived primarily from convention, trade show, sporting and other special events held at the Indiana Convention Center & Lucas Oil Stadium and consist mainly of rental income, food service and concession commissions and labor reimbursements. All expenses that relate to operating the Indiana Convention Center & Lucas Oil Stadium facilities are considered to be operating expenses of the CIB. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses or capital contributions.

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

Annual Budget

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

Net Position

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

- *Net investment in capital assets* - this reflects the CIB's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The CIB uses these capital assets to provide services to the public. Although the CIB's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted* - this represents resources that are subject to restrictions (which principally relate to trust agreements under which financed purchase obligations and bonded indebtedness were incurred) on how they may be used.
- *Unrestricted* - this represents resources that may be used to meet the CIB's ongoing obligations to the public and creditors. When both unrestricted and restricted resources are available for use, it is the CIB's policy to use unrestricted resources first, then restricted resources as they are needed based upon its purpose. For example, if the purpose is for a restricted use then restricted resources would be used.

Capital Improvement Board of Managers
(of Marion County, Indiana)
(A Component Unit of the Consolidated City of Indianapolis-Marion County)
Notes to Financial Statements
December 31, 2022 and 2021

Note 2: Cash, Cash Equivalents and Investments

Deposits

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

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

Type of Investments Authorized

Indiana statutes generally authorize the CIB to invest in United States obligations and issues of federal agencies, secured repurchase agreements fully collateralized by U.S. Government or U.S. Government agency securities, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, certificates of deposit and open-end money market mutual funds.

The maturity ranges for the CIB's investment securities at December 31, 2022 and 2021 follow:

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

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

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

Notes to Financial Statements

December 31, 2022 and 2021

	2021		
	Total Fair Value	Less Than 1 Year	1-2 Years
U.S. Treasury notes/bonds	\$ 33,450,619	\$ 10,454,140	\$ 22,996,479
State external investment pool	20,911,705	20,911,705	-
Money market mutual funds	188,473,714	188,473,714	-
	<u>\$ 242,836,038</u>	<u>\$ 219,839,559</u>	<u>\$ 22,996,479</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the CIB is limited to investing in securities with a stated maturity of not more than five years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code. The CIB's investment policy for interest rate risk requires compliance with the provisions of Indiana statute IC 5-13-9-5.6. The investment policy expires on February 18, 2023, subsequently renewed for an additional two years. Money market mutual funds are considered to have a maturity of less than one year because they are immediately redeemable in full.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The CIB's investment policy for credit risk requires compliance with the provisions of Indiana statutes. Further, Indiana statute IC 5-13-9-2.5 requires that if the CIB invests in money market mutual funds, the underlying securities be rated AAAm by Standard and Poor's or Aaa by Moody's Investor's Service. The U.S. Government-sponsored enterprise securities are rated AA+/Aaa and the money market mutual funds are rated AAA/Aaa. The investments in the state external investment pool are not rated.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CIB will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The CIB's open-end money market mutual funds and The State of Indiana's external investment pool were not subject to custodial credit risk at December 31, 2022 and 2021, as their existence is not evidenced by securities that exist in physical or book entry form. The CIB's investment policy states that collateral securities and securities underlying repurchase agreements are to be held by an independent third party that is in compliance with Indiana statute IC 5-13-8.

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

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

Summary of Carrying Values

Deposits and investment securities included in the statements of net position are classified as follows:

	<u>2022</u>	<u>2021</u>
Carrying value		
Cash	\$ 157,710,034	\$ 84,168,255
Cash equivalents and investment securities	<u>245,726,660</u>	<u>242,836,038</u>
	<u>\$ 403,436,694</u>	<u>\$ 327,004,293</u>
Cash and cash equivalents		
Current - unrestricted	\$ 143,735,373	\$ 84,329,321
Current - restricted	<u>227,020,598</u>	<u>211,219,549</u>
Total cash and cash equivalents	<u>370,755,971</u>	<u>295,548,870</u>
Investment securities		
Current - unrestricted	27,926,596	10,454,140
Noncurrent - unrestricted	<u>4,754,127</u>	<u>22,996,479</u>
Total investment securities	<u>32,680,723</u>	<u>33,450,619</u>
	<u>\$ 403,436,694</u>	<u>\$ 328,999,489</u>

Investment Income

Investment income for the years ended December 31, 2022 and 2021 consisted of:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 4,115,291	\$ 987,992
Realized loss on investments	-	(150,025)
Unrealized loss on investments	<u>(528,347)</u>	<u>(461,175)</u>
	<u>\$ 3,586,944</u>	<u>\$ 376,792</u>

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Cash Restrictions

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

	<u>2022</u>	<u>2021</u>
Operating reserve - rental deposits	\$ 2,055,782	\$ 2,187,858
Bid fund	7,261,633	7,760,365
Bond fund	31,588,959	32,608,995
Renewal and replacement	5,000,000	5,000,000
Restricted Grants	5,985,268	20,583,110
Restricted City of Indianapolis Grant	632,839	8,494,303
Stadium and convention center sublease accounts	29,233,292	10,217,417
Stadium and convention center sublease reserve account	136,502,428	117,191,734
Box office	7,125,877	5,666,749
Meridian Center parking fund	1,634,520	1,509,018
	<u>\$ 227,020,598</u>	<u>\$ 211,219,549</u>

Note 3: Disclosures About Fair Value of Assets

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

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

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

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

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Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022 and 2021:

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

At December 31, 2021					
Fair Value Measurements Using					
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (A)
State external investment pools	\$ 20,911,705	\$ -	\$ -	\$ -	\$ 20,911,705
U.S. Treasury notes/bonds	33,450,619	33,450,619	-	-	-
Money market mutual funds	188,473,714	188,473,714	-	-	-
	<u>\$ 242,836,038</u>	<u>\$ 221,924,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,911,705</u>

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

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Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2022 and 2021.

Investments

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

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

Investments at NAV

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

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Note 4: Capital Assets

A summary of changes to capital assets for the year ended December 31, 2022 and 2021 follows:

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

	Beginning Balance January 1, 2021	Transfers and Additions	Transfers and Disposals	Ending Balance December 31, 2021
Capital assets, not being depreciated:				
Land and land improvements	\$ 129,743,132	\$ -	\$ -	\$ 129,743,132
Construction in progress	10,433,106	31,592,474	(3,152,797)	38,872,783
Total capital assets, not being depreciated	<u>140,176,238</u>	<u>31,592,474</u>	<u>(3,152,797)</u>	<u>168,615,915</u>
Capital assets, being depreciated:				
Buildings and improvements	1,317,489,132	258,060,679	(382,341)	1,575,167,470
Land improvements	6,113,315	-	(23,450)	6,089,865
Equipment, furniture and fixtures and other	118,879,235	1,248,867	-	120,128,102
Total capital assets, being depreciated	<u>1,442,481,682</u>	<u>259,309,546</u>	<u>(405,791)</u>	<u>1,701,385,437</u>
Less accumulated depreciation for:				
Buildings and improvements	(472,111,131)	(35,364,590)	149,810	(507,325,911)
Land improvements	(3,804,666)	(178,391)	-	(3,983,057)
Equipment, furniture and fixtures and other	(89,761,192)	(4,580,765)	-	(94,341,957)
Total accumulated depreciation	<u>(565,676,989)</u>	<u>(40,123,746)</u>	<u>149,810</u>	<u>(605,650,925)</u>
Total capital assets, being depreciated, net	<u>876,804,693</u>	<u>219,185,800</u>	<u>(255,981)</u>	<u>1,095,734,512</u>
Capital assets, net	<u>\$ 1,016,980,931</u>	<u>\$ 250,778,274</u>	<u>\$ (3,408,778)</u>	<u>\$ 1,264,350,427</u>

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

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Note 5: Financed Purchase Obligations

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

The IFA originally issued approximately \$666,500,000 in Lease Appropriation Bonds (Series 2005A, 2007A and 2008A) for purposes of financing the costs of constructing Lucas Oil Stadium ("LOS") and approximately \$329,200,000 in Lease Appropriation Bonds (Series 2008A, 2009A and 2009B) in relation to expanding the Indiana Convention Center ("ICC Expansion"). Since then, the IFA issued multiple series of bonds to refund certain funding bonds. The IFA loaned the resulting bond proceeds to the Indiana Stadium and Convention Building Authority ("ISCBA"), which was created for the purposes of acquiring, constructing, equipping, owning, leasing and financing facilities for lease to, or for the benefit of, the CIB.

In connection with the above, 2005 legislation generally enabled an increase in the percentages and, in some cases, expanded the areas of application for certain existing excise taxes ("2005 New Excise Tax Revenues"), increased the amount of revenues to be captured within the existing Professional Sports Development Area ("2005 PSDA Revenues") and established certain new fees. The 2005 legislation and its resulting actions are further explained later in these notes.

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

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

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

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

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

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

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

As part of the 2021 refunding, there was a deferred gain on financed purchase obligations recognized with a balance of \$6,902,892 and \$8,465,921 at December 31, 2022 and 2021, respectively, that is recorded as a deferred inflow of resources. The deferred gain is being amortized over the remaining life of the lease.

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

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

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

Future minimum payments at December 31, 2022, together with the present value of the net minimum payments, are as follows:

2023	\$ 82,375,734
2024	89,854,074
2025	94,313,390
2026	92,146,156
2027	75,955,656
2028-2032	402,415,280
2033-2037	414,142,838
2038-2041	<u>142,472,657</u>
Total future minimum lease payments	1,393,675,785
Amount representing interest	<u>(398,745,366)</u>
Present value of minimum lease payments	994,930,419
Current portion of financed purchase obligations	<u>(42,375,473)</u>
 Total long-term portion of financed purchase obligations	 <u>\$ 952,554,946</u>

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Note 6: Long-Term Debt

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

Series 2021A Bond

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

	2022	2021
Term bonds, maturing June 1, 2029. Interest at 5%, due semiannually on June 1 and December 1	\$ 22,925,000	\$ 22,925,000
Unamortized premium	4,358,911	5,038,221
Total Series 2021A Bond	\$ 27,283,911	\$ 27,963,221

The debt service requirements to maturity for long-term debt of the CIB (excluding financed purchase obligations) are as follows at December 31, 2022:

	Principal	Interest	Total
2023	\$ -	\$ 1,146,250	\$ 1,146,250
2024	-	1,146,250	1,146,250
2025	-	1,146,250	1,146,250
2026	-	1,146,250	1,146,250
2027	-	1,146,250	1,146,250
2028-2029	22,925,000	1,026,625	23,951,625
	\$ 22,925,000	\$ 6,757,875	\$ 29,682,875

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Note 7: Changes in Long-Term Obligations

The following is a summary of long-term obligation transactions for the CIB for the years ended December 31, 2022 and 2021:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Current Portion
Long-term obligations					
Bonds	\$ 22,925,000	\$ -	\$ -	\$ 22,925,000	\$ -
Financed Purchase Obligations	1,032,108,700	12,446,200	(49,624,481)	994,930,419	42,375,473
Bond Premium	5,038,221	-	(679,310)	4,358,911	-
Net Pension Liability	1,740,472	3,253,621	-	4,994,093	-
Grants Payable	1,000,000	-	(500,000)	500,000	500,000
	<u>\$ 1,062,812,393</u>	<u>\$ 15,699,821</u>	<u>\$ (50,803,791)</u>	<u>\$ 1,027,708,423</u>	<u>\$ 42,875,473</u>
	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Current Portion
Long-term obligations					
Bonds	\$ 2,845,000	\$ 22,925,000	\$ (2,845,000)	\$ 22,925,000	\$ -
Financed Purchase Obligations	850,379,782	372,998,671	(191,269,753)	1,032,108,700	39,312,216
Bond Discount	-	5,604,313	(566,092)	5,038,221	-
Net Pension Liability	5,573,534	-	(3,833,062)	1,740,472	-
Grants Payable	1,750,000	-	(750,000)	1,000,000	500,000
	<u>\$ 860,548,316</u>	<u>\$ 401,527,984</u>	<u>\$ (199,263,907)</u>	<u>\$ 1,062,812,393</u>	<u>\$ 39,812,216</u>

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Note 8: State and Local Taxes and Other Assistance

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

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

Marion County Innkeeper's Tax

Since recodifications of IC 6-9-8 in 1980, an original 5% Marion County Innkeeper's Tax (the "Original Marion County Innkeeper's Tax") has been levied on every person engaged in the business of renting or furnishing, for periods of less than 30 days, any lodgings in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which lodgings are regularly furnished for a consideration. This tax is applied in addition to the Indiana Gross Retail and Use Taxes imposed under these circumstances.

The Marion County Innkeeper's Tax was increased in 1997 by an additional 1% (the "1997 Marion County Innkeeper's Tax"), in 2005 by an additional 3% (the "2005 Marion County Innkeeper's Tax") and again in 2009 (effective September 1, 2009) by an additional 1% (the "2009 Marion County Innkeeper's Tax"). In accordance with IC 6-9-8 (as amended), the 1997 Marion County Innkeeper's Tax is to be used solely to fund lease rental payments or other obligations related to convention center expansion projects.

Marion County Food and Beverage Tax

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

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

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Marion County Admissions Tax

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

The Marion County Admissions Tax was increased in 2005 by an additional 1% (the “2005 Marion County Admissions Tax”), and again in 2013 (effective March 1, 2013) by an additional 4% (the “2013 Marion County Admissions Tax”).

Marion County Supplemental Auto Rental Excise Tax

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

The Marion County Supplemental Auto Rental Excise Tax was increased in 2005 by an additional 2% (the “2005 Marion County Supplemental Auto Rental Excise Tax”). Additionally, it was increased in 2013 (effective March 1, 2013) by an additional 2% (the “2013 Marion County Supplemental Auto Rental Excise Tax”).

Regional County Food and Beverage Tax

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

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

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Indiana Cigarette Tax

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

Professional Sports Development Area Revenues

Sports PSDA. Pursuant to IC 36-7-31, the Metropolitan Development Commission of the City of Indianapolis, Indiana, and of Marion County, Indiana (the "Commission"), was permitted to establish a professional sports development area which may include any facility (a) used in the training of a team engaged in professional sports events, or (b) financed in whole or in part by notes or bonds issued by a political subdivision or issued under the CIB's or the IFA's enabling act and used to hold a professional sporting event ("Sports PSDA"). Certain state and local taxes generated in the Sports PSDA area are allocated to a professional sports development area fund and can be used to finance the construction and equipping of a designated capital improvement used for a professional sporting event. The taxes which may be allocated to the PSDA Fund related to the Sports PSDA include the Indiana Gross Retail Tax, the Indiana Use Tax, the Indiana Adjusted Gross Income Tax imposed on an individual, the Local Income Tax and the 2% Marion County Food and Beverage Tax as previously described (the "Sports PSDA Covered Taxes"). The capture for the Sports PSDA comes from Sports PSDA Covered Taxes generated at facilities which currently includes: (1) Gainbridge Fieldhouse, (2) the Indiana Convention Center & Lucas Oil Stadium, (3) Victory Field and (4) the Indianapolis Colts Practice Facility.

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

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

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

The Sports PSDA Covered Taxes to be collected within the Sports PSDA include the following:

Descriptions of Tax	IC Section	Current Rate
Indiana Gross Retail Tax	6-2.5-2-2	7.00% (generally)
Indiana Use Tax	6-2.5-3-3	7.00% (generally)
Indiana Adjusted Gross Income Tax for Individuals	6-3-2-1	3.23%
Marion County Local Income Tax for Individuals (resident and nonresident)	6-3.6-4-1	2.02%
Marion County Food and Beverage Tax	6-9-12-5	2.00%

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

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

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

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

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

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

Hotel PSDA. In 2009, pursuant to Indiana Code 36-7-31, as amended, the Commission originally adopted a resolution authorizing and approving a portion of the Marion County Professional Sports Development Area related to hotel activity (“Hotel PSDA”) and the Indiana State Budget Agency approved such resolution, which area included seven hotel facilities in downtown Indianapolis. In 2019, the Commission adopted a resolution authorizing and approving an expansion of the Hotel PSDA and the State Budget Agency approved such resolution (the “2019 Hotel PSDA Resolution”). The 2019 expanded Hotel PSDA added eight specified areas upon which are located nine additional hotel facilities in downtown Indianapolis. As of December 31, 2022, the following identified hotels were located in the Hotel PSDA, doing business under the following names and having informed Visit Indy, Inc., as to below set out number of guest rooms available as part of their operations: (a) the following seven (7) hotel facilities had their covered taxes from their activity captured under the Hotel PSDA before and after the effectiveness of the 2019 Hotel PSDA Resolution: (1) Hyatt Regency Indianapolis (with approximately 499 guest rooms), (2) The Westin Indianapolis (with approximately 575 guest rooms), (3) Indianapolis Marriott Downtown (with approximately 650 guest rooms), (4) JW Marriott Indianapolis (with approximately 1,013 guest rooms), (5) Fairfield Inn & Suites by Marriott

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Indianapolis Downtown (with approximately 168 guest rooms), (6) Courtyard by Marriott Indianapolis Downtown (with approximately 297 guest rooms), and (7) SpringHill Suites by Marriott Indianapolis Downtown (with approximately 156 guest rooms); and (b) the following nine (9) hotel facilities had their covered taxes from their activity captured under the Hotel PSDA in effect after the effectiveness of the 2019 Hotel PSDA Resolution: (1) Hyatt Place and Hyatt House (with approximately 316 guest rooms), (2) Crowne Plaza Indianapolis - Downtown - Union Station (with approximately 273 guest rooms), (3) Omni Severin Hotel (with approximately 424 guest rooms), (4) Embassy Suites by Hilton Indianapolis Downtown (with approximately 360 guest rooms), (5) Conrad Indianapolis (with approximately 247 guest rooms), (6) Hilton Indianapolis Hotel & Suites (with approximately 352 guest rooms), (7) Sheraton Indianapolis City Centre Hotel (with approximately 378 guest rooms), (8) The Alexander (with approximately 209 guest rooms), and (9) Le Méridien Indianapolis (with approximately 100 guest rooms). Prior to the effectiveness of the 2019 Hotel PSDA Resolution, the maximum annual amount of covered taxes permitted by state law to be captured under the Hotel PSDA was limited to an \$8,000,000 per year cap in any State fiscal year ending June 30 (“SFY”) during which the original Hotel PSDA resolution was effective. Following the effectiveness of the 2019 Hotel PSDA Resolution, the maximum annual amount of covered taxes permitted by state law to be captured under the Hotel PSDA is limited as follows: (a) \$8,000,000 per year in the SFYs ending June 30, 2020 and 2021; (b) \$17,000,000 in the SFY ending June 30, 2022; (c) \$20,000,000 in the SFY ending June 30, 2023; (d) \$24,000,000 per year in the SFYs ending June 30, 2024 through and including 2033; and (e) \$26,000,000 per year in the SFYs ending June 30, 2034 through and including 2041.

The Hotel Covered Taxes to be collected within the Hotel PSDA (“Hotel PSDA Revenue”) include the following:

Descriptions of Tax	IC Section	Current Rate
Indiana Gross Retail Tax	6-2.5-2-2	7.00% (generally)
Indiana Use Tax	6-2.5-3-3	7.00% (generally)
Indiana Adjusted Gross Income Tax for Individuals	6-3-2-1	3.23%
Marion County Local Income Tax for Individuals (resident and nonresident)	6-3.6-4-1	2.02%
Marion County Food and Beverage Tax	6-9-12-5	2.00%

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

<u>Month</u>	<u>2022</u>	<u>2021</u>
Jan	\$ 1,739,166	\$ 495,076
Feb	1,193,715	527,879
Mar	2,147,406	1,218,475
Apr	2,152,442	802,176
May	1,337,472	990,198
Jun	-	920,797
Jul	1,888,107	1,031,655
Aug	2,127,807	1,449,697
Sept	1,979,079	1,434,571
Oct	2,429,246	1,735,456
Nov	2,070,611	1,520,856
Dec	<u>1,510,124</u>	<u>1,257,564</u>
CY 12/31 Total	<u>\$ 20,575,175</u>	<u>\$ 13,384,400</u>

Specialty License Plate Fees

The Indiana Bureau of Motor Vehicles issues a National Football League franchised football team license plate as a specialty group recognition license plate, featuring the name and logo of the Indianapolis Colts. An annual fee of twenty dollars (\$20) is charged for the license plate in addition to standard license plate fees and is collected by the Indiana Bureau of Motor Vehicles at the time the plate is sold.

Interlocal Agreement

In 2010, an Interlocal Cooperation Agreement was established pursuant to which the Metropolitan Development Commission of Marion County, Indiana, acting in its capacity as the Redevelopment Commission of the City of Indianapolis, Indiana (the "Redevelopment Commission"), provides \$8,000,000 of funding annually to the CIB to further their mutual purposes, including to better assure the CIB's funding sources for Visit Indy, Inc. Visit Indy, Inc. is an important body through which the convention and visitor industry and the commercial, industrial and cultural interests of Indianapolis and its citizens are promoted and publicized, including the CIB's capital improvements. The CIB received \$8,000,000 of funding in 2022 and 2021. The agreement renews annually and assumes the same terms and level of funding, subject to certain factors, including, the

availability of funds, and unless either party gives a six-month termination notice prior to the end of the annual cycle.

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

In connection with a Public Safety Support Agreement dated March 1, 2013, between the CIB and the Consolidated City of Indianapolis-Marion County, the CIB paid to the Consolidated City of Indianapolis-Marion County 100% of the revenue from these increases for the first twelve months the increases were in effect. Thereafter, the CIB is to pay to the Consolidated City of Indianapolis-Marion County 25% of the revenue from these increases, but not to exceed \$3,000,000 annually. The term of the Public Safety Support Agreement extends to February 28, 2025 and thereafter automatically renews for additional four-year periods until terminated.

Restrictions on Revenues

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

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

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

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Summary of State and Local Taxes and Other Assistance

State and local taxes and other assistance received or accrued by the CIB in 2022 and 2021 include the following components:

	<u>2022</u>	<u>2021</u>
<u>Local Revenue Deposit Agreement Pledged Revenues</u>		
Original Marion County Food and Beverage Tax (1%)	\$ 30,934,636	\$ 26,884,387
Original Marion County Innkeeper's Tax (5%)	32,994,819	23,027,684
1997 Marion County Innkeeper's Tax (1%)	6,598,964	4,605,537
Original Marion County Supplemental Auto Rental Excise Tax (2%)	3,137,451	2,629,198
Original Marion County Admissions Tax (5%)	8,548,552	4,016,939
CIB's Indiana Cigarette Tax Revenues	350,000	350,000
Original Sports PSDA Revenue	7,431,945	5,063,196
2009 Marion County Innkeeper's Tax (1%)	6,598,964	4,605,537
2013 Marion County Supplemental Auto Rental Excise tax (2%)	3,137,451	2,629,198
Hotel PSDA Revenue	20,575,175	13,384,400
Total Local Revenue Deposit Agreement Pledged Revenues.	<u>120,307,957</u>	<u>87,196,076</u>
<u>State Revenue Deposit Agreement Pledged Revenues</u>		
2005 Marion County Food and Beverage Tax (1%)	30,934,635	26,884,387
2005 Regional County Food and Beverage Tax (1%)	5,000,000	5,000,000
2005 Marion County Innkeeper's Tax (3%)	19,796,892	13,816,611
2005 Marion County Supplemental Auto Rental Excise tax (2%)	3,137,451	2,629,198
2005 Marion County Admissions Tax (1%)	1,709,710	803,388
2005 Sports PSDA tax allocation	16,916,113	15,481,946
Specialty License Plate Fees	437,780	448,480
Total State Revenue Deposit Agreement Pledged Revenues	<u>77,932,581</u>	<u>65,064,010</u>
<u>Other Revenues</u>		
2013 Marion County Admissions Tax (4%)	6,838,842	3,213,551
Visiting Athletes Tax	522,354	-
Interlocal Funding Agreement	8,000,000	8,000,000
Total Other Revenues	<u>15,361,196</u>	<u>11,213,551</u>
Total State and Local Taxes and Other Assistance	<u>\$ 213,601,734</u>	<u>\$ 163,473,637</u>

Total financed purchase payments and other debt obligations paid with state and local taxes and fees for the years ended December 31, 2022 and 2021 amounted to \$61,595,389 and \$79,758,472, respectively.

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Note 9: Agreements with Pacers Basketball, LLC

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

The Financial Agreement provided for targeted profitability for the Pacers. If this target was not reached, the CIB was required to reimburse the Pacers for certain operating expenses. In addition, the Pacers remained obligated, upon early termination of the Financial Agreement, to repay the CIB for advances made through 1999 for utility and maintenance costs of the CIB’s previous arena facility, Market Square Arena. At December 31, 2022 and 2021, the outstanding unamortized balance of advances aggregated \$1,593,339 and \$2,390,008, respectively.

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

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

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

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

The Amended and Restated Operating Agreement also provides for scheduled annual forgiveness of previous operating loans that aggregated \$40,000,000 to the Pacers, so long as no event of default remains outstanding. At December 31, 2022 and 2021, the outstanding note receivable balance was \$4,000,000 and \$6,000,000, respectively. During 2022 and 2021, \$2,000,000 and \$4,000,000 of this note was forgiven by the CIB, respectively, in accordance with a mutually agreed-upon amortization schedule.

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

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

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

The Second Amended and Restated Operating Agreement also provides for scheduled annual forgiveness of previous operating loans that aggregated \$40,000,000 to the Pacers, so long as no event of default remains outstanding. As of the Execution Date the outstanding note receivable balance was \$18,000,000 and the balance as of December 31, 2022 and 2021 was \$4,000,000 and \$6,000,000, respectively.

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Note 10: Lease Agreement with the Indianapolis Colts

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

Contractual Undertaking

During 2007, the Colts undertook a \$34,000,000 loan through the NFL's G-3 program and a \$66,000,000 loan through a series of transactions involving fixed rate bonds, with a par amount of \$74,050,000, issued by the City of Indianapolis (the "City's Colts Loan") and the Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") to finance its commitment. To secure the Bond Bank's bonds issued as part of the City's Colts Loan, the CIB entered into a Contractual Undertaking ("Undertaking"), secured by a subordinate pledge on certain Original Excise Tax Revenues and the Indiana Cigarette Tax Revenues of the CIB, which would require payments to the Bond Bank by the CIB if the Colts fail to timely repay the City's Colts Loan. The Colts are obligated to pay the City's Colts Loan with interest such that no payments are anticipated on such Undertaking by the CIB. The Undertaking remains in effect until all of the associated Bond Bank bonds, the term of which extend through 2035, have been paid in full. The CIB's obligation with regard to this Undertaking is not subject to acceleration, except as therein provided, and is treated as debt of the CIB with regard to its legal debt limit. The CIB is subrogated to the rights of the Bond Bank and the City if it is required to make any payments in connection with this Undertaking. There is no right of set-off for amounts the CIB pays to the Colts under the Colts Lease Agreement, if the Colts do not make a loan payment. However, if the CIB fails to pay amounts due under the Colts Lease Agreement, the Colts may offset such amounts against its required loan payments. The total amount subject to the Undertaking at December 31, 2022 and 2021, is approximately \$55,390,000 and \$57,635,000, respectively.

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Note 11: Baseball Facility

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

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

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

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Note 12: Hudnut Commons

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

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

The CIB generally retains responsibility for one-third of all operating costs associated with the maintenance of the entire garage and for any necessary capital improvements to the Hudnut Commons site and one-half of the parking garage transferred to DMD. These responsibilities are more fully described in a separate Operating Agreement between the CIB and DMD and in the Second and Third Amendment and Restatement of Lease between the CIB and the garage tenant and operator. Both of these agreements have a term of 99 years, ending in 2105. In return for accepting these responsibilities, the CIB continues to receive a portion of all rental payments and/or Monthly Parking Allowance Payments, as defined in the agreements.

Note 13: Risk Management

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

The CIB has elected to participate in a self-insured high-deductible health insurance plan that is offered to eligible current employees. There is a \$500,000 stop-loss coverage for each employee per annum. The CIB has contracted with a third party to service its health insurance claims. The CIB records a liability for the estimated outstanding claims at year-end, which is included in accounts payable in the Statements of Net Position. The liability at December 31, 2022 and 2021 was \$0 and \$439,413 respectively. The overfunding at December 31, 2022, was included in prepaid expenses and other on the Statement of Net Position. The overfunding status was driven by lower than anticipated claims in 2022.

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

	<u>2022</u>	<u>2021</u>
Overpaid/(Underpaid) claims, beginning of fiscal year	\$ (439,413)	\$ 207,899
Incurred claims and fees	(1,693,128)	(2,485,945)
Premiums paid	2,496,874	1,838,633
Overpaid/(Underpaid) claims, end of fiscal year	<u>\$ 364,333</u>	<u>\$ (439,413)</u>

Note 14: Retirement Plan

Plan Description

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

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

There are two tiers to the PERF plan. The first is the Public Employee's Defined Benefit Plan ("PERF Hybrid Plan") and the second is the My Choice: Retirement Savings Plan for Public Employees ("My Choice"). During both 2022 and 2021, the CIB did not participate in the My Choice Plan.

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

Funding Policy

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

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The employer defined-benefit contribution rate is based on an actuarial valuation and is adopted, and may be amended, by the INPRS Board. For both 2022 and 2021, the CIB contributed 11.2% of employee compensation to the plan. The DC account consists of the employee contribution, which is set by statute at 3% of compensation, as defined by Indiana statutes, plus the interest/earnings or losses credited to the employee's account. The employer may choose to make the contributions on behalf of its participating employees, which the CIB has elected to do. In addition, under certain circumstances, employees may elect to make additional voluntary contributions of up to 10% of their compensation into their DC account. An employee's contribution and interest credits belong to the employee and do not belong to the state or the CIB. Investments in the members' DC accounts are self-directed, as participants direct the investment of their account balances among eight investment options, with varying degrees of risk and return potential. Members may direct changes to their investment fund allocations daily and investments are reported at fair value.

Retirement Benefits

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

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

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

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

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

Disability and Survivor Benefits

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

Upon the death in service of an employee with 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

Employer contribution rates are adopted annually by the INPRS Board for PERF. The contributions are actuarially determined based on the funding policy, actuarial assumptions and actuarial methods established by the INPRS Board. Contributions determined by the actuarial valuation become effective either 12 or 18 months after the valuation date, depending on the applicable employer. In the case of the CIB, contribution rates and amounts determined by the June 30, 2022 actuarial valuation and adopted by the INPRS Board therefore become effective on January 1, 2023. The CIB's contractually required contribution rate for both 2022 and 2021 was 11.2% of annual payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the years ended December 31, 2022 and 2021, the CIB's actual contributions made were \$1,209,332 and \$1,031,125, respectively.

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

At December 31, 2022 and 2021, the CIB reported a liability of \$4,994,093 and \$1,740,472, respectively, for its proportionate share of PERF's net pension liability. The net pension liabilities were measured as of June 30, 2022, and June 30, 2021, respectively. In each instance, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those respective dates. Member census data for the year preceding the measurement period was used in developing each actuarial valuation. Standard actuarial roll forward techniques were then used to project the total pension liability to the measurement date. Wages reported by the CIB relative to the collective wages of the plan served as the basis to determine the CIB's proportionate share. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2022, the CIB's proportion was 0.15835%, which was an increase of 0.02608% from its proportion measured as of June 30, 2021 of 0.13227%.

For the years ended December 31, 2022 and 2021, the CIB recognized pension expense (credit) of \$48,953 and (\$936,227), respectively. At December 31, 2022 and 2021, the CIB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>At December 31, 2022</u>		<u>At December 31, 2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 107,691	\$ 18,993	\$ 59,529	\$ 34,752
Net difference between projected and actual earnings on pension plan investments	616,324	-	-	2,259,844
Changes in assumptions	676,425	213,664	875,469	390,943
Changes in proportion and differences between the CIB's contribution and proportionate share of contributions	523,668	1,026,498	5,438	1,730,200
CIB's contributions subsequent to the measurement date	608,691	-	528,654	-
Total	<u>\$ 2,532,799</u>	<u>\$ 1,259,155</u>	<u>\$ 1,469,090</u>	<u>\$ 4,415,739</u>

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At December 31, 2022 and 2021, the CIB reported \$608,691 and \$528,654, respectively, as deferred outflows of resources related to pensions resulting from CIB's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as net deferred outflows of resources at December 31, 2022 and 2021 related to pensions will be recognized in pension expense as follows:

	<u>Year Ended December 31</u>
2023	\$ (235,364)
2024	207,680
2025	40,686
2026	651,951
	<hr/>
	\$ 664,953
	<hr/> <hr/>

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 and 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2022 and June 30, 2021 valuations were based on the results of an actuarial experience study performed for the period June 30, 2014 through June 30, 2019.

2022 Assumptions

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

2021 Assumptions

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

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Notes to Financial Statements December 31, 2022 and 2021

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

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

Asset Class	At June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20%	3.6%
Private equity	15%	7.7%
Fixed income - ex inflation linked	20%	1.4%
Fixed income - inflation linked	15%	-0.3%
Commodities	10%	0.9%
Real estate	10%	3.7%
Absolute return	5%	2.1%
Risk parity	20%	3.8%
Cash and Cash Overlay	-15%	-1.7%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.25% for the years ended June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the PERF's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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December 31, 2022 and 2021

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

The CIB's proportionate share of the net pension liability has been calculated using a discount rate of 6.25%. The following presents the CIB's proportionate share of the net pension liability calculated using a discount rate of 1% higher and 1% lower than the current rate for the years ended December 31, 2022 and 2021.

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

	At December 31, 2021		
	1% Decrease	Current	1% Increase
	(5.25%)	Discount Rate (6.25%)	(7.25%)
CIB's proportionate share of PERF's net pension liability	\$ 4,552,097	\$ 1,740,472	\$ (604,796)

Pension Plan Fiduciary Net Position

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

Note 15: Commitments and Contingencies

Visit Indy, Inc.

In return for its assistance in attracting users to the Indiana Convention Center & Lucas Oil Stadium, the CIB has agreed to compensate Visit Indy, Inc. ("Visit Indy") monthly. The contractual agreement is for a term of one year and renewed annually. The fee paid to Visit Indy was \$896,655 per month in 2022 and 2021. The base fee to be paid to Visit Indy for calendar year 2023 is \$1,120,833 per month.

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Department of Metropolitan Development

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

Indiana Sports Corporation

During 2014, the CIB approved a multi-year grant to the Indiana Sports Corporation to assist with the ongoing repairs and maintenance of the Indiana University Natatorium on the campus of Indiana University-Purdue University at Indianapolis. The grant amounts are \$500,000 annually for a term of 10 years, beginning in 2014. As of December 31, 2022 and 2021, the unpaid portion of this grant was \$500,000 and \$1,000,000, respectively.

Litigation

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

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Required Supplementary Information (Unaudited)

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

**(A Component Unit of the Consolidated City of Indianapolis of Marion County)
Required Supplementary Information**

**Schedule of CIB's Proportionate Share of the Net Pension Liability
Indiana Public Employees' Retirement Fund (PERF)
Last 10 Fiscal Years***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CIB's proportion of the net pension liability	0.15835%	0.13227%	0.18453%	0.20643%	0.20940%
CIB's proportionate share of the net pension liability	\$ 4,994,093	\$ 1,740,472	\$ 5,573,534	\$ 6,822,643	\$ 7,113,413
CIB's covered payroll	\$ 9,113,389	\$ 7,292,828	\$ 9,962,201	\$ 10,755,314	\$ 10,685,046
CIB's proportionate share of the net pension liability as a percentage of its covered payroll	55%	24%	56%	63%	67%
Plan fiduciary net position as a percentage of the total pension liability	89%	93%	81%	80%	79%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
CIB's proportion of the net pension liability	0.21194%	0.20846%	0.20918%	0.19860%	
CIB's proportionate share of the net pension liability	\$ 9,455,795	\$ 9,460,841	\$ 8,519,697	\$ 5,219,079	
CIB's covered payroll	\$ 10,514,645	\$ 9,990,592	\$ 10,019,254	\$ 9,696,453	
CIB's proportionate share of the net pension liability as a percentage of its covered payroll	90%	95%	85%	54%	
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	73%	81%	

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

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

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.

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

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,209,332	\$ 1,031,525	\$ 1,112,673	\$ 1,203,478	\$ 1,201,186
Contributions in relation to the contractually required contribution	\$ 1,209,332	\$ 1,031,525	\$ 1,112,673	\$ 1,203,478	\$ 1,201,186
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
CIB's covered payroll	\$ 9,757,995	\$ 8,151,936	\$ 8,288,974	\$ 10,728,817	\$ 10,842,076
Contributions as a percentage of covered payroll	12.39%	12.65%	13.42%	11.22%	11.08%

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

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

Note: Ten years of information is required to be disclosed and will be added as the information becomes available.

Notes to Schedule:

Benefit changes: none during 2022

Changes of assumptions: assumptions associated with a new experience study (2014-2019) utilized. There were no changes in assumptions during 2022.

Changes in actuarial methods: none during 2022

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Other Supplementary Information

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

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**Analysis of Certain Operating Expenses
Years Ended December 31, 2022 and 2021**

	2022	2021
Salaries and Wages		
Administration	\$ 5,371,973	\$ 4,443,544
Mechanical	2,790,739	2,290,601
Service	1,595,283	1,417,790
Temporary	4,104,677	2,797,304
	\$ 13,862,672	\$ 10,949,239
Fringe benefits		
Social security taxes	1,025,569	810,160
Public employees' retirement fund	343,142	(708,162)
Employees' insurance	1,928,477	2,486,095
State unemployment taxes	-	51,780
Workers' compensation	271,502	1,451
Other	615,761	406,909
	\$ 4,184,451	\$ 3,048,233
Utilities		
Electricity	3,872,804	3,035,302
Steam	1,094,257	758,000
Chilled Water	2,706,126	2,464,176
Water and sewer	539,226	468,567
Gas	84,507	48,211
	\$ 8,296,920	\$ 6,774,256
Repairs and Maintenance		
Control systems maintenance contract	63,888	61,578
Elevator and escalator maintenance contract	149,522	140,474
Computer maintenance contracts	1,199,099	979,668
Major repairs	1,876,008	1,142,911
Grounds maintenance	218,787	100,325
Sprinkler system	4,245	4,586
Trash removal	125,719	77,081
LOS maintenance contracts	296,631	239,765
	\$ 3,933,899	\$ 2,746,388

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Analysis of Certain Operating Expenses (Continued)
Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Insurance		
Fire and extended coverage	\$ 1,649,013	\$ 1,811,258
Public liability	1,283,603	676,601
Fidelity bond	188,866	148,251
	<u>\$ 3,121,482</u>	<u>\$ 2,636,110</u>
Security		
Security staff	<u>\$ 3,902,804</u>	<u>\$ 3,284,083</u>
Contractual labor	<u>\$ 12,286,082</u>	<u>\$ 6,536,718</u>
Nondepreciable Equipment, Parts and Supplies	<u>\$ 4,953,453</u>	<u>\$ 3,269,545</u>
Other		
Advertising and promotion	283,635	197,097
Telephone	111,704	119,838
Legal fees	902,348	697,617
Accounting and audit fees	82,680	115,592
Consulting fees	847,536	514,923
Architects and engineers	-	-
Equipment rental	500,109	306,459
Postage	2,807	4,733
Travel	3,925	940
Dues and subscriptions	13,379	42,845
Suite cable service	71,122	62,611
Medical services - Indianapolis Colts games	75,479	64,182
Parking	410,006	275,822
Miscellaneous	979,765	769,397
	<u>\$ 4,284,495</u>	<u>\$ 3,172,056</u>

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Statistical Section **(Unaudited)**

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

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

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

Table I

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net investment in capital assets	\$ 78,477,465	\$ 69,317,267	\$ 80,353,882	\$ 73,417,024
Restricted	88,318,223	93,177,379	98,275,245	113,957,673
Unrestricted	<u>106,381,211</u>	<u>117,761,296</u>	<u>114,195,547</u>	<u>116,178,392</u>
 Total net position	<u>273,176,899</u>	<u>280,255,942</u>	<u>292,824,674</u>	<u>303,553,089</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	80,704,542	\$ 96,692,413	\$ 130,033,796	\$ 160,714,520	\$ 252,853,220	\$ 286,439,922
	132,418,871	145,275,212	144,051,298	142,588,636	176,823,189	223,534,946
	<u>130,302,642</u>	<u>141,921,362</u>	<u>166,436,575</u>	<u>114,929,927</u>	<u>96,681,432</u>	<u>165,624,773</u>
	<u>343,426,055</u>	<u>383,888,987</u>	<u>440,521,669</u>	<u>418,233,083</u>	<u>526,357,841</u>	<u>675,599,641</u>

Table II

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

	2013	2014	2015	2016
Operating revenues				
Rental income	\$ 10,416,132	\$ 9,900,660	\$ 10,170,929	\$ 9,438,144
Food service and concession commissions	7,100,477	5,386,550	6,162,083	5,150,223
Parking lot income	1,209,008	856,771	669,487	594,841
Labor reimbursements	13,057,670	13,037,347	12,710,518	14,487,112
Other operating income	579,418	1,244,052	1,694,869	1,881,768
Total operating revenues	<u>32,362,705</u>	<u>30,425,380</u>	<u>31,407,886</u>	<u>31,552,088</u>
Nonoperating revenues				
Investment income	274,569	327,490	371,195	632,005
State and local taxes and other assistance	142,921,658	152,226,092	158,780,475	169,238,548
Other	221,136	141,641	665,363	1,040,500
Total nonoperating revenues	<u>143,417,363</u>	<u>152,695,223</u>	<u>159,817,033</u>	<u>170,911,053</u>
Total Revenues	<u>175,780,068</u>	<u>183,120,603</u>	<u>191,224,919</u>	<u>202,463,141</u>
Operating expenses				
Salaries, wages and fringe benefits	16,535,475	16,479,664	18,003,915	18,415,895
Utilities	5,413,326	8,873,546	8,470,529	8,712,985
Repairs, maintenance, equipment, parts and supplies	8,278,729	9,738,019	8,512,272	7,290,350
Insurance	1,399,559	1,852,980	1,796,854	1,651,311
Security and other contractual labor	7,328,146	8,540,927	10,002,570	9,789,021
Food service and concession expense	-	-	-	-
Parking lot expense	-	-	-	-
Other	2,973,618	4,108,595	3,681,699	3,248,583
Depreciation and amortization	40,528,314	40,550,478	41,584,565	47,145,100
Total operating expenses	<u>82,457,167</u>	<u>90,144,209</u>	<u>92,052,404</u>	<u>96,253,245</u>
Nonoperating expenses				
Interest expense	52,017,898	51,838,276	47,790,546	44,959,975
Bankers Life Fieldhouse expenses and reimbursements	-	7,921,022	8,255,037	8,474,999
Pacers Basketball note receivable forgiveness	-	-	6,000,000	6,000,000
Compensation to Visit Indy, Inc.	10,605,000	10,708,000	11,499,992	11,950,000
Payments to Indianapolis Colts	5,200,000	5,300,362	5,120,000	5,390,000
Grants to other organizations	488,501	5,450,000	450,000	650,000
Loss (Gain) on sale/disposal of capital assets	1,411,290	(15,453)	70,104	17,176,509
Other	-	-	-	-
Public safety support payments	7,720,125	5,230,144	1,995,335	1,879,998
Total nonoperating expenses	<u>77,442,814</u>	<u>86,432,351</u>	<u>81,181,014</u>	<u>96,481,481</u>
Total Expenses	<u>159,899,981</u>	<u>176,576,560</u>	<u>173,233,418</u>	<u>192,734,726</u>
Capital Contributions	<u>1,088,209</u>	<u>535,000</u>	<u>-</u>	<u>1,000,000</u>
Increase (Decrease) in Net Position	<u>\$ 16,968,296</u>	<u>\$ 7,079,043</u>	<u>\$ 17,991,501</u>	<u>\$ 10,728,415</u>

	2017	2018	2019	2020	2021	2022
\$	11,166,940	\$ 10,276,422	\$ 10,541,862	\$ 4,056,400	\$ 6,871,450	\$ 9,955,173
	6,065,970	5,235,852	4,487,573	-	2,803,829	2,443,413
	677,818	159,456	483,147	-	532,765	819,760
	17,715,677	16,457,193	17,739,674	4,890,256	11,902,146	18,752,567
	2,502,361	2,167,306	2,092,423	695,145	1,533,864	1,905,115
	<u>38,128,766</u>	<u>34,296,229</u>	<u>35,344,679</u>	<u>9,641,801</u>	<u>23,644,054</u>	<u>33,876,028</u>
	1,575,622	4,229,415	5,797,979	3,012,960	376,792	3,586,944
	168,879,239	175,055,487	182,424,551	109,518,347	163,473,637	213,601,734
	5,227,375	-	3,208,233	15,742,412	20,612,253	70,014,259
	<u>175,682,236</u>	<u>179,284,902</u>	<u>191,430,763</u>	<u>128,273,719</u>	<u>184,462,682</u>	<u>287,202,937</u>
	<u>213,811,002</u>	<u>213,581,131</u>	<u>226,775,442</u>	<u>137,915,520</u>	<u>208,106,736</u>	<u>321,078,965</u>
	20,327,496	21,347,974	20,324,853	12,742,165	13,997,472	18,047,123
	6,894,060	6,617,112	6,786,372	5,668,351	6,774,256	8,296,920
	7,520,814	7,856,429	7,593,381	5,805,528	6,015,933	8,887,352
	1,159,012	1,242,962	1,585,035	2,269,076	2,636,110	3,121,482
	9,909,824	9,985,548	10,280,957	3,832,268	9,820,801	16,188,886
	-	-	-	959,577	-	-
	-	-	-	76,333	-	-
	3,172,084	4,223,734	4,602,300	3,100,597	3,172,056	4,284,495
	42,322,003	42,512,851	38,507,216	39,443,497	40,123,746	40,354,550
	<u>91,305,293</u>	<u>93,786,610</u>	<u>89,680,114</u>	<u>73,897,392</u>	<u>82,540,374</u>	<u>99,180,808</u>
	43,062,412	39,345,466	40,037,978	37,162,025	34,539,828	43,296,922
	12,019,353	12,312,931	13,276,092	13,416,795	13,960,468	13,783,251
	6,000,000	4,000,000	4,000,000	4,000,000	4,000,000	2,000,000
	12,308,499	12,677,755	13,058,088	11,656,520	10,759,865	10,759,865
	5,590,000	5,500,000	5,500,000	5,346,250	5,662,750	5,709,000
	2,705,000	850,000	2,306,570	14,577,142	838,380	606,249
	(2,799)	877,131	520,531	225,981	148,335	-
	-	1,600,000	15,000	150,000	-	500,000
	2,099,048	2,168,306	2,296,404	1,506,744	1,001,978	2,317,895
	<u>83,781,513</u>	<u>79,331,589</u>	<u>81,010,663</u>	<u>88,041,457</u>	<u>70,911,604</u>	<u>78,973,182</u>
	<u>175,086,806</u>	<u>173,118,199</u>	<u>170,690,777</u>	<u>161,938,849</u>	<u>153,451,978</u>	<u>178,153,990</u>
	1,148,770	-	548,017	1,734,743	53,470,000	6,316,825
\$	<u>39,872,966</u>	<u>\$ 40,462,932</u>	<u>\$ 56,632,682</u>	<u>\$ (22,288,586)</u>	<u>\$ 108,124,758</u>	<u>\$ 149,241,800</u>

Table III

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

	2013	2014	2015	2016
Number of Events				
Entertainment	2	4	4	1
Trade Shows	13	18	15	15
Local, Regional, Business and Social	130	140	135	141
State Convention Business	71	79	56	66
National and International Convention Business	115	106	95	52
Competition	78	86	75	71
Total Number of Events	409	433	380	346
Event Days				
Entertainment	2	6	4	1
Trade Shows	37	44	45	40
Local, Regional, Business and Social	145	164	157	220
State Convention Business	128	129	92	113
National and International Convention Business	304	290	267	158
Competition	108	119	131	108
Total Event Days	724	752	696	640
Attendance				
Entertainment	7,420	22,066	81,161	3,718
Trade Shows	209,611	246,567	320,027	186,404
Local, Regional, Business and Social	133,327	125,578	65,080	72,825
State Convention Business	74,510	100,844	56,717	84,516
National and International Convention Business	509,242	635,701	401,486	417,300
Competition	1,188,153	1,267,171	1,158,898	1,096,800
Total Attendance	2,122,263	2,397,927	2,083,369	1,861,563

Source: Sales Office - Capital Improvement Board of Managers

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

2017 ¹	2018 ¹	2019 ¹	2020 ¹	2021 ¹	2022 ¹
1	1	3	-	2	5
11	10	15	5	7	12
106	102	85	28	60	98
50	51	40	12	18	27
61	54	52	9	24	45
40	58	69	35	65	52
<u>269</u>	<u>276</u>	<u>264</u>	<u>89</u>	<u>176</u>	<u>239</u>
1	1	5	-	6	9
24	28	47	19	18	33
122	138	122	209	95	161
74	90	69	24	30	53
191	176	173	36	93	171
43	77	104	65	97	99
<u>455</u>	<u>510</u>	<u>520</u>	<u>353</u>	<u>339</u>	<u>526</u>
37,992	51,798	4,870	-	22,500	8,015
80,244	117,243	279,491	49,993	49,852	220,247
323,283	104,442	83,544	5,551	126,073	99,870
82,722	146,432	81,189	12,674	12,383	20,806
710,731	507,660	569,280	67,557	200,194	365,605
821,850	913,583	1,029,488	275,665	895,700	986,661
<u>2,056,822</u>	<u>1,841,158</u>	<u>2,047,862</u>	<u>411,440</u>	<u>1,306,702</u>	<u>1,701,204</u>

Table IV

Capital Improvement Board of Managers
Largest Customers

	December 31, 2022							
	Rental Income		Labor Reimbursements		Food Service Revenues		Total	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total
Customer 1	\$ 386,459	3.88%	\$ 4,202,537	22.41%	\$ -	0.00%	\$ 4,588,996	14.73%
Customer 2	410,485	4.12%	475,087	2.53%	82,149	3.36%	967,721	3.11%
Customer 3	220,276	2.21%	623,820	3.33%	93,717	3.84%	937,813	3.01%
Customer 4	387,879	3.90%	438,456	2.34%	134,113	5.49%	960,448	3.08%
Customer 5	566,808	5.69%	225,055	1.20%	-	0.00%	791,863	2.54%
Customer 6	51,836	0.52%	681,216	3.63%	27,627	1.13%	760,679	2.44%
Customer 7	288,147	2.89%	291,008	1.55%	49,850	2.04%	629,005	2.02%
Customer 8	220,429	2.21%	334,364	1.78%	54,561	2.23%	609,354	1.96%
Customer 9	218,903	2.20%	238,532	1.27%	-	0.00%	457,435	1.47%
Customer 10	190,131	1.91%	259,486	1.38%	31,523	1.29%	481,141	1.54%
Subtotal	2,941,353	29.55%	7,769,561	41.42%	473,540	19.38%	11,184,453	35.90%
Balance from other customers	7,013,820	70.45%	10,983,006	58.58%	1,969,873	80.62%	19,966,700	64.10%
	\$ 9,955,173	100.00%	\$ 18,752,567	100.00%	\$ 2,443,413	100.00%	\$ 31,151,153	100.00%
	December 31, 2013							
	Rental Income		Labor Reimbursements		Food Service Revenues		Total	
	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total	\$ Amount	% of Total
Customer 1	\$ 520,816	5.25%	\$ 672,746	5.15%	\$ 149,155	2.10%	\$ 1,342,717	4.46%
Customer 2	250,000	2.52%	868,307	6.65%	-	0.00%	1,118,307	3.72%
Customer 3	443,421	4.47%	523,704	4.01%	131,899	1.86%	1,099,024	3.65%
Customer 4	208,973	2.11%	514,592	3.94%	131,545	1.85%	855,110	2.84%
Customer 5	252,436	2.55%	387,686	2.97%	134,549	1.89%	774,671	2.58%
Customer 6	376,791	3.80%	49,188	0.38%	302,558	4.26%	728,537	2.42%
Customer 7	65,026	0.66%	160,029	1.23%	490,636	6.91%	715,691	2.38%
Customer 8	12,777	0.13%	266,020	2.04%	266,044	3.75%	544,841	1.81%
Customer 9	236,926	2.39%	81,405	0.62%	223,698	3.15%	542,029	1.80%
Customer 10	10,480	0.11%	180,105	1.38%	233,959	3.29%	424,544	1.41%
Subtotal	2,377,646	23.99%	3,703,782	28.37%	2,064,043	29.06%	8,145,471	27.08%
Balance from other customers	7,538,486	76.02%	9,553,888	71.64%	5,036,434	70.93%	21,928,808	72.92%
	\$ 9,916,132	100.01%	\$ 13,057,670	100.01%	\$ 7,100,477	99.99%	\$ 30,074,279	100.00%

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base Rent (Per Net Square Foot ¹)										
One to Four Open Days	\$ 1.01	\$ 1.04	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.16	\$ 1.19	\$ 1.23	\$ 1.27	\$ 1.31
Five to Seven Open Days	1.11	1.14	1.17	1.20	1.23	1.26	1.29	1.33	1.37	1.41
After Seven Days - ICC	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.42	1.46
After Seven Days - LOS	1.16	1.19	1.22	1.25	1.33	1.36	1.39	1.43	1.47	1.51

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Convention Meetings</u>										
Base Rent (Per Net Square Foot)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Halls	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.07	0.07
Sagamore Ballrooms	0.17	0.17	0.18	0.18	0.19	0.19	0.20	0.20	0.21	0.21
Wabash Ballrooms	0.17	0.17	0.18	0.18	0.19	0.19	0.20	0.20	0.21	0.21
500 Ballroom/Reception Room	0.13	0.13	0.16	0.16	0.17	0.17	0.20	0.20	0.21	0.21
Meeting Rooms ¹	0.17	0.17	0.18	0.18	0.18	0.18	0.20	0.20	0.21	0.21
<u>Non-Convention Meetings</u>										
Base Rent (Per Net Square Foot)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Halls	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09
Sagamore Ballrooms	0.19	0.19	0.20	0.20	0.21	0.21	0.22	0.22	0.23	0.23
Wabash Ballrooms	0.19	0.19	0.20	0.20	0.21	0.21	0.22	0.22	0.23	0.23
500 Ballroom/Reception Room	0.15	0.15	0.18	0.18	0.19	0.19	0.22	0.22	0.23	0.23
Meeting Rooms ¹	0.17	0.17	0.20	0.20	0.20	0.20	0.20	0.20	0.21	0.21
<u>Lucas Oil Stadium</u>										
Base Rent (Per Net Square Foot)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Stadium	0.24	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Halls	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Meeting Rooms	0.27	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Party Plazas	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Club Lounges	0.06	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14

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

Source: Sales Office - Capital Improvement Board of Managers

Table VII

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

Position:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Carpenters ³	\$ 35.46	\$ 36.33	\$ 36.85	\$ 36.85	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 48.00
Painters ³	33.18	33.98	34.48	34.48	37.00	37.00	37.00	37.00	37.00	45.00
Electricians ³	38.62	40.84	40.14	40.14	43.00	43.00	43.00	43.00	48.00	58.00
Stagehands (House) ⁴	37.57	38.51	41.21	41.21	45.00	47.00	47.00	49.00	50.00	52.00
Stagehands (Call In) ⁴	37.57	38.51	41.21	41.21	45.00	47.00	47.00	49.00	50.00	52.00
Welders and Pipefitters ³	39.69	39.69	41.71	41.71	46.00	46.00	46.00	46.00	46.00	59.00
Housekeeping ²	21.96	22.82	23.50	23.50	30.25	30.25	32.00	32.00	32.00	34.00
Set-up ²	21.96	22.82	23.50	23.50	35.00	35.00	37.00	37.00	37.00	39.00
Change-Over Labor ²	28.00	28.00	28.00	28.00	35.00	35.00	37.00	37.00	37.00	37.00
Riggers ⁴	51.76	53.05	56.76	56.76	62.00	64.00	66.00	66.00	70.00	73.00
Rent-A-Buddy ²	28.00	28.00	28.00	28.00	35.00	35.00	35.50	35.50	35.50	39.00
Ticket Sellers ¹	19.13	19.13	19.13	19.13	19.13	19.00	19.00	19.00	19.00	21.00
Assistant Treasurer/Treasurer ¹	23.10	23.10	23.10	23.10	23.10	23.00	23.00	23.00	23.00	26.00
Fire Marshals ³	17.50	17.50	17.50	17.50	21.00	21.00	21.00	21.00	21.00	23.00
Telecommunications ³	30.12	30.85	31.30	31.30	34.00	34.00	34.00	34.00	38.00	48.00
Part-Time Teamsters ² :										
Housekeeping	13.89	14.21	14.63	14.63	14.75	15.00	15.50	15.50	18.00	17.00
Set-Up	13.89	14.21	14.63	14.63	14.75	15.00	15.50	15.50	15.50	18.00
Installation and Dismantling (Advance Rate)	27.50	28.30	29.00	29.00	30.25	30.75	31.25	31.25	31.25	37.00
Installation and Dismantling (Show Rate)	33.00	34.00	35.00	35.00	36.50	37.25	37.75	37.75	37.75	44.00

¹ - Hourly rates currently change January 1 of each year

² - Hourly rates currently change July 1 of each year

³ - Hourly rates currently change November 1 of each year

⁴ - Hourly rates currently change December 1 of each year

Source: Schedule of Show Rates, Per Capital Improvement Board of Managers

Table VIII

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

	Revenues	Expenses	Indy Eleven Proceeds ¹	CIB Profit (Loss)²
2013	22,374,396	15,273,919	-	3,970,814
2014	20,451,249	15,064,699	-	7,100,477
2015	22,876,654	16,714,571	-	5,386,550
2016	20,751,393	15,601,170	-	6,162,083
2017	23,473,087	17,407,117	-	6,065,970
2018	23,442,875	18,074,891	132,132	5,367,984
2019	23,436,723	18,815,179	133,971	4,487,573
2020	4,907,379	5,792,257	74,699	(959,577)
2021	13,233,678	10,429,849	-	2,803,829
2022	25,916,084	23,472,671	-	2,443,413

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

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

Source: Sodexo Live! Monthly Commission Reports

Table IX

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

Fiscal Year	Junior Subordinate Notes ¹	Subordinate Revenue Bonds ^{1,3}	Due to State ²	Financed Obligations		Total	Per Attendee	Indianapolis - Carmel MSA ⁴	
				Purchase	Other			Per Capita	Personal Income
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	591	1.34%
2015	33,242,000	13,408,856	-	1,066,752,122	9,000,000	1,122,402,978	539	564	1.17%
2016	32,199,000	11,502,120	-	1,032,341,183	9,000,000	1,085,042,303	583	541	1.09%
2017	3,142,000	9,498,942	-	993,619,652	9,000,000	1,015,260,594	494	500	0.95%
2018	3,142,000	7,389,247	-	947,886,040	9,000,000	967,417,287	525	472	0.87%
2019	-	5,172,959	-	900,836,757	-	906,009,716	442	437	0.78%
2020	-	2,845,000	-	850,379,782	-	853,224,782	2,074	408	0.68%
2021	-	27,963,221	-	1,032,108,700	-	1,060,071,921	811	498	0.76%
2022	-	27,283,911	-	994,930,419	-	1,022,214,330	745	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-Anderson Metropolitan Statistical Area (MSA) includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Putnam, and Shelby Counties in Central Indiana, as defined by the U.S. Office of Management and Budget.

n/a = Information is not available.

Table X

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

	2013	2014	2015	2016
Original Marion County Food and Beverage Tax (1%)	\$ 21,003,275	\$ 22,197,299	\$ 23,855,213	\$ 25,949,205
Original Marion County Innkeeper's Tax (5%)	22,146,073	24,442,590	25,846,373	28,040,681
1997 Marion County Innkeeper's Tax (1%)	4,429,215	4,888,518	5,169,275	5,608,136
Original Marion County Supp. Auto Rental Tax (2%)	2,143,664	2,329,548	2,223,861	2,454,540
Original Marion County Admissions Tax (5%)	6,893,128	6,466,187	6,559,420	6,651,843
Cigarette Tax	350,000	350,000	350,000	350,000
Original Sports PSDA Revenue	7,456,830	7,711,600	7,895,163	8,753,020
2009 Marion County Innkeeper's Tax (1%)	4,429,215	4,888,518	5,169,275	5,608,136
2013 Marion County Supp. Auto Rental Tax (4%)	2,143,664	2,329,548	2,223,861	2,454,540
Hotel PSDA Revenue	8,196,782	8,162,404	8,315,926	7,806,354
Total Local Revenue Deposit Agreement Pledged Revenues	79,191,846	83,766,212	87,608,367	93,676,455
2005 Marion County Food and Beverage Tax (1%)	21,003,275	22,197,287	23,855,213	25,949,205
2005 Regional Food and Beverage Tax (1%)	5,208,134	5,404,418	5,167,191	5,016,616
2005 Marion County Innkeeper's Tax (3%)	13,287,644	14,665,554	15,507,824	16,824,409
2005 Marion County Supp. Auto Rental Excise tax (2%) ¹	1,817,460	2,329,548	2,223,861	2,454,540
2005 Marion County Admissions Tax (1%)	1,365,402	1,293,237	1,311,884	1,330,369
2005 Sports PSDA tax allocation	9,622,556	8,692,067	9,189,759	9,995,639
Specialty License Plate Fees	736,440	704,820	668,840	669,840
Total State Revenue Deposit Agreement Pledged Revenues	53,040,911	55,286,931	57,924,572	62,240,618
2013 Marion County Admissions Tax (4%) ¹	2,688,901	5,172,949	5,247,536	5,321,475
Visiting Athletes Tax	-	-	-	-
Interlocal Funding Agreement	8,000,000	8,000,000	8,000,000	8,000,000
Total 2009 New Tax Revenues and 2009 PSDA Revenues	10,688,901	13,172,949	13,247,536	13,321,475
Total State and Local Taxes and Other Assistance	\$ 142,921,658	\$ 152,226,092	\$ 158,780,475	\$ 169,238,548

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

	2017	2018	2019	2020	2021	2022
\$	24,407,366	\$ 25,449,939	\$ 26,002,526	\$ 19,900,147	\$ 26,884,387	\$ 30,934,636
	27,663,371	28,423,045	30,209,153	12,560,891	23,027,684	32,994,819
	5,532,674	5,684,609	6,041,831	2,512,178	4,605,537	6,598,964
	2,413,052	2,969,768	2,702,759	1,830,964	2,629,198	3,137,451
	7,576,679	7,797,876	8,085,872	2,670,290	4,016,939	8,548,552
	350,000	350,000	350,000	350,000	350,000	350,000
	3,749,437	4,673,725	5,913,846	4,888,495	5,063,196	7,431,945
	5,532,674	5,684,609	6,041,831	2,512,178	4,605,537	6,598,964
	2,413,052	2,969,768	2,702,759	1,830,964	2,629,198	3,137,451
	8,971,965	7,871,946	8,158,280	1,937,771	13,384,400	20,575,175
	<u>88,610,270</u>	<u>91,875,285</u>	<u>96,208,857</u>	<u>50,993,878</u>	<u>87,196,076</u>	<u>120,307,957</u>
	24,407,366	25,449,939	26,002,526	19,900,145	26,884,387	30,934,635
	5,000,000	4,839,492	5,160,509	5,000,000	5,000,000	5,000,000
	16,598,023	17,053,827	18,125,492	7,536,535	13,816,611	19,796,892
	2,413,052	2,969,768	2,702,760	1,830,964	2,629,198	3,137,451
	1,515,336	1,559,575	1,617,174	682,911	803,388	1,709,710
	15,683,349	16,559,182	17,657,735	12,979,542	15,481,946	16,916,113
	590,500	510,120	480,800	458,140	448,480	437,780
	<u>66,207,626</u>	<u>68,941,903</u>	<u>71,746,996</u>	<u>48,388,237</u>	<u>65,064,010</u>	<u>77,932,581</u>
	6,061,343	6,238,300	6,468,698	2,136,232	3,213,551	6,838,842
	-	-	-	-	-	522,354
	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
	<u>14,061,343</u>	<u>14,238,300</u>	<u>14,468,698</u>	<u>10,136,232</u>	<u>11,213,551</u>	<u>15,361,196</u>
\$	<u>168,879,239</u>	<u>\$ 175,055,487</u>	<u>\$ 182,424,551</u>	<u>\$ 109,518,347</u>	<u>\$ 163,473,637</u>	<u>\$ 213,601,734</u>

Table XI

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

	2013	2014	2015	2016
Original Excise Tax Revenues - Pledged on a Senior Basis to Secure Lease Rental Obligations				
Innkeeper's Tax (5%)	\$ 22,146,073	\$ 24,442,590	\$ 25,846,373	\$ 28,040,681
Innkeeper's Tax (1%)	4,429,215	4,888,518	5,169,275	5,608,136
Food and Beverage Tax (1%)	21,003,275	22,197,299	23,855,213	25,949,205
Admissions Tax (5%)	6,893,128	6,466,187	6,559,420	6,651,843
Auto Rental Excise Tax (2%)	2,143,664	2,329,548	2,223,861	2,454,540
Cigarette Tax	350,000	350,000	350,000	350,000
Total Tax Receipts	<u>56,965,355</u>	<u>60,674,142</u>	<u>64,004,142</u>	<u>69,054,405</u>
Disbursements - Senior Lease Rental Obligations¹				
1995 Lease	(1,006,000)	(408,867)	-	-
1997 Lease	-	-	-	-
2001 Lease	-	-	-	-
2003 Lease	(2,134,413)	-	-	-
2011 Lease	(5,827,617)	(5,844,389)	(5,845,745)	(5,844,550)
2012 Lease	(3,192,081)	(5,780,226)	(6,206,014)	(6,267,417)
Total Disbursements - Senior Lease Rental Obligations	<u>(12,160,111)</u>	<u>(12,033,482)</u>	<u>(12,051,759)</u>	<u>(12,111,967)</u>
Original Excise Tax Revenues in Excess of Senior Lease Rental Obligations	<u>44,805,244</u>	<u>48,640,660</u>	<u>51,952,383</u>	<u>56,942,438</u>
Original Excise Tax Revenues - Pledged Only to Secure Subordinate Lease Rental Obligations and Other Debt PSDA Allocation	<u>7,456,830</u>	<u>7,711,600</u>	<u>7,895,163</u>	<u>8,753,020</u>
Disbursements - Subordinate Lease Rental Obligations and Other Debt¹				
1997 Lease	-	-	-	-
1999 Subordinate Bonds/Notes	(2,540,400)	(2,543,900)	(2,540,300)	(2,537,200)
2011 Lease	(13,561,925)	(14,903,975)	(15,397,100)	(15,893,400)
Total Disbursements - Subordinate Lease Rental Obligations and Other Debt	<u>(16,102,325)</u>	<u>(17,447,875)</u>	<u>(17,937,400)</u>	<u>(18,430,600)</u>
Excess Available for CIB Operations	<u>\$ 36,159,749</u>	<u>\$ 38,904,385</u>	<u>\$ 41,910,146</u>	<u>\$ 47,264,858</u>
Coverage Ratio - Senior Obligations	<u>4.68</u>	<u>5.04</u>	<u>5.31</u>	<u>5.70</u>
Coverage Ratio - Senior and Subordinate Obligations	<u>2.28</u>	<u>2.32</u>	<u>2.40</u>	<u>2.55</u>

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

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

	2017	2018	2019	2020	2021	2022
\$	27,663,371	\$ 28,423,045	\$ 30,209,153	\$ 12,560,891	\$ 23,027,684	\$ 32,994,819
	5,532,674	5,684,609	6,041,831	2,512,178	4,605,537	6,598,964
	24,407,366	25,449,939	26,002,526	19,900,147	26,884,387	30,934,636
	7,576,679	7,797,876	8,085,872	2,670,290	4,016,939	8,548,552
	2,413,052	2,969,768	2,702,759	1,830,964	2,629,198	3,137,451
	350,000	350,000	350,000	350,000	350,000	350,000
	<u>67,943,142</u>	<u>70,675,237</u>	<u>73,392,141</u>	<u>39,824,470</u>	<u>61,513,745</u>	<u>82,564,422</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(5,844,400)	(5,845,900)	(5,846,900)	(5,848,150)	(8,413,515)	-
	<u>(6,267,496)</u>	<u>(6,268,759)</u>	<u>(6,270,454)</u>	<u>(6,268,374)</u>	<u>(2,916,125)</u>	<u>-</u>
	<u>(12,111,896)</u>	<u>(12,114,659)</u>	<u>(12,117,354)</u>	<u>(12,116,524)</u>	<u>(11,329,640)</u>	<u>-</u>
	<u>55,831,246</u>	<u>58,560,578</u>	<u>61,274,787</u>	<u>27,707,946</u>	<u>50,184,105</u>	<u>82,564,422</u>
	<u>3,749,437</u>	<u>4,673,725</u>	<u>5,913,846</u>	<u>4,888,495</u>	<u>5,063,196</u>	<u>7,431,945</u>
	-	-	-	-	-	-
	(2,535,750)	(2,537,625)	(2,534,250)	(2,580,750)	(2,916,125)	-
	<u>(15,894,750)</u>	<u>(15,894,250)</u>	<u>(15,893,250)</u>	<u>(15,894,750)</u>	<u>(23,787,579)</u>	<u>(23,638,000)</u>
	<u>(18,430,500)</u>	<u>(18,431,875)</u>	<u>(18,427,500)</u>	<u>(18,475,500)</u>	<u>(26,703,704)</u>	<u>(23,638,000)</u>
\$	<u>41,150,183</u>	<u>\$ 44,802,428</u>	<u>\$ 48,761,133</u>	<u>\$ 14,120,941</u>	<u>\$ 35,984,917</u>	<u>\$ 66,358,367</u>
	<u>5.61</u>	<u>5.83</u>	<u>6.06</u>	<u>3.29</u>	<u>5.43</u>	<u>N/A</u>
	<u>2.35</u>	<u>2.47</u>	<u>2.60</u>	<u>1.46</u>	<u>1.75</u>	<u>3.81</u>

Table XI, continued

Capital Improvement Board of Managers
Pledged Revenue Coverage - 2005 Sublease Rental Obligations

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2005 New Tax Revenues - Pledged to Secure the Sublease Rental Obligations										
Innkeeper's Tax (3%)	\$ 13,287,644	\$ 14,665,554	\$ 15,507,824	\$ 16,824,409	\$ 16,598,023	\$ 17,053,827	\$ 18,125,492	\$ 7,536,555	\$ 13,816,611	\$ 19,796,892
Marion County Food and Beverage Tax (1%)	21,003,275	22,197,287	23,855,213	25,949,205	24,407,366	25,449,939	26,002,526	19,900,147	26,884,387	30,934,636
Regional Food and Beverage Tax (.5%)	5,208,134	5,404,418	5,167,191	5,016,616	5,000,000	4,839,492	5,160,509	5,000,000	5,000,000	5,000,000
Admissions Tax (1%)	1,365,402	1,293,237	1,311,884	1,330,369	1,515,336	1,539,575	1,617,174	682,911	803,388	1,709,710
Auto Rental Excise Tax (2%)	2,143,664	2,329,548	2,223,861	2,454,540	2,413,052	2,969,768	2,702,759	1,830,964	2,629,198	3,137,451
PSDA Tax Allocation	9,622,556	8,692,067	9,189,759	9,995,639	15,683,349	16,539,182	17,657,735	12,979,542	15,481,946	16,916,113
Colts License Plate Fees	736,440	704,820	668,840	669,840	590,500	510,120	480,800	458,140	448,480	437,780
	<u>\$ 33,367,115</u>	<u>\$ 55,286,931</u>	<u>\$ 57,924,572</u>	<u>\$ 62,240,618</u>	<u>\$ 66,207,626</u>	<u>\$ 68,941,903</u>	<u>\$ 71,746,995</u>	<u>\$ 48,388,239</u>	<u>\$ 65,064,010</u>	<u>\$ 77,932,582</u>
Disbursements - Sublease Rental Obligations²										
Stadium Sublease Agreement	(34,565,458)	(34,852,287)	(35,594,766)	(35,567,835)	(36,003,312)	(39,983,017)	(43,340,339)	(43,621,743)	(42,784,368)	(43,584,944)
Convention Center Sublease Agreement	(12,792,212)	(15,606,775)	(15,751,405)	(16,042,129)	(17,879,713)	(17,460,106)	(16,193,436)	(16,848,822)	(16,468,372)	(14,719,699)
Rental Obligations	(47,357,670)	(50,459,062)	(51,346,171)	(51,609,964)	(53,883,025)	(57,443,123)	(59,533,775)	(60,470,565)	(59,252,739)	(58,304,644)
	<u>\$ 6,009,445</u>	<u>\$ 4,827,869</u>	<u>\$ 6,578,401</u>	<u>\$ 10,630,654</u>	<u>\$ 12,324,601</u>	<u>\$ 11,498,780</u>	<u>\$ 12,213,220</u>	<u>\$ (12,082,326)</u>	<u>\$ 5,811,271</u>	<u>\$ 19,627,938</u>
Coverage Ratio - Senior Obligations	1.13	1.10	1.13	1.21	1.23	1.20	1.21	(0.80)	1.10	1.34

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 ISCSA arising out of the design, development and construction of the LOS or the Convention Center Expansion Project, (2) prepay the 2005 Sublease Rental Obligations, or (3) fund certain extraordinary improvements to LOS or the Convention Center Project to which the Sublease Rental Obligations relate.

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

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

Table XII

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

Year	Population	Indianapolis-Carmel-Anderson MSA ¹		
		Personal Income (in millions)	Per Capita Personal Income	Annual Average Unemployment Rate
2013	1,823,479	78,929	43,285	5.8%
2014 ²	1,971,274	86,770	44,017	5.7%
2015	1,988,817	96,004	48,272	4.1%
2016	2,004,230	99,573	49,681	4.2%
2017	2,028,614	106,415	52,457	3.3%
2018	2,048,703	110,997	54,179	3.2%
2019	2,074,537	116,921	56,360	3.1%
2020	2,091,019	126,361	60,431	6.5%
2021	2,129,479	139,954,077	65,805	3.6%
2022	n/a	n/a	n/a	2.5%

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

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

n/a = Information is not available.

Source: stats.indiana.edu

Table XIII

Capital Improvement Board of Managers
Principal Employers ¹

Employer Name	2022		2013	
	Employees	% of Total	Employees	% of Total
IU Health/Clarian Health Partners, Inc.	23,187	2.02%	20,292	2.16%
Ascension St. Vincent Health	17,398	1.52%	11,075	1.18%
Community Health	15,000	1.31%	8,100	0.86%
IUPUI and IU School of Medicine	14,000	1.22%	-	0.00%
Eli Lilly and Company	11,279	0.98%	10,500	1.12%
Wal-Mart	9,582	0.83%	9,000	0.96%
Kroger	7,520	0.65%	-	0.00%
Fed-Ex Express	5,800	0.51%	6,000	0.64%
Anthem	4,870	0.42%	4,200	0.45%
Meijer	4,707	0.41%	-	0.00%
Eskenazi Health	4,535	0.40%	-	0.00%
Roche Diagnostics	4,500	0.39%	3,000	0.32%
Franciscan St. Francis Health	4,300	0.37%	5,576	0.59%
Goodwill Industries	4,000	0.35%	-	0.00%
Rolls-Royce	4,000	0.35%	4,100	0.44%
UPS	3,925	0.34%	-	0.00%
Archdiocese of Indianapolis	3,600	0.31%	-	0.00%
	<u>142,203</u>	<u>12.39%</u>	<u>81,843</u>	<u>10.51%</u>

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

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

Total employed in the Indianapolis MSA - December, 2022 - www.hoosierdata.in.gov

Table XIV

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Position:										
Carpenters	4	5	4	4	4	3	3	2	2	2
Electricians	17	17	16	15	13	15	12	3	3	3
Grounds	5	6	5	5	5	5	5	3	3	4
Housekeeping	29	30	25	23	23	24	19	11	14	21
Pipefitters	13	15	13	12	13	12	11	7	7	7
Painters	3	4	3	3	2	2	2	1	1	2
Sound and lighting	44	43	48	43	59	57	53	14	9	10
Set-up	13	13	12	12	15	14	14	7	10	13
Installation and dismantling	9	12	12	12	10	8	7	-	4	4
Box office	4	4	4	4	4	4	4	1	1	1
Administrative	77	78	80	83	85	89	101	87	85	85
Miscellaneous clerical	7	5	4	5	5	4	5	1	1	1
Telecommunications	5	6	4	4	5	4	3	2	2	3
Fire Marshals	-	-	-	-	1	1	1	-	1	1
Guest services	5	5	6	5	6	6	6	1	3	3
Total Full-Time Equivalent Employees	235	243	236	230	250	248	246	140	146	160

Notes:

- 1) The Capital Improvement Board outsources its security force and its food services personnel to outside contractors. Personnel figures for these activities are not included in this table.
- 2) Fluctuations can result from year to year due to the type of labor that is required and the amount of labor the CIB is able to secure on a contractual basis.
- 3) The FTE number for Administrative employees have been changed from prior years' presentations due to a calculation correction.

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

Table XV

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

Venue	2013	Total	2014	Total
	Event Occupancy		Event Occupancy	
Exhibit Halls				
Hall A	26.8%	54.2%	25.5%	52.6%
Hall B	27.1%	55.3%	24.1%	50.7%
Hall C	26.6%	59.2%	25.2%	54.8%
Hall D	28.5%	61.9%	27.1%	58.6%
Hall E	26.0%	59.2%	24.4%	56.4%
Hall F	27.1%	60.5%	22.7%	50.4%
Hall G	22.2%	53.2%	20.3%	47.4%
Hall H ³	27.9%	59.2%	23.8%	53.7%
Hall I ³	27.7%	63.3%	23.3%	53.4%
Hall J ³	28.8%	63.3%	26.0%	58.4%
Hall K ³	28.5%	62.2%	24.7%	57.0%
Ballrooms				
500 Ballroom	35.1%	47.4%	32.6%	43.6%
Sagamore Ballrooms ²	35.3%	51.7%	32.6%	47.9%
Wabash Ballrooms ²	36.7%	48.3%	32.1%	43.2%
Lucas Oil Stadium				
Stadium	19.5%	43.2%	20.4%	41.1%
Exhibit Halls ²	14.0%	33.5%	16.0%	32.1%
Quarterback Club	11.1%	12.7%	14.4%	17.4%
Lounges ²	10.9%	23.4%	15.4%	29.4%
Concourse	16.0%	30.4%	20.1%	37.8%
North Terrace	-	-	-	-
Venue	2018	Total	2019	Total
	Event Occupancy		Event Occupancy	
Exhibit Halls				
Hall A	31.2%	57.5%	30.9%	60.7%
Hall B	30.1%	56.7%	30.9%	65.3%
Hall C	28.2%	55.9%	32.5%	70.5%
Hall D	30.4%	60.5%	31.1%	65.8%
Hall E	28.2%	58.1%	28.1%	62.6%
Hall F	28.8%	63.0%	29.2%	61.7%
Hall G	28.5%	62.7%	25.7%	60.7%
Hall H ³	32.6%	69.3%	31.1%	67.5%
Hall I ³	33.2%	69.0%	32.5%	66.7%
Hall J ³	34.5%	70.7%	36.1%	68.6%
Hall K ³	32.6%	66.8%	35.2%	67.5%
Ballrooms				
500 Ballroom	34.2%	46.0%	37.7%	56.8%
Sagamore Ballrooms ²	29.7%	44.8%	30.8%	50.5%
Wabash Ballrooms ²	32.7%	44.8%	35.4%	53.3%
Lucas Oil Stadium				
Stadium	24.4%	49.0%	27.3%	55.2%
Exhibit Halls ²	19.2%	37.9%	20.5%	42.2%
Quarterback Club	6.8%	7.9%	6.0%	8.2%
Lounges ²	12.8%	20.7%	13.7%	17.6%
Concourse	23.0%	33.4%	22.4%	31.7%
North Terrace	-	-	-	-

¹ - Occupancy formulas:

Per Venue Event Occupancy = number of event days divided by number of days in the month.

Per Venue Total Occupancy = total days divided by number of days in the month.

(total days = number of event days plus number of move-in/out days).

² - Average for all associated space.

³ - Halls H, I, J and K opened on 1/20/2011 as part of Convention Center expansion.

Source: Sales Office - Capital Improvement Board of Managers

2015		2016		2017	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
25.5%	54.5%	29.0%	58.5%	28.1%	53.0%
24.7%	51.2%	29.5%	59.0%	28.1%	53.3%
25.2%	55.6%	27.9%	59.6%	26.2%	56.8%
26.8%	56.4%	26.0%	55.2%	31.4%	63.1%
22.7%	50.1%	23.8%	51.9%	27.0%	56.8%
20.8%	47.9%	26.2%	57.1%	27.3%	60.4%
20.0%	46.3%	22.7%	51.9%	28.1%	60.4%
20.5%	49.9%	24.3%	56.8%	31.1%	70.5%
24.1%	55.3%	30.3%	65.3%	34.2%	70.8%
28.2%	61.6%	32.8%	65.3%	37.2%	74.0%
27.1%	60.5%	32.2%	63.9%	32.2%	70.5%
27.4%	36.4%	31.7%	43.4%	38.0%	48.1%
33.2%	47.1%	31.5%	48.0%	32.5%	52.2%
30.2%	39.9%	33.3%	44.0%	30.9%	43.2%
20.6%	43.3%	20.5%	35.5%	22.4%	52.7%
11.7%	32.2%	17.0%	32.1%	19.3%	40.6%
17.0%	19.8%	11.2%	14.8%	13.9%	17.5%
12.7%	31.5%	10.2%	18.9%	12.7%	23.5%
17.1%	38.3%	18.0%	28.4%	20.8%	35.0%
2020		2021		2022	
Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy	Event Occupancy	Total Occupancy
12.0%	29.5%	32.2%	65.6%	27.0%	56.0%
13.4%	31.4%	32.8%	65.6%	30.3%	59.6%
14.8%	34.7%	30.6%	64.2%	30.3%	63.9%
14.8%	34.4%	27.9%	58.7%	32.5%	66.9%
14.5%	33.9%	25.7%	55.2%	30.9%	62.8%
12.3%	31.4%	26.2%	57.7%	20.2%	48.1%
12.3%	31.1%	24.6%	54.6%	19.1%	44.8%
28.7%	47.3%	26.2%	58.5%	21.9%	52.5%
28.7%	44.8%	25.7%	56.6%	26.0%	57.9%
29.8%	45.4%	30.1%	61.7%	33.9%	66.7%
31.7%	46.7%	27.9%	58.5%	30.1%	60.9%
5.7%	8.7%	30.6%	43.4%	43.7%	60.1%
11.3%	13.9%	24.5%	33.5%	32.3%	48.4%
7.3%	12.4%	29.5%	40.7%	29.4%	46.5%
9.8%	19.1%	21.3%	42.3%	22.1%	40.7%
27.2%	35.9%	46.4%	47.3%	19.4%	38.3%
4.9%	6.6%	6.8%	7.4%	11.5%	17.2%
7.9%	10.2%	17.5%	26.6%	17.6%	22.7%
6.8%	9.3%	21.0%	35.0%	21.0%	31.7%

