



# CITY OF SOUTH BEND

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT EXECUTIVE SUMMARY

FISCAL YEAR ENDING ON DECEMBER 31, 2015

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**CITY OF SOUTH BEND, INDIANA**

Pete Buttigieg, Mayor

John Murphy, City Controller

Jennifer Hockenhill, Deputy City Controller

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**City of South Bend, Indiana**  
**Comprehensive Annual Financial Report – Executive Summary**  
**For The Year Ending December 31, 2015**

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# City of South Bend, Indiana

## 2015 CAFR Executive Summary

### Purpose of the Executive Summary

The City of South Bend has prepared a Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2015. The 2015 CAFR totals 289 pages and meets all of the requirements set forth by the Government Finance Officers Association for its Certificate of Achievement for Excellence in Financial Reporting program. If the award is received for 2015, this will be the twenty-sixth consecutive year that the City of South Bend has received this prestigious award.

The purpose of this Executive Summary is to present the most essential schedules and summaries from the 2015 CAFR, as determined by the City, to allow more ready access to them by the reader. The schedules and summaries are presented in their original format and the order of presentation is the same as in the full 2015 CAFR. In addition, the CAFR Executive Summary includes summary charts and graphs not featured in the 2015 CAFR. The Executive Summary totals 78 pages.

The full CAFR is available at the following link:

<http://docs.southbendin.gov/weblink8/0/doc/96978/Electronic.aspx>

The CAFR Executive Summary is available here:

or by contacting:

John H. Murphy, City Controller  
City of South Bend  
Department of Administration & Finance  
227 W. Jefferson Boulevard  
South Bend, Indiana 46601  
Telephone – (574) 235-7678  
Fax – (574) 235-9928

### **On the cover:**

View overlooking the Century Center and the East Race during the SB150 Celebration.



# Quick Facts about South Bend



Year of Incorporation .....	1865
Mayor .....	Pete Buttigieg
Number of Council Members .....	9
Population (2010 census) .....	101,168
Full-time Employees (12/31/15) .....	1,060
2015 Governmental Activities Expenses.....	\$ 164,310,194
2015 Business-type Activities Expenses .....	\$ 61,899,676
2015 Government-Wide Expenses .....	\$ 226,209,870
Net Position (12/31/15).....	\$ 335,671,308
Largest Employers .....	Beacon Health System (6,913 employees)
.....	University of Notre Dame (5,590 employees)
Gross Assessed Property Tax Value .....	\$ 4,837,489,612

## Local Colleges:

- The University of Notre Dame
- Indiana University - South Bend
- Bethel College
- Saint Mary's College
- Holy Cross College
- Trine University - South Bend
- Brown Mackie College - South Bend
- Ivy Tech Community College - South Bend

## Attractions:

- Morris Performing Arts Center
- Century Center
- South Bend Cubs
- East Race Waterway
- Potawatomi Zoo
- Palais Royale
- Blackthorn Golf Course

**City of South Bend, Indiana  
Net Position by Component  
Last Ten Fiscal Years**



**Total Primary**

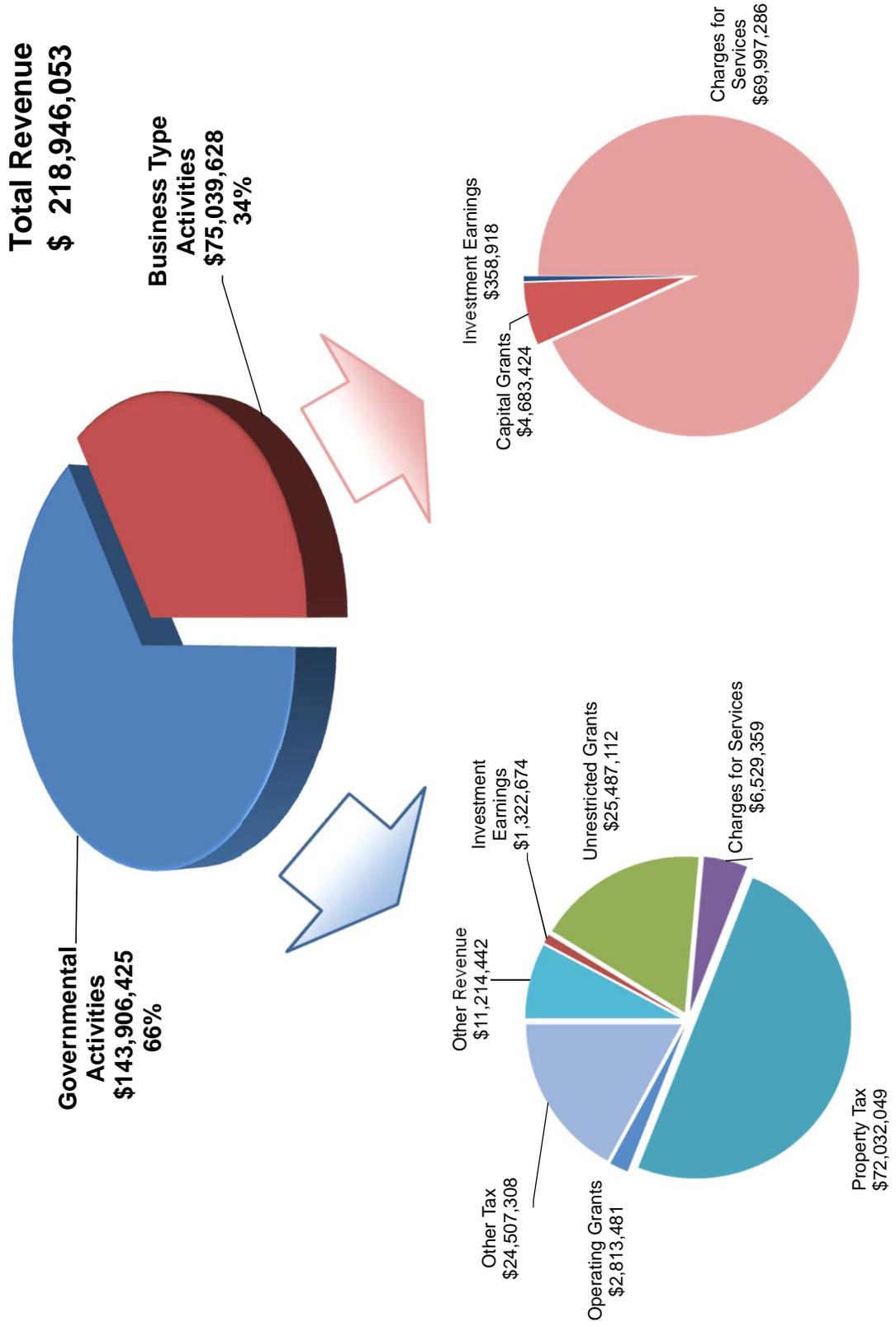
**Government Net Position** \$ 366,010,498 \$ 389,417,300 \$ 388,587,734 \$ 420,466,577 \$ 446,843,012 \$ 450,026,289 \$ 452,234,196 \$ 460,234,223 \$ 344,116,089 \$ 335,671,308

**Governmental Activities** include General Government, Police Services, Fire Protection, Street Maintenance, and Parks that are supported by property tax revenue, local income tax revenue and other revenue.

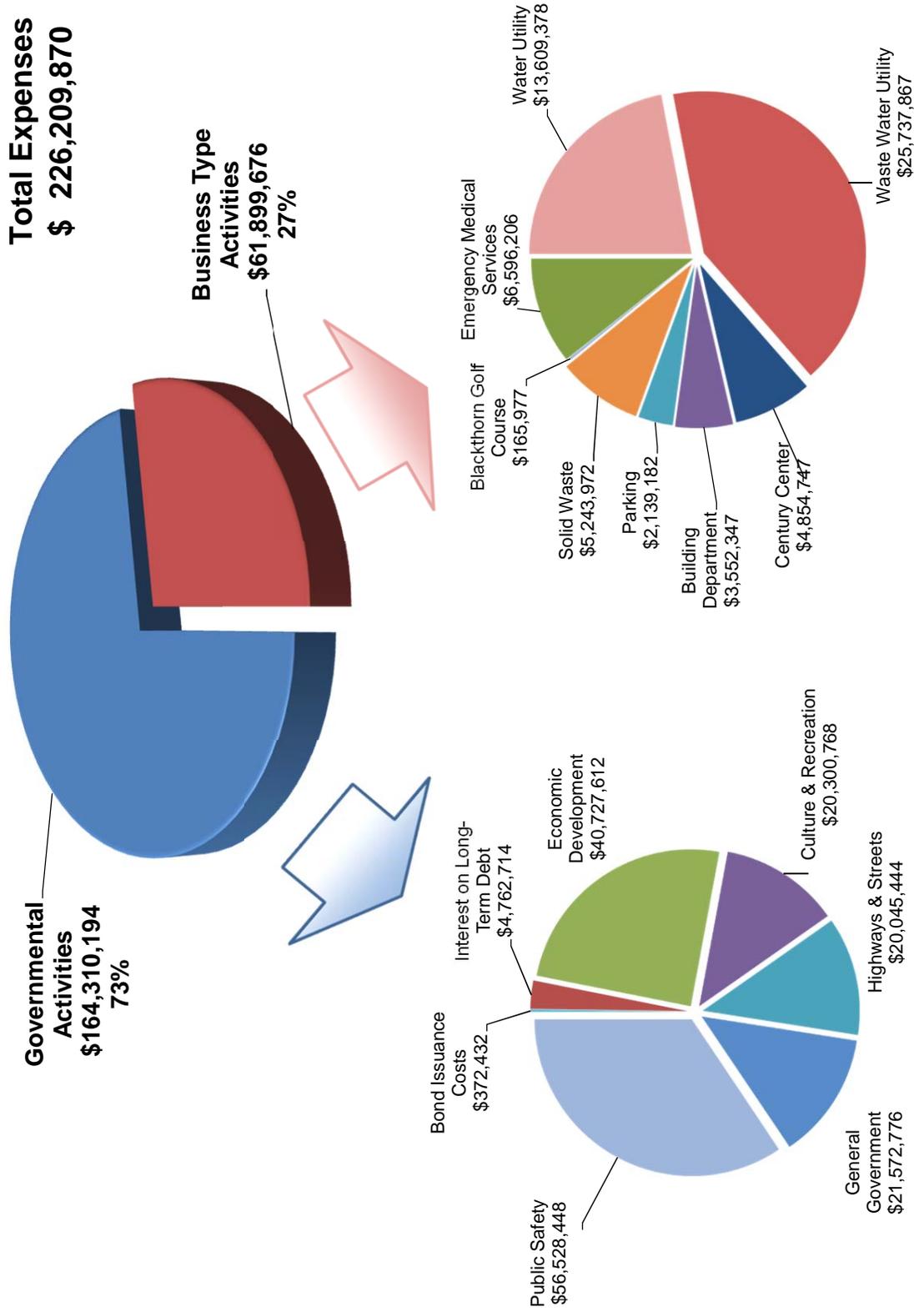
**Business Type Activities** include departments that charge a user fee for services like the water utility, wastewater department and sanitation.

Note: 2014 and 2015 have been restated for implementation of GASB statement No. 68 on pension reporting.

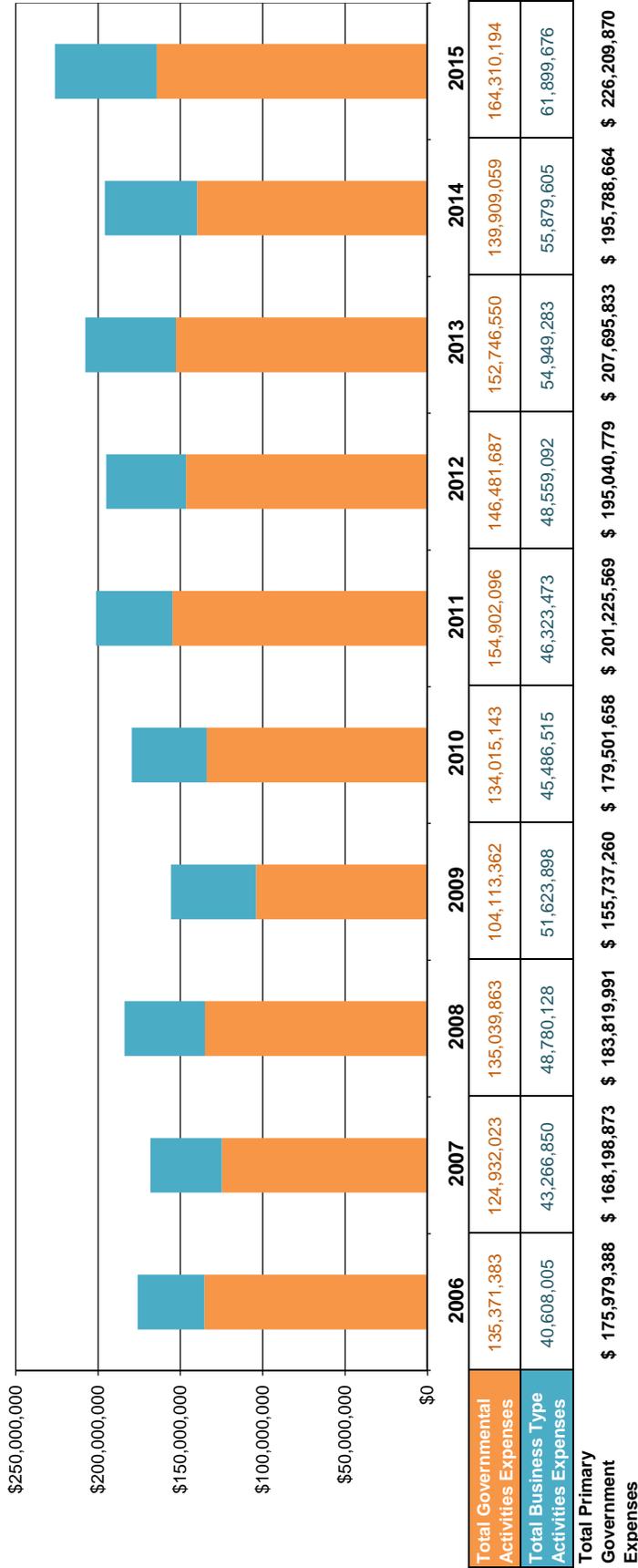
# City of South Bend, Indiana Government-Wide Revenue Fiscal Year 2015



# City of South Bend, Indiana Government-Wide Expenses Fiscal Year 2015

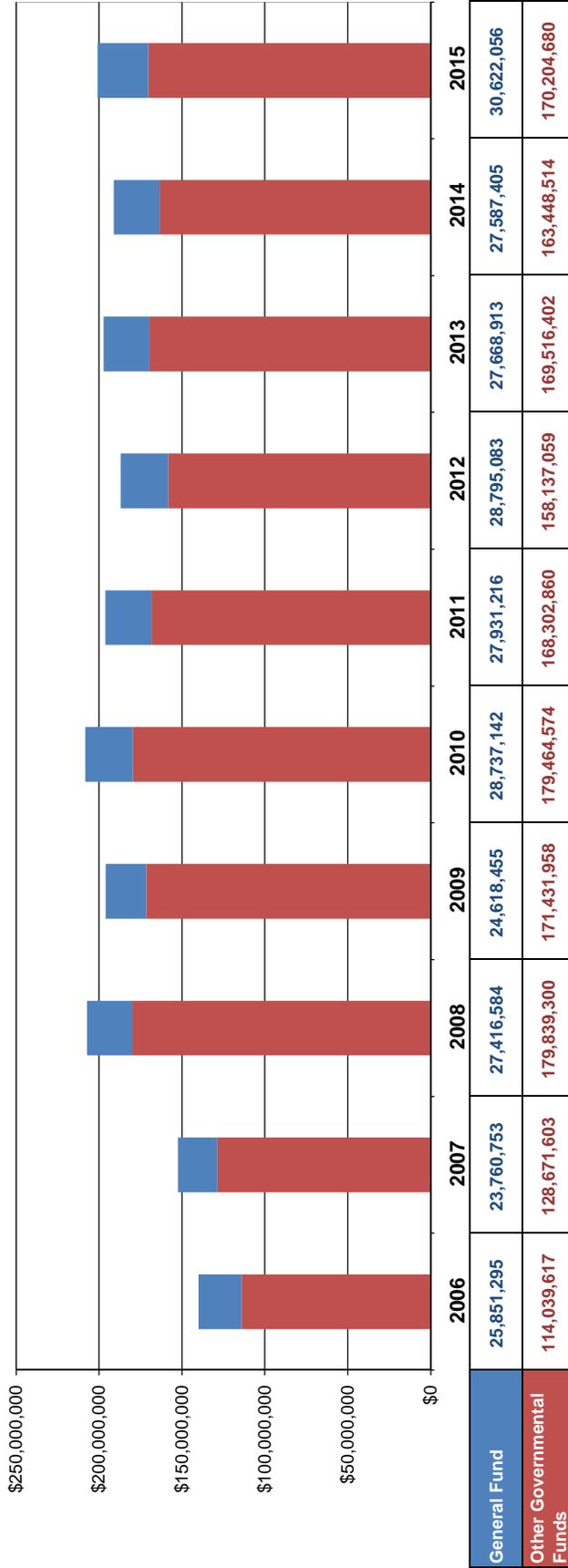


**City of South Bend, Indiana  
Government-Wide Expenses  
Last Ten Fiscal Years**

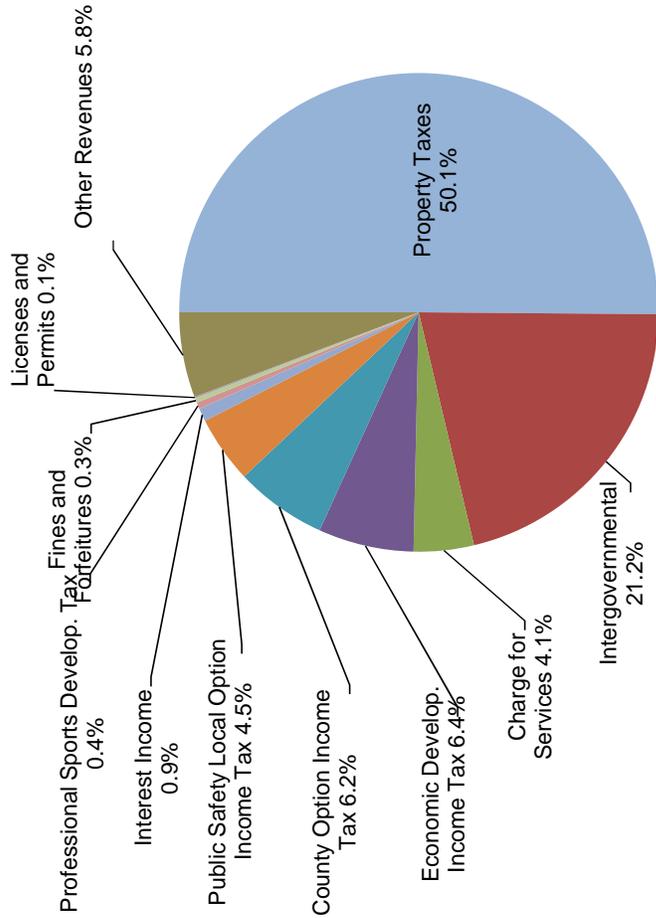


Note: 2015 Governmental Activities Expense includes adjustments for GASB statement No. 68 on pensions.

**City of South Bend, Indiana  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years**

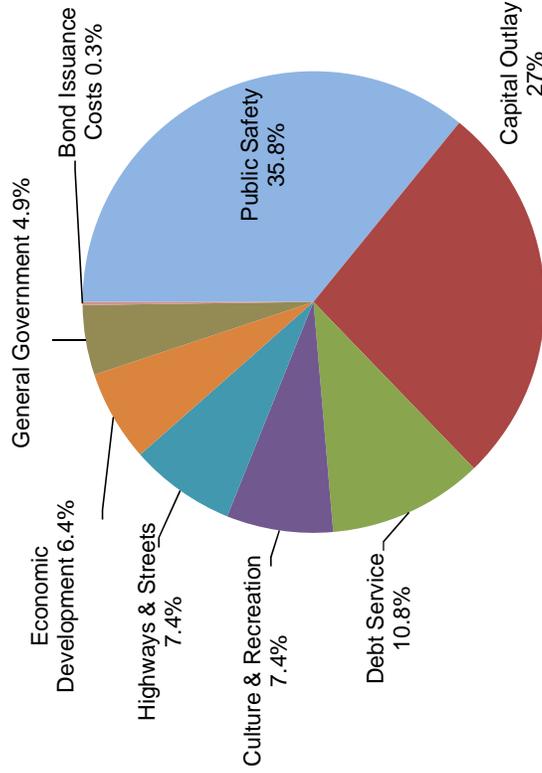


### Governmental Funds Revenue 2015



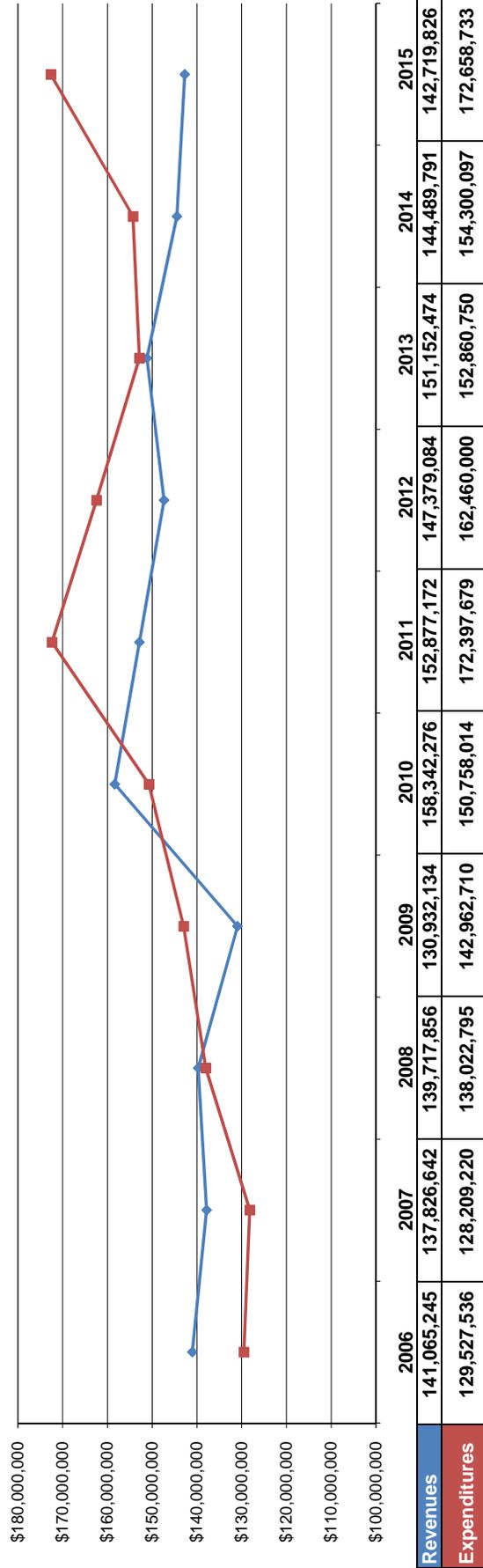
Property Taxes	\$ 71,525,988	50.1%
Intergovernmental	30,216,059	21.2%
Charge for Services	5,794,168	4.1%
Economic Develop. Income Tax	9,181,206	6.4%
County Option Income Tax	8,859,912	6.2%
Public Safety Local Option Income Tax	6,466,190	4.5%
Interest Income	1,253,242	0.9%
Professional Sports Develop. Tax	626,192	0.4%
Fines and Forfeitures	454,327	0.3%
Licenses and Permits	151,923	0.1%
Other Revenues	8,190,619	5.8%
<b>Total Revenue</b>	<b>\$ 142,719,826</b>	<b>100.0%</b>

### Governmental Funds Expenditures 2015



Public Safety	\$ 61,889,405	35.80%
Capital Outlay	46,553,570	27.00%
Debt Service	18,711,690	10.80%
Culture & Recreation	12,855,704	7.40%
Highways & Streets	12,787,641	7.40%
Economic Development	11,068,013	6.40%
General Government	8,420,278	4.90%
Bond Issuance Costs	372,432	0.30%
<b>Total Expenditures</b>	<b>\$ 172,658,733</b>	<b>100.0%</b>

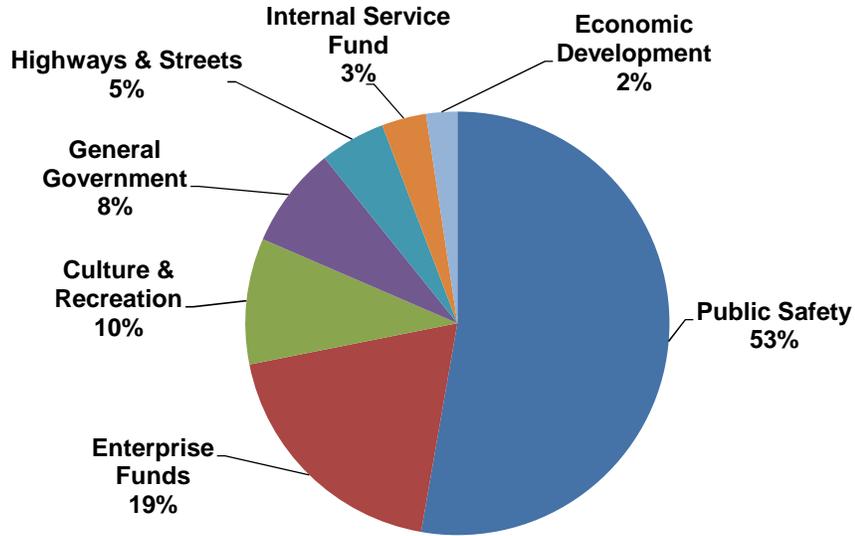
**City of South Bend, Indiana**  
**Governmental Funds Revenues and Expenditures**  
**Last Ten Fiscal Years**



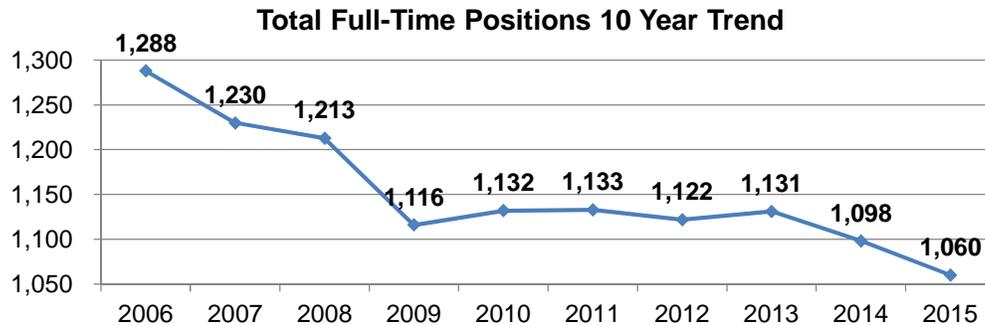
**Notes:**

Does not include Other Financing Sources/Uses.  
 Spending on one-time capital items may result in expenditures exceeding revenue during the year.

**City of South Bend, Indiana  
Full-Time City Employees by Category as of December 31, 2015**



	Department	Full-Time Positions
General Government	Administration and Finance	18
	Engineering	16
	Legal Department	12
	Common Council (elected officials, part-time)	9
	Mayor's Office	7
	311 Call Center	7
	Human Rights	6
	City Clerk's Office	5
	Safety and Risk	2
	Public Safety	Police Department
Fire Department		259
Culture and Recreation	Parks and Recreation	88
	Morris PAC/Palais Royale	14
Economic Development	Department of Community Investment	25
Highways and Streets	Street Department	53
Enterprise Funds	Water Works	67
	Wastewater	43
	Sewer	30
	Code Enforcement	23
	Solid Waste	21
	Building Department	13
	Organic Resources	6
Internal Service Fund	Central Services	36
<b>Total FTE as of December 31, 2015</b>		<b>1,060</b>





CITY OF SOUTH BEND    PETE BUTTIGIEG, MAYOR  
**DEPARTMENT OF ADMINISTRATION AND FINANCE**

June 30, 2016

The Honorable Pete Buttigieg, Mayor of the City of South Bend  
Members of the City of South Bend Common Council  
Residents of the City of South Bend:

The comprehensive annual financial report of the **City of South Bend, Indiana** (the "City") for the year ended **December 31, 2015** is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities are included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of South Bend's MD&A can be found immediately following the independent auditors' report.

The Comprehensive Annual Financial Report is presented in four sections: introductory information, financial information, statistical information and federal compliance information. The **introductory section** includes this transmittal letter, the City's organizational chart, a list of principal City officials and the Certificate of Achievement for Excellence in Financial Reporting awarded to the City of South Bend for the year ending December 31, 2014. The **financial section** begins with the independent auditors' report on the City's financial statements and schedules, the City managements' discussion and analysis report, followed by the City's basic financial statements and accompanying notes. The remaining portion of this section includes the combining and individual fund and other financial statements and schedules. The **statistical section** includes selected financial and demographic information generally presented on a multi-year basis, which has been provided to give the reader a broader understanding of the City. **The federal awards compliance section, which includes the results of the supplemental audit of the City's federal awards and the internal controls necessary for compliance, is included in a separate report.**

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, the provisions of Indiana Code section 5-11-1-9 and the requirements of the Indiana State Board of Accounts. Information related to the single audit, including the schedule of federal financial assistance, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in a separate report.

The following pages of this transmittal letter begin with a general overview of South Bend and the surrounding area. Also summarized are the key financial, budgetary and property tax controls with which the City is required to comply. The remainder includes a discussion of the prior year's financial challenges and accomplishments, the City's goals and objectives for this year and beyond and other key issues the City is facing along with the impact they may have on current and future budgets.

## **GENERAL INFORMATION**

The City of South Bend is the county seat of St. Joseph County, Indiana, and is the fourth largest city in the state. The City of South Bend's 2010 U.S. Bureau of the Census population was 101,168. Accordingly, South Bend is classified as a "City of the Second Class" under Indiana statutes (cities with a population of 35,000 to 250,000). The City of South Bend operates with a mayor as chief executive and a nine-member City Common Council composed of six members elected from districts and three members elected at-large.

The City provides a full range of traditional general governmental services to its citizens. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events. In addition to general governmental activities, the City exercises oversight over the South Bend Water Works, the South Bend Wastewater Treatment Facility, the Century Center Convention Center, the Morris Performing Arts Center, the Studebaker National Museum, the City of South Bend Redevelopment Commission and Authority, and several downtown parking facilities.

## **Location**

St. Joseph County lies within the heartland of the manufacturing belt and metropolitan regions of the Upper Midwest and Canada. The City of South Bend is located in the north central part of Indiana, ten miles south of the Michigan state line, and is commonly known to be within the "Michiana" area. The Michiana area is a vibrant and diverse area with a strong economy based on a mix of health care, agricultural, service, manufacturing, education and other commercial and tourism industries. This diverse economic mix creates varied employment opportunities for the area's residents while providing insulation via diversification from future economic downturns.

The city is approximately 90 miles east of Chicago and 140 miles north of Indianapolis. Accessibility to transportation, including Interstate 80/90, an international airport (which is the second busiest in the State of Indiana) and the South Shore Line has supported economic growth within the community. Proximity to Chicago, the largest rail and intermodal (rail/truck/ocean/inland waterway) transfer point in the country, is a significant advantage to the City of South Bend as is proximity to the University of Notre Dame with its scenic campus located adjacent to the city limits.

### **St. Joseph County / South Bend - Economic Conditions and Outlook**

St. Joseph County, with its 2010 U.S. Bureau of the Census population of 266,931, boasts a strong history of manufacturing which continues today. The service industry and retail trade have also flourished, creating a balance that serves the community well. The County experienced a net growth in population of 28,317 (11.8% increase) between 1960 and 2010. After experiencing a reduction of 2.6% during 1969 to 1983, at which time the entire Midwest was at the depth of its economic restructuring and recess, the County's population increased 4.0% between 1983 and 1990 and another 7.5% between 1990 and 2000. The population of St. Joseph County is expected to have experienced a modest increase to an estimated 268,441 in 2015.

The estimated labor force in St. Joseph County is 130,912 workers (Indiana Department of Workforce Development 2015). The workers are typical of the Midwest: well-trained with a strong work ethic. Approximately 88.4% of the area's adult population (25 and older) are high school graduates or higher (as compared to the national average of 88.4%) with an estimated 27.2% with a Bachelor's Degree or higher. There are eleven colleges, universities and technical schools within South Bend and the surrounding area including the University of Notre Dame, Indiana University South Bend, Bethel College, Saint Mary's College, Purdue University College of Technology at South Bend, Holy Cross College, American National University, Trine University South Bend, Brown Mackie College, ITT Technical Institute and Ivy Tech Community College. At the high school level, there are school-to-work transition programs. For 2015, St. Joseph County experienced an average unemployment rate of 4.9%, near average when compared to its surrounding counties—Elkhart (3.5%), LaPorte (5.9%), and Marshall (3.9%) in Indiana and Cass (4.3%) and Berrien (4.6%) in Michigan. Indiana's unemployment rate averaged 5.4% in 2015.

The employment profile for St. Joseph County provides a good overview of the economic make-up of this community. Employment estimates for the County's major economic sectors are as follows (US Census Bureau 2010-2014 American Community Survey 5-Year Estimates Civilian Employed Population):

<u>Economic Sector</u>	<u>Number Employed</u>	<u>% of Total</u>
Educational Services, Healthcare, Social Assistance	33,971	27.8%
Manufacturing	20,359	16.7%
Retail Trade	14,010	11.5%
Arts, Entertainment, Recreation, Accommodation, Food Services	11,677	9.6%
Professional, Scientific, Management, Administrative, Waste Management Services	9,906	8.1%
Finance and Insurance, Real Estate, Rentals, Leasing	6,417	5.3%
Other Services, except Public Administration	5,735	4.7%
Construction	5,655	4.6%
Transportation and Warehousing, and Utilities	4,909	4.0%
Public Administration	3,618	3.0%
Wholesale Trade	3,560	2.9%
Information	1,757	1.4%
Agriculture, Forestry, Fishing, Hunting, Mining	500	0.4%
<b>Total</b>	<b>122,074</b>	<b>100.0%</b>

St. Joseph County presently has an estimated 101,759 households with an average per capita personal income of \$24,039, which compares to the State of Indiana average per capita income of \$24,058 and the United States per capita income of \$28,051. The per capita income in St. Joseph County compares favorably with most of its surrounding counties—Elkhart (\$21,866), La Porte (\$23,278), and Marshall (\$22,580) in Indiana and Cass (\$23,045) and Berrien (\$24,304) in Michigan.

Health and education lead the employment statistics for St. Joseph County. The largest employers in St. Joseph County as of December 2015 were as follows: Beacon Health Systems (6,913), University of Notre Dame (5,590), South Bend Community School Corporation (2,880), AM General (2,858), Trinity Health/St. Joseph Regional Medical Center (2,597), Honeywell Aerospace (1,499), Indiana University – South Bend (1,445), Schurz Communication, Inc. (1,000), St. Joseph County (1,064), and The City of South Bend (1,098).

**The Following Provides a Profile of the Residents of St. Joseph County (Census Estimates for July 2014 – Latest Information Available):**

Gender %, male/female:	48.5% male; 51.5% female
Age:	24.0% under 18 11.1% 18-24 years of age 24.9% 25-44 years of age 25.7% 45-64 years of age 14.3% 65 years of age and older
Race:	73.0% White 13.2% Black/African American 8.2% Hispanic/Latino 2.3% Asian 3.3% Other
Home Ownership:	68.4% own; 31.6% rent/other

The cost of living continues to be one of the greatest advantages of living in this community. The housing costs in South Bend are well below the national and regional averages. Per a report compiled by the National Association of Realtors in the first quarter of 2016, the median sales price for a single family home in the South Bend-Mishawaka Statistical Area was \$99,800 as compared to a median sales price of \$208,600 in Chicago, \$149,800 in Grand Rapids, \$115,300 in Ft. Wayne and \$146,900 in Indianapolis. The Midwest median sales price is \$167,900.

Between January 2015 and June 2016 the City of South Bend has seen approximately \$192,148,376 in private investment and the announcement of roughly 939 jobs. By providing state of the art innovative infrastructure and, in some cases, offering targeted assistance the City can stimulate private investment, creating business opportunities and jobs. The City has had many significant economic development projects to include new downtown residential housing, mixed use developments, downtown hotels, and high tech industrial projects. A highlight of 2016 is the implementation of the Smart Streets project with downtown streets undergoing construction. City investments like these encourage new start-up businesses, strengthen existing business, attract new jobs, increase assessed value and emphasize direct investment in hard-to-develop areas. Efforts have been and will continue to focus on implementing the comprehensive plans for our neighborhood and downtown areas.

The South Bend Community School Corporation serves the entire City and some of the surrounding area and has a current enrollment of approximately 18,680 students in grades pre-kindergarten through 12. An estimated 5,367 students attend private or parochial schools within the City. The ten institutions of higher education and technical training located within the South Bend area have a total enrollment of approximately 31,000. Over the years, the University of Notre Dame has provided a stabilizing influence on the economy with a very significant positive economic impact upon the community.

## **South Bend History and Amenities**

In 1820, Pierre Navarre of the American Fur Trading Company was the first settler in the area to become later known as South Bend. South Bend has continued to progress in its growth since 1842 when Father Edward Sorin named his rustic log chapel “Notre Dame du Lac” and began to teach the local Indians. Today the chapel has grown into the University of Notre Dame. In 1852, H.C. Studebaker started the industry of making wagons and horse-drawn buggies that evolved into the manufacturing of the Studebaker automobile. The name Studebaker became synonymous with the area of South Bend and the company was its major employer until its closure in 1963.

Another industrial firm that would later become the area’s largest began in 1923 when Vincent Bendix began manufacturing automotive brakes. In 1929, the company became the Bendix Aviation Corporation, and now, as Honeywell (formerly AlliedSignal Inc.), is a leading manufacturer of automotive, aerospace and household products. The Singer Sewing Company, Birdsell Manufacturing and the Oliver Chilled Plow Works were other important companies during the early history of South Bend.

Special attractions within the South Bend area include the Olympic-class East Race Waterway and the East Bank area, the renovated Morris Performing Arts Center, which provides for the Broadway Theater League, the South Bend Symphony Orchestra and the Southold Dance Theater and Patchwork Dance Company, the award-winning South Bend Civic Theater, the Studebaker National Museum, the South Bend Museum of Art, the Snite Museum of Art at Notre Dame, the Northern Indiana Center for History and the Oliver family Mansion, Copshaholm, Century Center, Potawatomi Zoo, the Morris Conservatory/Muessel-Ellison Tropical Gardens, Healthworks! Kids Museum, the Farmers’ Market, and the St. Clair (Belleville) Softball Complex.

The Four Winds Field Baseball Stadium is a 5,600-seat facility which opened in 1987 and is rated among the best in minor league baseball. Until recently, the stadium was home to the South Bend Silver Hawks, a Single-A minor league team in the Midwest League affiliated with the Arizona Diamondbacks. In January 2011, the Silver Hawks were sold to Chicago businessman Andrew Berlin, who has forged a strong partnership with the City and plans to keep the team in South Bend for many years to come. In September 2014, a four-year player contract was reached with the Chicago Cubs and the team became the South Bend Cubs. Total attendance in 2015 of 347,000 was up approximately 34% over 2014. The South Bend Cubs received the John H. Johnson Award recognizing its record setting 2015 season and its rise to become one of Minor League Baseball's most outstanding franchises.

Additional miscellaneous information about the City of South Bend can be found in the statistical section of this report.

## **Financial, Budgetary and Property Tax Controls**

The City's management team is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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.

**Single Audit.** As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City. As part of the City's single audit described earlier, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the year ended December 31, 2015 are included in a separate report.

**Budgetary Controls.** In accordance with Indiana statutes, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget (prepared on a cash basis) which is adopted by the Common Council or Redevelopment Commission (depending on the fund) and then reviewed and approved by the State of Indiana Department of Local Government and Finance (DLGF). Activities of the general fund, special revenue funds, capital project funds, enterprise funds, internal service funds, pension trust funds and debt service funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major budget classification within funds. The Mayor and Common Council may transfer appropriations from one major budget classification to another within a department by ordinance as long as the total appropriations for that fund are not exceeded. Additional appropriations in excess of the original budget must be approved by the Mayor and Common Council and are also submitted to the DLGF for either approval or acknowledgement (depending on the fund). Additional appropriations for funds approved by the Redevelopment Commission do not require DLGF approval. Beginning in budget year 2009, the City must also submit its annual budget to the St. Joseph County Common Council for a non-binding review and recommendation. The deadline for adoption of the annual budget is November 1. The city's fiscal year begins on January 1.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year end and are carried over to the following year as a part of the subsequent year's budget.

## **Financial, Budgetary and Property Tax Controls**

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**Property Tax Controls.** In addition to budgetary and other controls established by Indiana statute, the City must operate within specific and rigid controls governing the amount of property tax it may levy. The property tax control program, which began in 1973, limits the amount of property tax that may be levied by each unit of government in its legally budgeted funds. The total amount of property tax levied by the unit may increase by the six year average annual growth in Indiana personal non-farm income, as calculated by the U.S. Bureau of Economic Analysis, with a 6% maximum.

During March 2008, the State of Indiana General Assembly enacted property tax reform legislation which made significant changes in the property tax system by capping the amount of property taxes at 1% of grossed assessed value for residential homesteads, 2% for agricultural/rental properties and 3% for all other real and personal property. This legislation was phased in over a two year period beginning in 2009. The loss of revenue to the City due to this legislation was significant (estimated to be over \$31 million dollars) but this revenue loss has been offset by cost savings and the adoption of local option income taxes in order to continue providing essential City services, including police and fire protection.

A historical view of the City's tax rate and its net assessed valuation has been included in the statistical section of this document.

### **Mayoral Leadership**

Mayor Pete Buttigieg, a Harvard University graduate and Rhodes scholar, assumed office on January 1, 2012, bringing with him a group of leaders with new ideas and energy to implement transformational reform to city government. Elected at age 29, Mayor Buttigieg is the youngest chief executive of a municipality exceeding 100,000 residents in the United States. During his first term, Mayor Buttigieg has launched seven initiatives to improve city government:

1. **New Economic Partnerships** – to lay out a new economic vision for our community as well as to agree on a smarter division of labor among various groups involved in economic development.
2. **High Ethical Standards** – on his first day in office the Mayor issued an executive order introducing a new ethics code for City employees.
3. **Customer Service Mentality** – design ways that City employees can track and resolve citizens' issues efficiently by using more advanced technology. This effort led to the creation of a "311 Call Center" for non-emergency municipal telephone calls during 2012. The Call Center has taken more than 300,000 calls through June 2016 and continues to add departments to be a central call center for most areas of City government.
4. **Strong Partnerships with Schools** – the Mayor has improved dialogue with the South Bend School Corporation and other stakeholders to ensure a strong educational system in the City. The Mayor has begun programs to double the number of public school mentors and curb youth and gun violence.

5. **Transparency and Accessibility** – choosing not to serve from behind his desk, Mayor Buttigieg has conducted a series of monthly “Mayor’s Night Out” and “Mayor’s Night In” events around town to allow citizens to speak to him and his department heads directly about concerns and ideas. The City website has been re-designed and additional financial and operational reports are being made available online.
6. **Vacant and Abandoned Buildings** – as with many large cities, the City of South Bend has an issue with vacant and abandoned buildings. The city has taken on this issue with the appointment of a blue-ribbon task force that developed new strategies and initiated an aggressive three-year program—1,000 buildings in 1,000 days—to reduce the number of vacant and abandoned buildings. As of June 2016, more than 1,000 buildings have been addressed. In the second phase of the project, the City is beginning to handle the new vacant lots which resulted from the demolition of many buildings.
7. **Smart Streets** – an effort to improve the role of streets within South Bend. Projects within this initiative utilize the “Complete Streets” philosophy which advocates for the design of streets to enable safe access for all users, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. During 2015, the City issued a bond for \$25 million to move the project of two-way street conversions and other Smart Street initiatives forward.
8. **South Bend Group Violence Intervention (SBGVI)** – unites community leaders around a common goal: to stop gun violence and keep South Bend’s highest risk citizens alive and out of prison. SBGVI is a partnership among 30 community leaders from law enforcement, government, education, civil service, health-care and faith-based agencies.

### **Administration Vision**

The administration of Mayor Buttigieg has a single, overarching mission—**we deliver services that empower everyone to thrive**. In support of this vision, the Mayor has established three main pillars of administration policy:

1. ***Make the basics easy*** – Provide residents high quality services at the greatest value to the taxpayer, maintaining widespread confidence that the fundamentals are managed well.
2. ***Deliver Good government*** – Put residents first always, leading by example, gathering input, and transparently communicating our intentions, decisions, and actions.
3. ***Invest in people and places*** – Support residents with design, policy, and programming for a strong and inclusive economy, vibrant culture, and great public spaces.

## **Values**

The five core values of the City administration are:

1. ***Excellence*** – For each major area of service delivery, establish South Bend as the best in the state, and/or in the top 25% nationally, measuring and reporting progress.
2. ***Accountability*** – Put residents first always, offering services at the greatest value to the taxpayer, with clear and transparent indications of how the government is using public resources.
3. ***Innovation*** – Deliver better services more efficiently by introducing creative approaches to government operations, questioning habit and using evidence to continually improve.
4. ***Inclusion*** – Ensure the City administration, as an employer and as a purchaser, reflects the community it serves and includes diverse voices in our decision-making and actions.
5. ***Empowerment*** – Establish a work environment that enables employees to contribute richly to the administration and the community, taking pride and ownership in our work.

## **Community and Governance Results**

During 2016, the City administration has initiated a Priority Based Budgeting program and has developed the following Community and Governance desired outcomes:

### **Community Results**

1. Safe Community for Everyone
2. Strong, Inclusive Economy
3. Thriving Public Spaces and Culture
4. Vibrant, Welcoming Neighborhoods
5. Robust and Well-Planned Infrastructure
6. Physically and Digitally Connected Community

### **Governance Results**

1. Great Employer with Great Employees
2. Enduring Financial Strength
3. Excellent Services and Efficient Processes
4. Modeling our Values (Excellence, Accountability, Innovation, Inclusion and Empowerment)
5. Robust Physical and Technological Capital Assets
6. Reliable Compliance with Regulations and Well-Managed Risk
7. Effective, Responsive Leadership and Communication

## **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 City of South Bend for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the 25th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

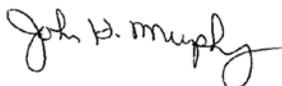
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

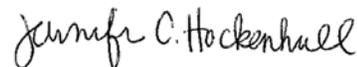
The preparation of the Comprehensive Annual Financial Report (CAFR) was made possible by the dedicated service of the City's departmental fiscal officers and the staff of the Department of Administration and Finance. Each fiscal officer and member of the Administration and Finance Department has our sincere appreciation for the contributions made in the preparation of this report. We would especially like to acknowledge the efforts of the core CAFR preparation team of Rahman Johnson, Cecil Eastman and Plante Moran, PLLC. In addition, we would like to thank the Field Examiners of the Indiana State Board of Accounts (led by Martha Harper, Alex Flores and Bruce Snyder) for their hard work and dedication in this effort.

In closing, without the leadership and support of Mayor Pete Buttigieg, City Department Heads, City Fiscal Officers and members of the City of South Bend Common Council, preparation of this report would not have been possible.

Sincerely,



John H. Murphy, MPA  
City Controller



Jennifer Hockenhuell, CPA  
Deputy City Controller



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Bend (City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, based on the audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Emphasis of Matter***

As discussed in Note 25 to the financial statements, the City adopted new accounting guidance, GASB Statement 68 *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City basic financial statements. The accompanying Combining Balance Sheet, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances, Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual, other Budgetary Comparison Schedules, Combining Statements of Net Position, Combining Statements of Revenue, Expenses, and Changes in Net Position, Combining Statements of Cash Flows, Statement of Asset and Liabilities, Combining Statement of Changes in Fiduciary Net Position, and Statement of Changes in Assets and Liabilities, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

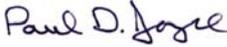
The Combining Balance Sheet, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances, Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual, other Budgetary Comparison Schedules, Combining Statements of Net Position, Combining Statements of Revenue, Expenses, and Changes in Net Position, Combining Statements of Cash Flows, Statement of Asset and Liabilities, Combining Statement of Changes in Fiduciary Net Position, and Statement of Changes in Assets and Liabilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, and other budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2016, on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

June 15, 2016

# City of South Bend, Indiana

## Management's Discussion and Analysis

The management of the City of South Bend, Indiana (the "City") provides herewith this Management's Discussion and Analysis (MD&A) of the financial activities and condition of the City of South Bend, Indiana for the fiscal year ended December 31, 2015.

Readers of the information contained within this Management's Discussion and Analysis, and any opinion derived therein, should be considered as a part of the greater whole of the financial statements, notes to the financial statements, supplemental information and letter of transmittal, as contained within this Comprehensive Annual Financial Report (CAFR).

The City of South Bend is the county seat of St. Joseph County, Indiana, and is the fourth largest city in the state of Indiana. St. Joseph County is located within the heartland of the manufacturing and metropolitan regions of the Upper Midwest. The City of South Bend is located in the north central region of the state of Indiana, five (5) miles south of the Indiana / Michigan state boundary line. The City is approximately ninety (90) miles east of the city of Chicago and one hundred forty (140) miles north of the city of Indianapolis.

The 2010 U.S. Bureau of the Census population for the City of South Bend was reported as 101,168 and the 2010 Census population for St. Joseph County was reported as 266,931. Accordingly, South Bend is classified as a "Second Class City" under State of Indiana statutes, defined as cities with a population between 35,000 and 600,000 residents.

South Bend and St. Joseph County is a vibrant and diverse area with a strong local economy based on a mix of agricultural, manufacturing and service, higher education, health care and other commercial and tourism based industries. The diverse economic mix creates varied employment opportunities for residents while providing insulation from economic downturns through diversification. South Bend is home to the University of Notre Dame.

The City of South Bend provides a full range of general governmental services to its citizens. Services include general government, public safety, street construction and maintenance, infrastructure construction and maintenance, parks and recreation services, arts and culture, and sanitation services. In addition, the City provides Water Utility and Wastewater Utility services to commercial and residential properties within the city. City operations also include the Century Center convention venue, Morris Performing Arts Center, Palais Royale Ballroom, Studebaker National Museum, South Bend Redevelopment Authority and Public Parking Garages within the city footprint.

The City of South Bend governmental structure includes elected officials as follows with defined management and legislative authority in compliance with Indiana statute.

Mayor	Chief Executive Officer	4-year term
Common Council	9 member legislative body 6 from defined districts within the City 3 at-large members	4-year term
City Clerk	Secretary of the Common Council	4-year term

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

The current terms of office for Common Council members, Mayor and City Clerk expire on December 31, 2019.

The City of South Bend was incorporated in 1865, is compliant with Indiana statutes, and remains as such through the period covered by this Management's Discussion and Analysis report. In 2015, the City celebrated its 150<sup>th</sup> birthday and a year-long series of community activities was held for "SB 150".

### Financial Highlights

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2015	2014*	2015	2014*	2015	2014*
Assets/deferred outflows	\$ 516,636,797	\$ 498,965,722	\$ 317,443,817	\$ 302,099,795	\$ 834,080,614	\$ 801,065,517
Liabilities/deferred inflows	375,776,902	205,520,938	122,632,404	125,032,205	498,409,306	330,553,143
<b>Net position</b>						
Net investment in capital assets	157,604,691	168,275,521	141,998,384	136,685,811	299,603,075	304,961,332
Restricted	9,137,552	8,723,878	28,397,290	26,587,012	37,534,842	35,310,890
Unrestricted	-25,882,348	116,445,385	24,415,739	13,794,767	-1,466,609	130,240,152
<b>Total net position</b>	<b>140,859,895</b>	<b>293,444,784</b>	<b>194,811,413</b>	<b>177,067,590</b>	<b>335,671,308</b>	<b>470,512,374</b>
Change vs. prior year	(152,584,889)	3,890,735	17,743,823	6,387,416	(134,841,066)	10,278,151
Expenses	164,310,194	139,909,059	61,899,676	55,879,605	226,209,870	195,788,664
Revenues	143,906,425	144,482,843	75,039,628	61,583,972	218,946,053	206,066,815

\* For this presentation, 2014 column balances were not restated for prior period adjustments due to lack of information and management's desire to maintain comparability with prior reports.

- Government-wide net position was \$335,671,308 as of December 31, 2015.
- Government-wide net position decreased by \$134,841,066 or 28.7% during fiscal 2015. Governmental activity net position decreased by \$152,584,889 or 52.0% and business-type activity net position increased by \$17,743,823 or 10% during fiscal 2015. On an overall basis, the City is worse off financially at December 31, 2015 than it was at December 31, 2014 on a government-wide financial basis. The primary reason is the implementation of the new pension accounting rules which were posted as a prior period adjustment. The above table for 2014 has not been adjusted for these prior period adjustments.
- Total assets and deferred outflows of resources as of December 31, 2015 of \$834,080,614 increased by \$33,015,097 or 4.1% as compared to total assets and deferred outflows of resources as of December 31, 2014.
- Total liabilities and deferred inflows of resources as of December 31, 2015 of \$498,409,306 increased by \$167,856,163 or 50.8% as compared to total liabilities and deferred inflows of resources as of December 31, 2014.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

- As of December 31, 2015, the government-wide net position of \$335,671,308 has \$299,603,075 invested in capital assets (net of debt) which is not available for spending, \$37,534,842 classified as restricted for debt service; capital outlay; and other; and a negative (\$1,466,609) classified as unrestricted.
- Government-wide revenue received in fiscal 2015 totaled \$218,946,053, an increase of \$12,879,238 or 6.25% versus government-wide revenue received in fiscal 2014. Governmental activity revenue decreased by \$576,418 or .4%, whereas business-type activity revenue increased by \$13,455,656 or 21.8%.
- Government-wide expenses in 2015 totaled \$226,209,870, an increase of \$30,421,206 or 15.5% compared to expenses of \$195,788,664 in 2014. Government activity expenses increased by \$24,401,135 or 17.4% and business-type activity expenses increased by \$6,020,071 or 10.8% compared to fiscal 2014.
- Explanatory commentary concerning the changes in assets, liabilities, revenue and expenditures can be found in later sections of this MD&A.

### Overview of the Financial Statements

The City of South Bend's financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of South Bend's finances using "accrual-based accounting," a method of accounting used by private sector businesses.

- **Statement of Net Position**

This statement reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City of South Bend as of December 31, 2015. The difference between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources is reported as "net position," and can generally be thought of as the net worth of the City. Increases in net position generally indicate an improvement in financial position while decreases in net position may indicate a deterioration of financial position.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

- **Statement of Activities**

This statement serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City of South Bend for the year ended December 31, 2015. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The statement of activities displays the expense of the City's various programs net of the related revenues, as well as a separate presentation of revenue available for general purposes including property and county option income taxes, fees for services and other revenue sources.

The government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) and other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The major governmental activities of the City of South Bend include general government, public safety, street construction and maintenance, infrastructure construction and maintenance, parks and recreation services, and arts and culture. The major business-type activities of the City include the water utility, wastewater utility, solid waste sanitation services, Century Center convention center, building department, emergency medical services and the downtown parking garages.

### **Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Bend can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Each fund has its own cash balance which must be maintained according to the City's cash reserve policy.

### **Governmental Funds**

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. Governmental funds use the modified accrual accounting method. The City maintains seven (7) major governmental funds (General, Parks and Recreation, Public Safety Local Option Income Tax (LOIT), County Option Income Tax, Economic Development Income Tax, River West TIF and Redevelopment Authority Debt Service) and sixty-seven (67) non major governmental funds.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Proprietary Funds

The City of South Bend maintains two types of proprietary funds: enterprise and internal service.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains eight (8) enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expenses and changes in fund net position for the Water utility, Wastewater utility and Century Center, which are considered major enterprise funds. Data from the other five (5) nonmajor enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste, Blackthorn Golf Course and Emergency Medical Services) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.
- **Internal service funds** are used to accumulate and allocate costs internally among the City's various functions and funds. The City maintains five (5) internal service funds. The City of South Bend uses internal service funds to account for its self-funded liability insurance program, self-funded employee health benefits program, unemployment compensation claims, police take-home vehicle program and central services unit (a department that accounts for expenses related to fuel, vehicle repairs, printing and other services provided to City departments on a cost-reimbursement basis). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The City maintains six (6) fiduciary funds, which consist of two (2) pension trust funds (1925 Police Pension and 1937 Firefighters' Pension), three (3) agency funds (Payroll, Police Distributions Payable and Morris/Palais Royale Box Office), and one (1) private-purpose trust fund (City Cemetery).

# **City of South Bend, Indiana**

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## **Management's Discussion and Analysis (Continued)**

### **Pension Trust Fund Operations**

City employees are covered by the Public Employees Retirement Fund (PERF) and the 1977 Police Officers' and Firefighters' Pension Fund, both of which are administered by the State of Indiana. However, certain police officers and firefighters hired before May 1, 1977 (who did not opt into the 1977 fund) continue to be members of the 1925 Police Officers' Pension Fund or the 1937 Firefighters' Pension Fund. These two funds are administered by the City. The number of police officers and firefighters in the City-managed pension trust funds will continue to decline in the future as current participants pass away. The State makes certain contributions toward the funding of the 1925 Police Officers' and 1937 Firefighters' pension plans.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential in order to have a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes and disclosures, this CAFR presents supplementary information ("Required Supplementary Information" or "RSI") immediately following the basic financial statements. Other supplementary information is found in the Statistical Section. The combining statements referred to earlier in connection with non-major governmental, non-major enterprise, internal service and fiduciary funds are presented immediately after the Required Supplementary Information within the financial statement section of the CAFR.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Government-wide Financial Statements

The following financial analysis will focus on the statement of net position and statement of changes in net position of the City's governmental and business-type activities.

### Statement of Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2015	2014*	2015	2014*	2015	2014*
<b>Assets</b>						
Current and other	\$ 226,795,797	\$ 214,391,686	\$ 74,526,365	\$ 64,664,042	\$ 301,322,162	\$ 279,055,728
Capital assets (net)	265,386,820	284,574,036	240,503,593	236,196,523	505,890,413	520,770,559
<b>Total Assets</b>	<b>492,182,617</b>	<b>498,965,722</b>	<b>315,029,958</b>	<b>300,860,565</b>	<b>807,212,575</b>	<b>799,826,287</b>
<b>Deferred Outflows</b>	<b>24,454,180</b>	<b>-</b>	<b>2,413,859</b>	<b>1,239,230</b>	<b>26,868,039</b>	<b>1,239,230</b>
<b>Liabilities</b>						
Current	30,617,734	30,496,632	15,584,204	14,315,178	46,201,938	44,811,810
Long term	324,909,155	174,715,186	106,707,120	110,277,807	431,616,275	284,992,993
<b>Total Liabilities</b>	<b>355,526,889</b>	<b>205,211,818</b>	<b>122,291,324</b>	<b>124,592,985</b>	<b>477,818,213</b>	<b>329,804,803</b>
<b>Deferred Inflows</b>	<b>20,250,013</b>	<b>309,120</b>	<b>341,080</b>	<b>439,220</b>	<b>20,591,093</b>	<b>748,340</b>
<b>Net Position</b>						
Net investment in capital assets	157,604,691	168,275,521	141,998,384	136,685,811	299,603,075	304,961,332
Restricted	9,137,552	8,723,878	28,397,290	26,587,012	37,534,842	35,310,890
Unrestricted	(25,882,348)	116,445,385	24,415,739	13,794,767	(1,466,609)	130,240,152
<b>Total Net Position</b>	<b>\$ 140,859,895</b>	<b>\$ 293,444,784</b>	<b>\$ 194,811,413</b>	<b>\$ 177,067,590</b>	<b>\$ 335,671,308</b>	<b>\$ 470,512,374</b>

\* For this presentation, 2014 column balances were not restated for prior period adjustments due to lack of information and management's desire to maintain comparability with prior reports.

- As of December 31, 2015, total assets and deferred outflows exceeded liabilities and deferred inflows by \$335,671,308, a decrease of \$134,841,066, or 28.7%, from the net position level as of December 31, 2014.
- Governmental activities net position of \$140,859,895 decreased by \$152,584,889, or 52.0%, from December 31, 2014.
- Business-type net position of \$194,811,413 increased by \$17,743,823, or 10.0%, from December 31, 2014. The increase in business-type net position was due primarily to a 5% increase in sewer rates which will be used to support long-term capital projects of the Wastewater utility and the reclassification of the Emergency Medical Services operations from a governmental activity to a business-type activity during 2015 based on an ordinance approved by the South Bend Common Council.
- Government-wide assets and deferred outflows increased by \$33,015,097, or 4.1%, as compared to amounts as of December 31, 2014 primarily due to the recording of deferred outflows with respect to pensions under GASB Statement No. 68 at December 31, 2015.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

- Government-wide liabilities and deferred inflows increased by \$167,856,163, or 50.8%, as compared to amounts as of December 31, 2014. The increase is due primarily to the implementation of new accounting requirements for recording pension liabilities under GASB Statement No. 68 at December 31, 2015.

### Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Government-wide Activities	
	2015	2014*	2015	2014*	2015	2014*
<b>Revenue</b>						
Program revenue:						
Charge for services	\$ 6,529,359	\$ 11,473,867	\$ 69,997,286	\$ 59,858,306	\$ 76,526,645	\$ 71,332,173
Operating grants	2,813,481	3,203,805	-	-	2,813,481	3,203,805
Capital grants	-	-	4,683,424	95,834	4,683,424	95,834
General revenue:						
Taxes						
Property tax	72,032,049	69,221,468	-	-	72,032,049	69,221,468
Other tax	24,507,308	23,822,661	-	-	24,507,308	23,822,661
Unrestricted grants	25,487,112	29,061,942	-	-	25,487,112	29,061,942
Investment earnings	1,322,674	951,901	358,918	128,168	1,681,592	1,080,069
Other revenue	11,214,442	6,747,199	-	1,501,664	11,214,442	8,248,863
<b>Total Revenue</b>	<b>143,906,425</b>	<b>144,482,843</b>	<b>75,039,628</b>	<b>61,583,972</b>	<b>218,946,053</b>	<b>206,066,815</b>
<b>Expenses</b>						
General government	21,572,776	19,013,453	-	-	21,572,776	19,013,453
Public safety	56,528,448	68,783,155	-	-	56,528,448	68,783,155
Highways and streets	20,045,444	13,031,500	-	-	20,045,444	13,031,500
Culture and recreation	20,300,768	16,802,311	-	-	20,300,768	16,802,311
Economic development	40,727,612	19,780,791	-	-	40,727,612	19,780,791
Bond issuance costs	372,432	-	-	-	372,432	-
Interest on long-term debt	4,762,714	2,497,849	-	-	4,762,714	2,497,849
Water utility	-	-	13,609,378	13,020,610	13,609,378	13,020,610
Wastewater utility	-	-	25,737,867	25,521,753	25,737,867	25,521,753
Civic center	-	-	4,854,747	4,747,838	4,854,747	4,747,838
Building department	-	-	3,552,347	3,242,320	3,552,347	3,242,320
Parking	-	-	2,139,182	1,660,596	2,139,182	1,660,596
Solid waste	-	-	5,243,972	5,811,526	5,243,972	5,811,526
Golf course	-	-	165,977	1,874,962	165,977	1,874,962
Emergency medical services	-	-	6,596,206	-	6,596,206	-
<b>Total Expenses</b>	<b>164,310,194</b>	<b>139,909,059</b>	<b>61,899,676</b>	<b>55,879,605</b>	<b>226,209,870</b>	<b>195,788,664</b>
<b>Change in net position</b>						
Before transfers	(20,403,769)	4,573,784	13,139,952	5,704,367	(7,263,817)	10,278,151
Special items - Disposal of operations	-	-	(1,180,964)	-	(1,180,964)	-
Transfers	2,846,415	(683,049)	(2,846,415)	683,049	-	-
<b>Change in net position</b>	<b>(17,557,354)</b>	<b>3,890,735</b>	<b>9,112,573</b>	<b>6,387,416</b>	<b>(8,444,781)</b>	<b>10,278,151</b>
Beginning net position (restated)	158,417,249	289,554,049	185,698,840	170,680,174	344,116,089	460,234,223
<b>Ending net position</b>	<b>\$ 140,859,895</b>	<b>\$ 293,444,784</b>	<b>\$ 194,811,413</b>	<b>\$ 177,067,590</b>	<b>\$ 335,671,308</b>	<b>\$ 470,512,374</b>

\* For this presentation, 2014 column balances were not restated for prior period adjustments due to lack of information and management's desire to maintain comparability with prior reports.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Governmental Activities

Net position for governmental activities decreased by \$17,557,354 during fiscal 2015, a decrease of 11.1% from the restated balance of Net Position at December 31, 2014. Revenue of \$143,906,425 decreased by \$576,418, or .4%. Expenses were \$164,310,194 during 2015, an increase of \$24,401,135, or 17.4% as compared to fiscal 2014.

The governmental activities revenue decreases were due primarily to lower grant revenue for community and economic development projects and the reclassification of Emergency Medical Services to a business-type activity during 2015. Governmental activities expenses increased significantly in highway and streets economic development due to higher spending on capital projects including the smart streets two-way conversion of downtown streets, the Ignition Park turbo project and the LaSalle Hotel renovation.

### Business-type Activities

Net position from business-type activities increased by \$9,112,573 during fiscal 2015, an increase of 4.9% from the restated balance of Net Position at December 31, 2014. During 2015, business-type activities revenue of \$75,039,628 increased by \$13,455,656, or 21.8%, over fiscal 2014. During 2015, business-type activities expenses of \$61,899,676 increased by \$6,020,071, or 10.8%, when compared to fiscal 2014.

Revenue increased primarily in the Wastewater utility as a result of a 5% rate increase that was approved by the South Bend Common Council along with the classification of Emergency Medical Services (EMS) as a business-type activity in 2015. Expenses for EMS were also classified as business-type activities during 2015.

### Financial Analysis of Government Funds

The City of South Bend uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds of the City are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Condensed Balance Sheet, Statement of Revenue, Expenditures, and Changes in Fund Balance As of December 31, 2015

	General	Park & Rec	PS LOIT	COIT	EDIT	River West TIF	Redevelopment Authority Debt Service	Other	Total
Total assets	\$ 31,461,006	\$ 3,977,754	\$ 641,982	\$ 13,852,167	\$ 10,294,695	\$ 44,549,416	\$ 1,217,412	\$ 110,565,226	\$ 216,559,658
Total liabilities	838,950	157,272	88,715	792,557	65,472	2,806,268	-	10,983,688	15,732,922
<b>Fund Balances:</b>									
Nonspendable	491,665	45,197	-	1,764,770	270,001	11,011,644	-	13,950,624	27,533,901
Restricted	-	3,775,285	553,267	-	-	30,731,504	1,217,412	76,727,038	113,004,506
Committed	-	-	-	-	-	-	-	2,238,475	2,238,475
Assigned	466,088	-	-	11,294,840	9,959,222	-	-	10,883,997	32,604,147
Unassigned	29,664,303	-	-	-	-	-	-	(4,218,596)	25,445,707
<b>Total fund balance</b>	<b>30,622,056</b>	<b>3,820,482</b>	<b>553,267</b>	<b>13,059,610</b>	<b>10,229,223</b>	<b>41,743,148</b>	<b>1,217,412</b>	<b>99,581,538</b>	<b>200,826,736</b>
Liabilities and fund balance	31,461,006	3,977,754	641,982	13,852,167	10,294,695	44,549,416	1,217,412	110,565,226	216,559,658
Revenues	60,573,110	10,142,497	6,471,567	9,476,845	9,892,798	17,241,931	11,117	28,909,961	142,719,826
Expenditures	61,754,032	10,527,677	6,926,864	10,434,756	2,886,155	26,673,997	5,229,973	48,225,279	172,658,733
Net surplus (deficit)	(1,180,922)	(385,180)	(455,297)	(957,911)	7,006,643	(9,432,066)	(5,218,856)	(19,315,318)	(29,938,907)
Other sources (uses)	4,215,573	922,515	-	(2,499,361)	(7,105,136)	9,810,004	2,296,854	32,089,275	39,729,724
<b>Net change in fund balances</b>	<b>3,034,651</b>	<b>537,335</b>	<b>(455,297)</b>	<b>(3,457,272)</b>	<b>(98,493)</b>	<b>377,938</b>	<b>(2,922,002)</b>	<b>12,773,957</b>	<b>9,790,817</b>
Beginning fund balances	27,587,405	3,283,147	1,008,564	16,516,882	10,327,716	41,365,210	4,139,414	86,807,581	191,035,919
<b>Ending fund balances</b>	<b>\$ 30,622,056</b>	<b>\$ 3,820,482</b>	<b>\$ 553,267</b>	<b>\$ 13,059,610</b>	<b>\$ 10,229,223</b>	<b>\$ 41,743,148</b>	<b>\$ 1,217,412</b>	<b>\$ 99,581,538</b>	<b>\$ 200,826,736</b>

As of December 31, 2015, the City governmental funds reported a combined ending fund balance of \$200,826,736.

The nonspendable fund balance of \$27,533,901 is sequestered for property held for resale, inventory, and long-term receivables and is, therefore, not available for new spending. The restricted fund balance of \$113,004,506 consists of monies in debt service funds or other funds such as road and tax increment financing funds that are limited by external parties as to their use. The committed fund balance of \$2,238,475 is designated by the South Bend Common Council or South Bend Redevelopment Commission to be used for certain purposes such as for economic development projects. The assigned fund balance of \$32,604,147 includes balances in local option income tax funds that have not been committed to certain projects and are available for spending by the City. The remaining unassigned fund balance of \$25,445,707 consists of money primarily in the General Fund that has not been obligated in any manner by the City less deficits in certain nonmajor governmental funds due primarily to interfund advance transactions to finance economic development projects that will be paid back over time.

The **General Fund** is the primary operating fund for City operations including general government, public safety, certain culture and recreation expenses, and certain debt service obligations.

As of December 31, 2015, the General Fund balance of \$30,622,056 represents an increase of \$3,034,651, or 11.0% from the balance as of December 31, 2014. The increase was due primarily to higher property tax revenue during 2015 than expected and lower spending for public safety and administration than anticipated.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

As of December 31, 2015, the General Fund had an unassigned fund balance of \$29,664,303 which is equal to 48.0% of 2015 General Fund expenditures.

The General Fund unassigned fund balance has traditionally been used by the City to fund certain capital projects and emergency contingencies. In addition, the City used the unassigned fund balance in 2015 as a cash flow bridge to the receipt of property tax revenues from the County collection authority which distributes property tax revenue twice per year (June and December). The General Fund unassigned balance provided sufficient cash to cover City operating obligations without incurring tax anticipation notes and resultant borrowing costs during fiscal 2015.

As discussed in Governmental Accounting, Auditing, and Financial Reporting (GAAFR), a General Fund unassigned fund balance should be either 1) no less than 5 to 15 percent of regular General Fund operating revenues, or 2) no less than one to two months of regular General Fund operating expenditures. An unassigned fund balance may be higher if circumstances dictate, such as a delay in collection of a major revenue source. The City has a policy to maintain fund reserves equal to at least 30% of annual expenditures and exceeded this target at December 31, 2015.

The **Parks and Recreation Fund** balance increased \$537,335 during fiscal 2015, due primarily to a combination of higher property and tax revenue and transfers in and lower expenditures. As of December 31, 2015, the fund balance in the Parks and Recreation Fund was \$3,820,482, or 36.3% of 2015 expenditures. The City has a policy to maintain fund reserves equal to at least 25% of annual expenditures and exceeded this target at December 31, 2015.

The **Public Safety Local Option Income Tax Fund** (Public Safety LOIT) was created in October 2009, with the local legislative passage of an increase in local option income taxes of 0.95%, a part of which (0.25%) tax increase was established to fund public safety expenditures. The City has established the Public Safety LOIT Fund as a major governmental fund, due solely to its purpose of creating a funding source to sustain public safety staffing levels, which were compromised by state implementation of property tax reform that has reduced property tax revenues, which historically are the source of public safety funding. Public Safety LOIT funds are used to cover the personnel costs of police officers and firefighters. Receipts of Public Safety LOIT tax revenue commenced in January 2010. Revenue in fiscal 2015 of \$6,471,567 increased by \$85,726 or 1.3% compared to 2014. The decrease in fund balance in the amount of \$455,297 during 2015 was planned and is the result of increased costs for police and fire personnel. The ending fund balance was \$553,267, or 8.0% of annual expenditures, and meets the City's cash reserve policy goal of 8%.

The **County Option Income Tax Fund** (COIT) and **Economic Development Income Tax Fund** (EDIT) funds are used to fund major capital and construction projects, economic development initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, certain city-wide expenditures such as telephone and information technology costs, and certain debt service payments.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

The COIT fund balance decreased by \$3,457,272 during 2015, due to higher expenditures for the curb and sidewalk program and information technology. The City has operationally sequestered COIT funds for use in major capital and construction funding initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, information technology costs, city-wide expenditures like telephone and electricity for street lights, and certain debt service payments.

As of December 31, 2015, the COIT Fund balance was \$13,059,610, or 100% of 2015 expenditures and transfers out. This level of fund reserves is significantly higher than the City policy target of 50%.

The EDIT Fund balance decreased by \$98,493 during 2015 due to expenses related to initiatives of the highest priority such as the commitment of demolition of vacant and abandoned buildings and operating transfers to the Code Enforcement and Animal Care & Control Departments. The City has operationally sequestered EDIT funds for use in major economic development initiatives, certain subsidies and support to organizations and units that benefit city economic development and cultural venues, operational costs of the street, code enforcement and community investment departments and certain debt service payments.

As of December 31, 2015, the EDIT fund balance was \$10,229,223, or 102% of 2015 expenditures and transfers out. The City policy target is 50%.

The fund balance in the **River West TIF Fund** (formerly known as the TIF Airport Fund) increased by \$377,938 during 2015. This change was the result of transfers in from other funds of \$10,763,908 resulting from TIF consolidation offset by higher expenditures for economic development projects in the allocation area. The area of the River West TIF Fund was expanded in 2015 to include a portion of the downtown central business district.

As of December 31, 2015, the River West TIF Fund balance of \$41,743,148 included \$11,011,644 nonspendable fund balances (primarily property held for resale) and \$30,731,504 in restricted fund balances. This fund continues to be a major success for the City of South Bend and has generated in excess of \$645 million in private investment since its inception.

The **Redevelopment Authority Debt Service Fund** is a new major fund for 2015. The fund accounts for lease rental payments from the City and the payment of debt service to bondholders through trust agreements with financial institutions. During 2015, the 2008 Eddy Street Commons Revenue bonds were refunded in this fund. The fund balance was \$1,217,412 at December 31, 2015. The fund does not have a City reserve target and is not a budgeted fund.

During 2015, the fund balances in **Nonmajor Governmental funds** increased by \$12,773,957 due primarily to bond proceeds on new debt issuance including the Century Center Energy Conservation Bond (\$4.17 million), Smart Streets Bond (\$25.0 million) and the Parks/EDIT Bond (\$5.6 million). A substantial portion of these bond proceeds were not spent at December 31, 2015.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

The total balance in Nonmajor Governmental Funds was \$99,581,538 at December 31, 2015. These fund balances provide the necessary resources that the City requires to meet future capital construction needs, ongoing debt service obligations, and economic development project initiatives in order to fuel community growth within the City.

Individual fund data for each of the nonmajor governmental funds is provided in the form of the combining statements immediately following the Required Supplemental Information within the Financial Section of the CAFR.

### Governmental Fund Revenue

The following schedule presents a summary of governmental fund revenue for the year ended December 31, 2015 with comparison to the prior year:

	<b>2015</b>	<b>% of</b>	<b>2014</b>	<b>% of</b>
	<b>Actual</b>	<b>Total</b>	<b>Actual</b>	<b>Total</b>
<u>Tax Based</u>				
General property	\$ 71,525,988	50.1%	\$ 69,221,468	47.9%
County option income	15,326,102	10.7%	15,025,840	10.4%
County economic development	9,181,206	6.4%	8,796,821	6.1%
Professional sports development	626,192	0.5%	588,054	0.4%
<b>Total Tax</b>	<b>96,659,488</b>	<b>67.7%</b>	<b>93,632,183</b>	<b>64.8%</b>
<u>Non-Tax Based</u>				
Licenses and permits	151,923	0.1%	141,565	0.1%
Intergovernmental	30,216,059	21.2%	30,663,505	21.1%
Charge for services	5,794,168	4.1%	10,628,976	7.4%
Fines and forfeitures	454,327	0.3%	563,999	0.4%
Interest income	1,253,242	0.9%	955,376	0.7%
Other	8,190,619	5.7%	7,904,187	5.5%
<b>Total Non-Tax Based</b>	<b>46,060,338</b>	<b>32.3%</b>	<b>50,857,608</b>	<b>35.2%</b>
<b>Total Revenue</b>	<b>\$ 142,719,826</b>	<b>100.0%</b>	<b>\$ 144,489,791</b>	<b>100.0%</b>

Tax revenue continues to represent the most significant source of revenue required to support services provided by the City. Property tax revenue is the primary source of funding for governmental expenditures. Property tax revenue is based on a relationship between two variables. The first variable is the assessed property valuation of industrial, commercial and residential parcels for both real and personal property. The second variable is the application of a tax rate to arrive at the total tax levy. Taxable property is assessed at 100% of the true tax value. The amount of property tax levied (billed to property owners) is further restricted by State of Indiana-enacted property tax legislative reform, the so-called "circuit breaker" property tax caps in 2009, to no more than 1.0% (homestead), 2.0% (other residential/rental) or 3.0% (commercial/industrial) of gross assessed valuation. Property tax revenue includes taxes collected on behalf of the following funds: General Fund, Parks and Recreation Fund, Cumulative Capital Development Fund, Redevelopment Commission Tax Incremental Financing (TIF) Funds, Excess Levy Fund, and a special levy to cover debt service at the former College Football Hall of Fame building.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

The City recognizes the need to further diversify the revenue stream and to reduce its dependency on general property taxes to ensure that a broad base of users of city services, including nonresidents who work in the City, share in the funding of basic City services. As a result of the need to diversify the revenue stream, the City of South Bend Common Council and Saint Joseph County Council adopted an additional local option income tax of 0.95% during 2009, increasing the tax rate from 0.8% to 1.75%. The local option income tax increase consisted of three components: 0.2% increase in the economic development income tax, a 0.25% public safety local option income tax and a 0.5% property tax relief local option income tax. The property tax relief local option income tax does not result in any direct revenue to the City but helps to reduce circuit breaker property tax losses.

The City continues to seek diversified sources of revenue that will reduce its reliance on property and income taxes. The City has supported efforts of the Indiana Association of Cities and Towns (IACT) "Hometown Matters" to lobby the state legislature to enable alternative revenue sources that best fit the needs of the community. One viable source of revenue is from user fees and/or charges for services currently being performed. City-performed services are priced at levels representing the full cost of service, taking into consideration fees charged by providers of similar services. The City performs ongoing reviews of user fee costs incurred and revises service fee prices as required.

Total tax revenue was \$96,659,488 during 2015 and increased by \$3,027,305, or 3.23%, from 2014. This increase was due primarily to an improving local economic and housing market that has increased local income taxes and general property taxes. Total non-tax based revenue was \$46,060,338 and decreased \$4,797,270, or 9.4%, from 2014. This decrease was due primarily to the classification of the Emergency Medical Services Fund from a governmental fund to an enterprise Fund during 2015.

### **Governmental Fund Expenditures**

The City accounts for government fund expenditures in seven functional categories as follows: (1) general government, (2) public safety, (3) highways and streets, (4) community and economic development, (5) culture and recreation, (6) bond issuance costs (7) debt service, and (8) capital outlay.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2015 with comparison to fiscal year 2014.

	<b>2015</b>	<b>% of</b>		<b>2014</b>	<b>% of</b>
	<b>Actual</b>	<b>Total</b>		<b>Actual</b>	<b>Total</b>
General government	\$ 8,420,278	4.9%	\$	8,022,688	5.2%
Public safety	61,889,405	35.9%		66,927,250	43.4%
Highways and streets	12,787,641	7.4%		10,441,957	6.8%
Community and economic development	11,068,013	6.4%		7,309,130	4.7%
Culture and recreation	12,855,704	7.4%		13,948,089	9.0%
Bond issuance costs	372,432	0.2%		-	0.0%
Debt service	18,711,690	10.8%		18,243,049	11.8%
Capital outlay	46,553,570	27.0%		29,407,934	19.1%
<b>Total Expenditures</b>	<b>\$ 172,658,733</b>	<b>100.0%</b>	<b>\$</b>	<b>154,300,097</b>	<b>100.0%</b>

Government fund expenditures in fiscal 2015 of \$172,658,733 increased by \$18,358,636, or 11.9%, in comparison to government fund expenditures in fiscal 2014.

Capital outlay expenditures increased by \$17,145,636, or 58.3%, during 2015 due primarily to increased spending in tax increment financing funds, the County Option Income Tax Fund, the Major Moves Fund, and other capital projects funds for important project like smart streets, information technology, Ignition Park and downtown residential and hotel infrastructure development. The accumulation of fund reserves in these funds has occurred in prior years and 2015 was a year that many of the projects came to fruition.

Public Safety expenditures decreased by \$5,037,845, or 7.5%, due to the classification of the Emergency Medical Services Fund as an enterprise fund in 2015.

Public Safety expenditures continue to be the primary use of government fund resources with 35.9% of expenditures used for this purpose in fiscal 2015. Public safety spending is followed by capital outlay expenditures (27.0%), debt service (10.8%), community and economic development (6.4%), culture and recreation (7.4%), highways and streets (7.4%), general government (4.9%) and bond issuance (.2%). General government spending is comprised of the executive offices of the Mayor, Common Council, City Clerk, City Attorney, Controller, Engineering and other administrative functions. General government expenditures of less than 5% is lower than the average of other comparable municipal governments based on a study conducted by the Department of Administration and Finance in 2015.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Proprietary funds

#### Condensed Statement of Net Position Revenue, Expenses, and Changes in Fund Net Position As of December 31, 2015

	Wastewater				Total Enterprise	Internal Service
	Water Utility	Utility	Century Center	Other		
Total assets	\$ 72,814,076	\$ 192,580,050	\$ 21,760,848	\$ 27,891,590	\$ 315,046,564	\$ 13,756,528
Total deferred outflows	18,812	2,395,047	-	-	2,413,859	-
Total liabilities	20,927,456	91,957,468	293,150	9,129,856	122,307,930	3,278,488
Total deferred inflows	-	-	335,417	5,663	341,080	-
<b>Net position:</b>						
Net investment in capital assets	40,782,405	74,650,027	19,463,920	7,102,032	141,998,384	1,294,520
Restricted for:						
Depreciation fund	2,876,026	8,723,058	-	-	11,599,084	-
Debt service fund	4,398	804,674	-	-	809,072	-
Customer repair and deposit fund	1,509,816	1,647,834	-	-	3,157,650	-
Cash with fiscal agent	32,120	77,071	-	112,361	221,552	-
Bond reserve fund	1,604,996	4,105,623	-	-	5,710,619	-
Operating reserve fund	2,228,964	3,668,277	-	-	5,897,241	-
Capital outlay	-	-	1,002,072	-	1,002,072	-
Unrestricted	2,866,707	9,341,065	666,289	11,541,678	24,415,739	9,183,520
<b>Total net position</b>	<b>51,905,432</b>	<b>103,017,629</b>	<b>21,132,281</b>	<b>18,756,071</b>	<b>194,811,413</b>	<b>10,478,040</b>
Operating revenues	14,204,285	36,635,501	2,817,114	14,868,943	68,525,843	23,251,875
Operating expenses	12,618,661	20,008,518	4,854,747	16,655,967	54,137,893	23,698,855
Operating income (loss)	1,585,624	16,626,983	(2,037,633)	(1,787,024)	14,387,950	(446,980)
Nonoperating rev (exp)	(913,191)	(5,484,681)	1,386,259	(919,809)	(5,931,422)	49,254
Income (loss) before contributions and transfers	672,433	11,142,302	(651,374)	(2,706,833)	8,456,528	(397,726)
Capital contributions	-	-	4,683,424	-	4,683,424	-
Disposal of property	-	-	-	(1,180,964)	(1,180,964)	-
Transfers in	-	-	-	2,663,144	2,663,144	-
Transfers out	(1,942,608)	(3,497,207)	(50,000)	(19,744)	(5,509,559)	-
<b>Change in net position</b>	<b>(1,270,175)</b>	<b>7,645,095</b>	<b>3,982,050</b>	<b>(1,244,397)</b>	<b>9,112,573</b>	<b>(397,726)</b>
Total net position – beginning	53,175,607	95,372,534	17,150,231	20,000,468	185,698,840	10,875,766
<b>Total net position – ending</b>	<b>\$ 51,905,432</b>	<b>\$ 103,017,629</b>	<b>\$ 21,132,281</b>	<b>\$ 18,756,071</b>	<b>\$ 194,811,413</b>	<b>\$ 10,478,040</b>

The City of South Bend maintains two types of proprietary funds: enterprise and internal service.

The City maintains eight (8) enterprise funds. Information is presented separately in the Proprietary Statement of Net Position, the Proprietary Statement of Revenues and Expenditures, and Changes in Fund Net Position for the Water Utility, Wastewater Utility and Century Center, which are considered major enterprise funds. Data from the other five (5) non-major enterprise funds (Consolidated Building Department, Parking Garage, Solid Waste, Blackthorn Golf Course, and Emergency Medical Services) are combined into a single, aggregated presentation.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

The City maintains five internal service funds. The City of South Bend uses internal service funds to account for its business insurance and self-funded liability insurance program, self-funded employee health benefits program, police take-home vehicle program, unemployment compensation claims and central services unit (a department that accounts for expenses related to fuel, vehicle repairs, printing and other services provided to City departments on a cost-reimbursement basis). The internal service funds have been combined into a single, aggregated presentation.

As of December 31, 2015, City enterprise funds reported a net position of \$194,811,413, an increase of \$9,112,573, or 4.9%, from the restated net position at December 31, 2014.

At December 31, 2015, net position includes net investment in capital assets of \$141,998,384, restricted net position of \$28,397,290 and unrestricted net position of \$24,415,739.

During 2015, the **Water utility** experienced a decrease in net position of \$1,270,175 and the **Wastewater utility** experienced an increase in net position of \$7,645,095. The Water utility experienced decreased operating revenues of \$168,891 while the Wastewater utility experienced an increase in operating revenue of \$2,626,384. The Wastewater utility had the benefit of a 5% rate increase during 2015 but the Water utility had no rate increase. Through a series of sewer rate increases approved by the South Bend Common Council, the Wastewater utility continues to build its fund balances in order to pay for the mandated Long Term Control Plan, a multi-year program being built by the City to control wastewater overflow events. The City is currently studying the viability of a rate increase for the Water utility but no decision has been made on this issue.

During 2015, **Century Center** experienced an increase in net position of \$3,982,050, primarily as the result of capital contributions for improvements made at the facility from the Century Center Energy Conservation bond (a governmental fund) and the Saint Joseph County Hotel/Motel Tax Fund.

**Nonmajor Enterprise Funds** experienced a decrease in net position of \$1,244,397 during 2015. The Parking Garage Fund reported a decrease in net position of \$1,164,054 primarily as the result of the amortization of sales/leaseback charges on the original acquisition and higher operating and capital costs. The Blackthorn Golf Course Fund was sold to a private developer for \$1,472,130 in March 2015 and the fund was closed out. The Consolidated Building Fund reported an increase in net position of \$1,155,744 during 2015 as the result of underspending budgeted monies. The Solid Waste Fund reported an increase in net position of \$123,198 but continues to accumulate capital lease debt to finance new trash trucks. A solid waste fee increase of 9.1% was approved for 2016 to help shore up the finances of the fund.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

As of December 31, 2015, City's internal service funds reported net position of \$10,478,040, a decrease of \$397,726, or 3.66%, compared to restated net position at December 31, 2014. The Liability Insurance Fund decreased its net position by \$962,346 in 2015 as the result of high claims paid and estimates for future claims. The Central Services Fund increased its net position by \$122,416. The Self-Funded Employee Benefits Fund had an increase in its net position of \$282,596 due to a 20% employer rate increase and more modest growth in medical insurance claims. In January 2016, the City opened the Activate Health and Wellness Center for the benefit of employees and their families and to control future health care cost increases.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City maintains six fiduciary funds, which consist of two pension trust funds (1925 Police Pension and 1937 Firefighters' Pension), one private-purpose trust fund (Cemetery) and three agency funds (Payroll, Police Distributions Payable and Morris/Palais Royale Box Office).

	<u>Pension Trust</u>	<u>Private Purpose Trust</u>	<u>Agency</u>
Total assets	\$ 1,629,896	\$ 28,543	\$ 2,752,256
Total liabilities	428	-	2,752,256
<b>Total net position</b>	<b>1,629,468</b>	<b>28,543</b>	<b>-</b>
Total additions	11,427,164	164	-
Total deductions	11,547,520	-	-
<b>Changes in net position</b>	<b>(120,356)</b>	<b>164</b>	<b>-</b>

Effective in fiscal 2009, with the passage of State legislation, the State of Indiana began making contributions to the **1925 Police** and **1937 Firefighters' Pension Funds**. These funds no longer receive property tax revenue distributions beyond fiscal 2009. The administration of the pension plans is the responsibility of the City.

The decline in the net asset position of the pension trust is the result of timing differences in the payment of pension benefits and the contributions received from the State of Indiana (the State reimburses in June and September for expenses paid in the previous calendar year), as well as the cost of healthcare benefits to pension members which are not covered by State contributions. In 2016, the regular Fire Department budget will pay retiree health care costs while this change will occur in 2017 for the Police Department. In other words, the 1925 Police and 1937 Firefighters' pension funds will no longer pay retiree health insurance costs. Rather, these costs will be paid from the regular police and fire operating budgets.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### General Fund Budgetary Highlights

The City prepares an annual budget for General Fund expenditures, which is subject to City of South Bend Common Council approval for adoption, before November 1 of the year preceding the budget period, according to state statute concerning the annual budget of second class cities and towns. The Common Council adopted the 2015 budget at its meeting held in October 2014.

The General Fund budget applicable for fiscal 2015 is reported as follows:

	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Revenue	\$ 52,642,236	\$ 54,344,268	\$ 53,719,617	\$ (624,651)
Expenditures	52,642,236	53,379,131	52,454,314	924,817
Surplus (deficit)	-	965,137	1,265,303	300,166

General Fund revenue/transfers in was originally budgeted at \$52,642,236 for fiscal 2015. During the year, the General Fund revenue/transfers in budget was increased by \$1,702,032 to \$54,344,268. The budget may be increased or decreased at any time based on updated revenue projections. By closely aligning the budget with actual results, more meaningful analysis is made possible. The revenue/transfers in budget was increased primarily due to an increase in the property tax and intergovernmental revenue estimate because of higher collections than anticipated.

During 2015, the General Fund collected \$53,719,617 in revenue/transfers in on a budgetary basis, which was \$1,077,381 higher than the original budget. The primary reason for the revenue pickup was a change in property tax collections that were higher than budgeted and additional intergovernmental revenue.

General Fund expenditures/transfers out were originally budgeted at \$52,642,236 for fiscal 2015. During the year, the General Fund expenditure/transfers out budget were increased \$736,895 to \$53,379,131. Additional appropriations were passed for Fire Department overtime and other purposes. Carryforward of unspent encumbrances from 2014 also increased the 2015 amended budget.

General Fund spending is reviewed on a monthly basis under the direction of the City Controller to ensure spending remains within budgetary constraints. Monthly reviews are conducted as required with General Fund department management to review spending projections to ensure that annual expenditures remain within the budgetary levels. Budget amendments for cost-neutral redistribution between expense categories (i.e., personnel, supplies, services, capital) were submitted to Common Council four times during 2015, as required to adjust the budget to prevent any budget overruns in any expenditure category.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

Additional appropriations for projects, initiatives, or unbudgeted spending requirements within the General Fund are presented to the Common Council for adoption as deemed necessary by the Mayor.

General Fund expenditures/transfers out incurred on a budgetary basis, including cash expended and outstanding encumbrances as of year-end December 31, 2015, amounted to \$52,454,314. The expenditures/transfers out and commitments as of year-end December 31, 2015 are less than the 2015 amended General Fund budget by \$924,817 or 1.7%. The largest savings were in the police, legal and administration/finance department budgets as personnel and other costs spent were less than budgeted due to position vacancies and other factors. In addition, a budgeted transfer of \$500,000 from the General Fund to the Emergency Medical Services (EMS) Fund for capital was not made due to special Medicaid collections received in the EMS Fund.

### Capital Assets and Debt Administration

#### Statement of Capital Assets

	Governmental Activities		Business type Activities		Government-wide Activities	
	2015	2014 (restated)	2015	2014 (restated)	2015	2014 (restated)
<b>Assets not depreciated</b>						
Land	\$ 15,106,806	\$ 15,106,806	\$ 2,614,016	\$ 3,773,864	\$ 17,720,822	\$ 18,880,670
Construction in progress	5,339,423	3,698,336	16,644,050	17,242,386	21,983,473	20,940,722
<b>Total</b>	<b>20,446,229</b>	<b>18,805,142</b>	<b>19,258,066</b>	<b>21,016,250</b>	<b>39,704,295</b>	<b>39,821,392</b>
<b>Assets depreciated</b>						
Buildings	128,082,279	128,065,629	85,178,794	87,683,548	213,261,073	215,749,177
Non-building improvements	16,616,553	16,616,553	28,186,217	29,427,578	44,802,770	46,044,131
Machinery and equipment	45,543,924	46,700,042	40,171,610	36,453,578	85,715,534	83,153,620
Roads and Infrastructure	434,344,887	431,536,099	199,721,525	197,923,650	634,066,412	629,459,749
<b>Total Cost</b>	<b>624,587,643</b>	<b>622,918,323</b>	<b>353,258,146</b>	<b>351,488,354</b>	<b>977,845,789</b>	<b>974,406,677</b>
<b>Accumulated depreciation</b>						
Buildings	47,274,258	43,717,720	34,631,698	35,773,700	81,905,956	79,491,420
Non-building improvements	9,242,882	8,708,806	6,193,452	6,982,898	15,436,334	15,691,704
Machinery and equipment	30,808,402	29,554,115	22,524,631	23,957,630	53,333,033	53,511,745
Roads	292,321,510	280,745,718	68,662,837	64,016,923	360,984,347	344,762,641
<b>Total</b>	<b>379,647,052</b>	<b>362,726,359</b>	<b>132,012,618</b>	<b>130,731,151</b>	<b>511,659,670</b>	<b>493,457,510</b>
<b>Net Depreciated Assets</b>	<b>244,940,591</b>	<b>260,191,964</b>	<b>221,245,528</b>	<b>220,757,203</b>	<b>466,186,119</b>	<b>480,949,167</b>
<b>Net Capital Assets</b>	<b>\$ 265,386,820</b>	<b>\$ 278,997,106</b>	<b>\$ 240,503,594</b>	<b>\$ 241,773,453</b>	<b>\$ 505,890,414</b>	<b>\$ 520,770,559</b>

The investment in capital assets includes land and land improvements, buildings and building improvements, vehicles, information technology equipment, machinery and equipment, and construction in progress. A detailed explanation of these capital assets can be found in the Notes to the Basic Financial Statements.

Under the category of roads and infrastructure, the current cost amount of \$634,066,412 includes estimated costs derived primarily from the City's 2006 implementation of GASB Statement No. 34, which required the retroactive reporting of infrastructure capital assets. All other assets are recorded at historical cost.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Major Capital Asset Project Spending in 2015

Included in capital asset additions for 2015 were the following projects:

- Century Center - \$4.9 million – specialty lighting, HVAC upgrades and other improvements financed by a bond, county hotel/motel tax and other sources.
- Infrastructure - \$2.8 million – street improvements on Lincoln Way, Madison, Marion and Fellows/Ireland Road finance by TIF and bond sources.
- Police Department - \$1.6 million – for replacement vehicles and equipment financed by capital leases and other sources.
- Wastewater - \$5.7 million – for wastewater plant and sewer improvements financed by bond proceeds and other sources.

### Capital Assets Analysis

As of December 31, 2015, government-wide capital assets were valued at \$505,890,414, net of accumulated depreciation, a decrease of \$14,880,145, or 2.85%, since December 31, 2014. Construction in Progress increased by \$1,042,751, and capitalized assets in land, buildings, improvements, machinery and equipment, and roads decreased by \$15,922,896, net of depreciation, since December 31, 2014. On January 1, 2013, the City instituted a new capitalization policy that included significantly higher thresholds for expenditures to qualify as capital assets. Consequently, many purchases formerly considered as capital assets no longer qualify as such. The asset decrease is the result of fewer assets being added to the register as those assets that remain continue to depreciate.

At December 31, 2015, the cost of Roads & Infrastructure (\$634,066,412) was the major asset class followed by Buildings (\$213,261,073) and Machinery & Equipment (\$85,715,534).

Total depreciation expense was \$30,426,526 for 2015, as compared to \$29,930,159 for 2014. Depreciation expense was \$19,905,882 for governmental activities and \$10,520,644 for business-type activities for 2015.

Additional information on capital assets can be found in the notes to the financial statements in Note 6.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

### Debt Administration

Outstanding debt principal as of December 31, 2015 was \$251,637,449, an increase of \$16,551,579, or 7.0%, from 2014. City outstanding debt includes revenue bonds, mortgage bonds, notes and loans payable and capital leases.

Type	Beginning	Additions	Retirements	Ending
Revenue bonds	\$ 196,072,386	\$ 89,495,000	\$ (74,879,575)	\$ 210,687,811
Mortgage bonds	21,812,152	-	(2,055,614)	19,756,538
Notes and loans	5,412,155	4,167,897	(1,289,401)	8,290,651
Capital leases	11,789,177	4,860,622	(3,747,350)	12,902,449
<b>Total Debt</b>	<b>\$ 235,085,870</b>	<b>\$ 98,523,519</b>	<b>\$ (81,971,940)</b>	<b>\$ 251,637,449</b>

During 2015, the City entered into several new bond financing agreements to finance various improvements for street infrastructure, parks and at Century Center. The City of South Bend Redevelopment Commission issued \$25 million dollars in revenue bonds for the "smart streets" downtown two-way conversion project. The City of South Bend Building Corporation issued \$5.6 million dollars in EDIT bonds to finance parks improvements. The City issued an Energy Conservation loan in the amount of \$4.17 million to finance improvements at the Century Center, with the backing of a future funding pledge from the Saint Joseph County Hotel/Motel Tax Board and an interest rebate program with the federal government. In addition, during 2015, the City issued 2015 Eddy Street Commons bonds (\$31.5 million dollars) and 2015 Sewer Bonds (\$27.4 million dollars) to refund existing debt and realize net present value savings and lower future debt service costs.

During 2015, the City entered into capital lease agreements in the amount of \$4.86 million to purchase certain vehicles, copiers, and equipment. The lease terms are typically for five years with semi-annual debt service paid from the operating budgets of the user departments. Capital lease financing is used to acquire police vehicles, public works vehicles, computer replacements, copiers and other vehicles and equipment. The City solicits competitive financing proposals for lease financing from local and national companies and the interest rate achieved during 2015 was on average less than 2% for these leases.

Under the Indiana Constitution and State statute, the City's general obligation bonded debt and certain other debt is subject to a legal limitation based upon 2% of total assessed value of real and personal property. The City had no general obligation bonded debt outstanding at December 31, 2015 and none of the above debt issuance amounts are subject to this debt limitation. A calculation of the City's legal debt limitation can be found in the statistical debt capacity section of this document.

Additional information on debt can be found in the Notes to Financial Statements in Note 8 - Leases and Note 9 - Long-term Debt.

# **City of South Bend, Indiana**

## **Management's Discussion and Analysis (Continued)**

### **Significant Subsequent Events**

On November 24, 2014, the City of South Bend submitted documents to participate in the Municipalities Continuing Disclosure Cooperation Initiative (MCDC) with the United States Securities and Exchange Commission. Effective January 1, 2015, the City adopted a new bond continuing disclosure procedure. In May 2016, the City was contacted by the Security and Exchange Commission and is in the process of negotiating a settlement agreement of this matter which involves no monetary penalty.

In April 2016, the City of South Bend entered into Intergovernmental Agreements with the Pokagon Band of the Potawatomi Indians for the development of the Pokagon Band's 166-acre site on the City's southwest side that is expected to be the home of the Tribal Village and Four Winds Casino, pending approval from the Bureau of Indian Affairs. The City may receive certain revenue from this agreement but the amount has yet to be determined.

In 2016, the Indiana General Assembly authorized a special distribution of county option income taxes to local governments in the State. The City of South Bend's share, which was received in May 2016, was \$5,623,399 and was allocated \$4,217,549 (75%) for road projects and \$1,405,850 (25%) in the Rainy Day Fund consistent with allowable State guidelines.

### **Economic Factors and 2016 Budget**

#### **Economic Factors**

Property tax revenue, historically and at present, is the principal source of revenue for funding of governmental activities within the City of South Bend.

The State of Indiana General Assembly enacted property tax reform legislation in March 2008. Known as the "Circuit Breaker", House Enrolled Act 1001 (HEA 1001) limits property taxes paid to 1% of gross assessed value for residential homesteads, 2% for agricultural/rental properties, and 3% for all other real and personal property.

Under current legislation, all Indiana localities assess properties based on market values. Each year properties are "trended", which involves comparing property values to sales activity in the neighborhood and adjusting the current assessed values up or down according to the trended data.

The Circuit Breaker legislation was phased in commencing in fiscal 2009 and has led to significant reductions in property tax revenues available to fund city governmental operations since then. In 2015, the primary funds supported by property taxes (General Fund, Parks and Recreation Fund, and Cumulative Capital Development Fund) lost approximately \$31.6 million in taxable property tax levy due to the circuit breaker caps (Indiana Legislative Services Agency, Circuit Breaker Report, December 2015).

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

As a consequence of the state enacted legislation in 2008, the City enacted a 0.95% local option income tax increase to partially offset the property tax revenue loss. The local option tax increase became effective in October 2009, and has resulted in an increase in local income taxes available to the City to fund ongoing governmental operations of public safety, parks and recreation, highways and streets and general government.

Management of the City of South Bend will continue to oversee the financial affairs from a posture of fiscal conservatism similar to the management practices engaged in during fiscal 2015. Special attention will be given to maintaining adequate fund reserves in the General Fund and the income tax funds as they are very important to the continued financial strength of the City.

City Management believes that the national economic recovery will continue according to the predictions of governmental economists, with low to zero inflation over the next fiscal period. In addition, job creation is the primary engine to drive economic recovery, as the Congressional Budget Office (CBO) predicts a growth in Gross Domestic Product (GDP) of 4.4% for 2016. Unemployment rates in the South Bend-Mishawaka Metropolitan Area continue to improve and were 5.3% in March 2016 as compared to a high of 13.0% in January 2010 (Bureau of Labor Statistics).

### **2016 Budget and Beyond**

The City will engage to ensure effective delivery of required services to taxpayers and citizens within the constraints of available financial resources. The City will continue to provide required services within the constraints of a balanced General Fund budget. For 2016 and 2017, the City has enacted a "zero growth" budget expenditure target goal for all funds supported by property and income tax revenue. In addition, the City has engaged in a process of program budgeting with the Center for Priority Based Budgeting for the 2017 budget. This program budgeting will be in addition to the state-required fund and account budgeting through the Indiana Department of Local Government Finance.

Preliminary projections of circuit breaker property tax losses indicate a potential decline of property tax revenue of \$2.54 million dollar in the General Fund, \$510 thousand dollars in the Parks & Recreation Fund and \$3.8 million dollars in the Tax Increment Financing funds in fiscal year 2020 due to the expiration of some special credits to local governments in Saint Joseph County and Lake County. City Management is aware of this fiscal situation and is developing strategies to address this matter. One strategy is to maintain a well-financed Rainy Day Fund. This fund received a special distribution of county option income tax funds of \$1.4 million dollars in May 2016 and had cash reserves of \$10.2 million dollars at May 31, 2016. No spending is currently planned for this fund.

# City of South Bend, Indiana

## Management's Discussion and Analysis (Continued)

Through its Office of Innovation, the City continues to pursue reengineering programs targeted to create efficiency and cost improvements within City operations. These include purchasing process reengineering, back-office process improvements for human resources, performance management and other customer service operations. These initiatives, upon successful deployment completion, will achieve the desired results to create efficiency gains in the delivery of services to taxpayers.

The City is committed to creating a budget for fiscal 2017 that will remain fiscally responsible to the effective delivery of required services to city citizens and stakeholders within the existing revenue constraints. Specific concerns for the 2017 budget include the continuing impact of circuit breaker property tax reform on City revenue, high health and pension costs and other stagnant or declining revenue sources such as gasoline, wheel and auto excise taxes.

### Requests for Information

This Management's Discussion and Analysis, as contained within the City of South Bend Comprehensive Annual Financial Report, is intended to provide readers with a general overview of the financial condition of the City of South Bend as of December 31, 2015. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to:

John H. Murphy, City Controller  
City of South Bend  
Department of Administration and Finance  
227 W. Jefferson Boulevard, 12<sup>th</sup> Floor  
South Bend, Indiana 46601

Telephone 574-235-7678  
Facsimile 574-235-9928  
Email [jmurphy@southbendin.gov](mailto:jmurphy@southbendin.gov)

City of South Bend  
June 30, 2016

# City of South Bend, Indiana

## Statement of Net Position December 31, 2015

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 66,065,948	\$ 4,691,879	\$ 70,757,827
Investments	127,318,854	16,959,261	144,278,115
Receivables:			
Taxes	1,014,875	-	1,014,875
Accounts	1,071,313	8,220,214	9,291,527
Interest	253,448	92,362	345,810
Intergovernmental	2,736,675	-	2,736,675
Loans	6,644,346	-	6,644,346
Allowance for doubtful accounts	-	(130,000)	(130,000)
Internal balances	(19,368)	19,368	-
Inventory	896,684	532,596	1,429,280
Prepaid expenses	412,533	69,034	481,567
Restricted assets	60,300	44,071,651	44,131,951
Property held for resale	15,019,163	-	15,019,163
Net pension asset	5,321,026	-	5,321,026
Capital assets:			
Assets not subject to depreciation	20,446,229	19,258,063	39,704,292
Assets subject to depreciation	244,940,591	221,245,530	466,186,121
Total assets	492,182,617	315,029,958	807,212,575
<b>Deferred Outflows of Resources</b>			
Unamortized loss on refunding	2,520,464	2,413,859	4,934,323
Deferred outflows related to pensions	21,933,716	-	21,933,716
Total deferred outflows of resources	24,454,180	2,413,859	26,868,039
<b>Liabilities</b>			
Accounts payable	7,609,656	2,573,023	10,182,679
Due to other governmental units	-	160,098	160,098
Performance deposits payable	82,138	37,437	119,575
Accrued liabilities and other:			
Accrued payroll payable	859,468	297,135	1,156,603
Accrued interest payable	142,241	281,553	423,794
Taxes payable	1,628	-	1,628
Customer deposits payable	-	1,635,376	1,635,376
Other current payables	11,465	118,173	129,638
Noncurrent liabilities:			
Due within one year -			
Accrued interest payable from restricted assets	1,696,265	-	1,696,265
Compensated absences	4,604,779	595,102	5,199,881
Notes and loans payable	184,371	345,456	529,827
Mortgage bonds payable	1,691,120	288,880	1,980,000
Claims payable	2,574,044	-	2,574,044
Capital leases	2,565,559	1,381,971	3,947,530
Revenue bonds payable	8,595,000	7,870,000	16,465,000

# City of South Bend, Indiana

## Statement of Net Position (Continued) December 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities (Continued)</b>			
Noncurrent liabilities (Continued) -			
Due in more than one year:			
Notes and loans payable	\$ 4,647,381	\$ 3,113,443	\$ 7,760,824
Mortgage bonds payable	12,213,853	5,562,685	17,776,538
Capital leases	5,925,848	3,029,071	8,954,919
Net OPEB obligation	11,660,935	-	11,660,935
Net pension liability	191,240,248	-	191,240,248
Revenue bonds payable	99,220,890	95,001,921	194,222,811
Total liabilities	<u>355,526,889</u>	<u>122,291,324</u>	<u>477,818,213</u>
<b>Deferred Inflows of Resources</b>			
Unamortized service agreement	-	335,417	335,417
Unamortized gain on sale/leaseback	-	5,663	5,663
Deferred inflows related to pensions	<u>20,250,013</u>	<u>-</u>	<u>20,250,013</u>
Total deferred inflows of resources	<u>20,250,013</u>	<u>341,080</u>	<u>20,591,093</u>
<b>Net Position</b>			
Net investment in capital assets	157,604,691	141,998,384	299,603,075
Restricted for:			
Debt service	5,858,374	809,072	6,667,446
Depreciation fund	-	11,599,084	11,599,084
Customer repair and deposit fund	-	3,157,650	3,157,650
Cash with fiscal agent	-	221,552	221,552
Bond reserve fund	3,279,178	5,710,619	8,989,797
Operating reserve fund	-	5,897,241	5,897,241
Capital outlay	-	1,002,072	1,002,072
Unrestricted	<u>(25,882,348)</u>	<u>24,415,739</u>	<u>(1,466,609)</u>
Total net position	<u>\$ 140,859,895</u>	<u>\$ 194,811,413</u>	<u>\$ 335,671,308</u>

# City of South Bend, Indiana

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 21,572,776	\$ 1,188,531	\$ 485,764	\$ -
Public safety	56,528,448	529,386	2,545	-
Highways and streets	20,045,444	676,429	-	-
Community and economic development	40,727,612	408,654	1,698,980	-
Culture and recreation	20,300,768	3,726,359	626,192	-
Bond issuance costs	372,432	-	-	-
Interest on long-term debt	4,762,714	-	-	-
<b>Total governmental activities</b>	<b>164,310,194</b>	<b>6,529,359</b>	<b>2,813,481</b>	<b>-</b>
Business-type activities:				
Water Utility	13,609,378	14,204,285	-	-
Wastewater Utility	25,737,867	36,638,804	-	-
Century Center	4,854,747	4,202,564	-	4,683,424
Consolidated Building	3,552,347	2,037,950	-	-
Parking Garage	2,139,182	968,417	-	-
Solid Waste	5,243,972	5,364,871	-	-
Blackthorn Golf Course	165,977	109,949	-	-
Emergency Medical Services	6,596,206	6,470,446	-	-
<b>Total business-type activities</b>	<b>61,899,676</b>	<b>69,997,286</b>	<b>-</b>	<b>4,683,424</b>
<b>Total primary government</b>	<b>\$ 226,209,870</b>	<b>\$ 76,526,645</b>	<b>\$ 2,813,481</b>	<b>\$ 4,683,424</b>
General revenues:				
Property taxes				
Income taxes				
Grants and contributions not restricted to specific programs				
Investment income				
Other miscellaneous income				
Gain on sale of fixed assets				
<b>Total general revenues</b>				
<b>Special Item - Disposal of operations</b>				
Transfers				
<b>Change in Net Position</b>				
<b>Net Position - Beginning of year (as restated) (Note 25)</b>				
<b>Net Position - End of year</b>				

## Statement of Activities Year Ended December 31, 2015

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (19,898,481)	\$ -	\$ (19,898,481)
(55,996,517)	-	(55,996,517)
(19,369,015)	-	(19,369,015)
(38,619,978)	-	(38,619,978)
(15,948,217)	-	(15,948,217)
(372,432)	-	(372,432)
(4,762,714)	-	(4,762,714)
(154,967,354)	-	(154,967,354)
-	594,907	594,907
-	10,900,937	10,900,937
-	4,031,241	4,031,241
-	(1,514,397)	(1,514,397)
-	(1,170,765)	(1,170,765)
-	120,899	120,899
-	(56,028)	(56,028)
-	(125,760)	(125,760)
-	12,781,034	12,781,034
(154,967,354)	12,781,034	(142,186,320)
72,032,049	-	72,032,049
24,507,308	-	24,507,308
25,487,112	-	25,487,112
1,322,674	358,918	1,681,592
9,978,698	-	9,978,698
1,235,744	-	1,235,744
134,563,585	358,918	134,922,503
-	(1,180,964)	(1,180,964)
2,846,415	(2,846,415)	-
(17,557,354)	9,112,573	(8,444,781)
158,417,249	185,698,840	344,116,089
<b>\$ 140,859,895</b>	<b>\$ 194,811,413</b>	<b>\$ 335,671,308</b>

# City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT
<b>Assets</b>					
Cash and cash equivalents	\$ 5,899,634	\$ 793,970	\$ 130,023	\$ 2,447,792	\$ 1,999,978
Investments	24,517,570	3,119,955	510,935	9,618,756	7,859,043
Receivables:					
Taxes	-	-	-	-	-
Accounts	466,784	3,421	-	1,457	150,000
Interest	48,584	6,154	1,024	19,210	15,673
Intergovernmental	-	-	-	-	-
Loans	-	-	-	-	-
Due from other funds	36,769	9,057	-	182	-
Advances to other funds	491,665	-	-	1,589,771	-
Inventory	-	45,197	-	-	-
Property held for resale	-	-	-	174,999	270,001
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 31,461,006</b>	<b>\$ 3,977,754</b>	<b>\$ 641,982</b>	<b>\$ 13,852,167</b>	<b>\$ 10,294,695</b>
<b>Liabilities</b>					
Accounts payable	\$ 159,795	\$ 71,705	\$ -	\$ 788,267	\$ 65,387
Due to other funds	20,202	6,506	-	-	85
Advances from other funds	-	-	-	-	-
Performance deposits payable	78,906	-	-	-	-
Accrued liabilities and other:					
Accrued payroll payable	579,249	76,870	88,715	4,290	-
Taxes payable	798	830	-	-	-
Other current payables	-	1,361	-	-	-
<b>Total liabilities</b>	<b>838,950</b>	<b>157,272</b>	<b>88,715</b>	<b>792,557</b>	<b>65,472</b>
<b>Fund Balances</b>					
Nonspendable	491,665	45,197	-	1,764,770	270,001
Restricted	-	3,775,285	553,267	-	-
Committed	-	-	-	-	-
Assigned	466,088	-	-	11,294,840	9,959,222
Unassigned	29,664,303	-	-	-	-
<b>Total fund balances</b>	<b>30,622,056</b>	<b>3,820,482</b>	<b>553,267</b>	<b>13,059,610</b>	<b>10,229,223</b>
<b>Total liabilities and fund balances</b>	<b>\$ 31,461,006</b>	<b>\$ 3,977,754</b>	<b>\$ 641,982</b>	<b>\$ 13,852,167</b>	<b>\$ 10,294,695</b>

**Governmental Funds  
Balance Sheet  
December 31, 2015**

River West TIF	Redevelopment Authority Debt Service	Nonmajor Funds	Total
\$ 6,629,106	\$ 1,217,412	\$ 44,632,291	\$ 63,750,206
26,049,496	-	46,650,201	118,325,956
531,011	-	483,864	1,014,875
-	-	405,288	1,026,950
51,868	-	92,947	235,460
-	-	2,736,675	2,736,675
403,714	-	6,240,632	6,644,346
-	-	1,373	47,381
-	-	5,571,713	7,653,149
-	-	-	45,197
10,884,221	-	3,689,942	15,019,163
-	-	60,300	60,300
<b>\$ 44,549,416</b>	<b>\$ 1,217,412</b>	<b>\$ 110,565,226</b>	<b>\$ 216,559,658</b>
\$ 2,303,036	\$ -	\$ 3,704,218	\$ 7,092,408
-	-	39,255	66,048
500,000	-	7,153,149	7,653,149
3,232	-	-	82,138
-	-	77,085	826,209
-	-	-	1,628
-	-	9,981	11,342
2,806,268	-	10,983,688	15,732,922
11,011,644	-	13,950,624	27,533,901
30,731,504	1,217,412	76,727,038	113,004,506
-	-	2,238,475	2,238,475
-	-	10,883,997	32,604,147
-	-	(4,218,596)	25,445,707
41,743,148	1,217,412	99,581,538	200,826,736
<b>\$ 44,549,416</b>	<b>\$ 1,217,412</b>	<b>\$ 110,565,226</b>	<b>\$ 216,559,658</b>

# City of South Bend, Indiana

	General Fund	Parks and Recreation	Public Safety LOIT	COIT	EDIT
<b>Revenue</b>					
Property taxes	\$ 37,278,746	\$ 7,480,452	\$ -	\$ -	\$ -
Income taxes	-	-	6,466,190	8,859,912	9,181,206
Licenses and permits	151,923	-	-	-	-
Professional sports development taxes	-	-	-	-	-
Intergovernmental	16,008,619	666,224	-	-	-
Charges for services	999,899	1,686,201	-	531,926	300,082
Fines and forfeitures	14,081	-	-	-	354,660
Investment income	106,976	8,636	5,377	85,007	56,850
Rental income	-	-	-	-	-
Other revenue	6,012,866	300,984	-	-	-
<b>Total revenue</b>	<b>60,573,110</b>	<b>10,142,497</b>	<b>6,471,567</b>	<b>9,476,845</b>	<b>9,892,798</b>
<b>Expenditures</b>					
Current:					
General government	5,221,067	-	-	-	73,674
Public safety	54,211,836	-	6,926,864	-	-
Highways and streets	887,568	-	-	-	-
Community and economic development	-	-	-	-	-
Culture and recreation	1,414,639	10,193,689	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay	-	34,130	-	9,097,739	1,460,937
Debt service:					
Principal	15,968	292,172	-	1,180,924	1,101,284
Interest on long-term debt	2,954	7,686	-	156,093	250,260
<b>Total expenditures</b>	<b>61,754,032</b>	<b>10,527,677</b>	<b>6,926,864</b>	<b>10,434,756</b>	<b>2,886,155</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>(1,180,922)</b>	<b>(385,180)</b>	<b>(455,297)</b>	<b>(957,911)</b>	<b>7,006,643</b>
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	34,130	-	110,620	-
Premium on refunding debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	4,282,212	888,385	-	-	-
Transfers out	(66,639)	-	-	(2,609,981)	(7,105,136)
Payment to bond refunding escrow agent	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,215,573</b>	<b>922,515</b>	<b>-</b>	<b>(2,499,361)</b>	<b>(7,105,136)</b>
<b>Net Change in Fund Balances</b>	<b>3,034,651</b>	<b>537,335</b>	<b>(455,297)</b>	<b>(3,457,272)</b>	<b>(98,493)</b>
<b>Fund Balances - Beginning of year</b>	<b>27,587,405</b>	<b>3,283,147</b>	<b>1,008,564</b>	<b>16,516,882</b>	<b>10,327,716</b>
<b>Fund Balances - End of year</b>	<b>\$ 30,622,056</b>	<b>\$ 3,820,482</b>	<b>\$ 553,267</b>	<b>\$ 13,059,610</b>	<b>\$ 10,229,223</b>

**Governmental Funds**

**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**Year Ended December 31, 2015**

River West TIF	Redevelopment Authority Debt Service	Nonmajor Funds	Total
\$ 16,288,169	\$ -	\$ 10,478,621	\$ 71,525,988
-	-	-	24,507,308
-	-	-	151,923
-	-	626,192	626,192
492,000	-	13,049,216	30,216,059
14,061	-	2,261,999	5,794,168
-	-	85,586	454,327
213,455	11,117	765,824	1,253,242
95,414	-	73,335	168,749
138,832	-	1,569,188	8,021,870
<u>17,241,931</u>	<u>11,117</u>	<u>28,909,961</u>	<u>142,719,826</u>
-	-	3,125,537	8,420,278
-	-	750,705	61,889,405
-	-	11,900,073	12,787,641
-	-	11,068,013	11,068,013
-	2,002	1,245,374	12,855,704
-	372,432	-	372,432
22,356,677	-	13,604,087	46,553,570
3,006,371	2,769,874	4,952,799	13,319,392
1,310,949	2,085,665	1,578,691	5,392,298
<u>26,673,997</u>	<u>5,229,973</u>	<u>48,225,279</u>	<u>172,658,733</u>
(9,432,066)	(5,218,856)	(19,315,318)	(29,938,907)
-	31,450,000	37,831,843	69,426,593
-	1,682,169	237,618	1,919,787
1,202,858	-	32,886	1,235,744
10,763,908	4,863,500	10,700,676	31,498,681
(2,156,762)	-	(16,713,748)	(28,652,266)
-	(35,698,815)	-	(35,698,815)
<u>9,810,004</u>	<u>2,296,854</u>	<u>32,089,275</u>	<u>39,729,724</u>
377,938	(2,922,002)	12,773,957	9,790,817
41,365,210	4,139,414	86,807,581	191,035,919
<u>\$ 41,743,148</u>	<u>\$ 1,217,412</u>	<u>\$ 99,581,538</u>	<u>\$ 200,826,736</u>

# City of South Bend, Indiana

## Proprietary Funds Statement of Net Position December 31, 2015

	Enterprise Funds					Governmental
						Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 788,964	\$ 1,218,393	\$ 1,096,892	\$ 1,587,630	\$ 4,691,879	\$ 2,315,742
Investments	3,100,284	7,777,728	-	6,081,249	16,959,261	8,992,898
Receivables:						
Accounts	844,999	2,509,351	140,012	4,725,852	8,220,214	44,363
Interest	19,378	60,815	-	12,169	92,362	17,988
Allowance for doubtful accounts	(50,000)	(80,000)	-	-	(130,000)	-
Due from other funds	20,959	3,786	10,059	1,170	35,974	4,172
Inventory	278,446	216,724	37,426	-	532,596	851,487
Prepaid expenses	24,087	34,480	10,467	-	69,034	209,653
Total current assets	5,027,117	11,741,277	1,294,856	12,408,070	30,471,320	12,436,303
Noncurrent assets:						
Restricted assets	8,256,321	33,425,359	1,002,072	1,387,899	44,071,651	-
Capital assets:						
Assets not subject to depreciation	376,951	17,008,258	713,434	1,159,420	19,258,063	-
Assets subject to depreciation	59,153,687	130,405,156	18,750,486	12,936,201	221,245,530	1,320,225
Total noncurrent assets	67,786,959	180,838,773	20,465,992	15,483,520	284,575,244	1,320,225
Total assets	72,814,076	192,580,050	21,760,848	27,891,590	315,046,564	13,756,528
<b>Deferred Outflows of Resources -</b>						
Unamortized loss on refunding	18,812	2,395,047	-	-	2,413,859	-
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	309,496	1,887,037	67,832	308,658	2,573,023	517,248
Due to other governmental units	-	-	-	160,098	160,098	-
Due to other funds	3,786	2,077	-	10,743	16,606	4,873
Performance deposits payable	-	-	-	37,437	37,437	-
Accrued liabilities and other:						
Accrued payroll payable	62,310	85,218	46,166	103,441	297,135	33,259
Accrued interest payable	528	189,945	-	91,080	281,553	124
Customer deposits payable	1,514,085	-	121,291	-	1,635,376	-
Other current payables	60,312	-	57,861	-	118,173	-
Compensated absences	209,894	235,936	-	149,272	595,102	123,235
Notes and loans payable	187,424	158,032	-	-	345,456	-
Mortgage bonds payable	-	68,880	-	220,000	288,880	-
Claims payable	-	-	-	-	-	2,574,044
Capital leases	17,577	464,592	-	899,802	1,381,971	5,275
Revenue bonds payable	1,165,000	6,705,000	-	-	7,870,000	-
Total current liabilities	3,530,412	9,796,717	293,150	1,980,531	15,600,810	3,258,058
Noncurrent liabilities:						
Notes and loans payable	863,800	2,249,643	-	-	3,113,443	-
Mortgage bonds payable	-	343,016	-	5,219,669	5,562,685	-
Capital leases	57,812	1,041,603	-	1,929,656	3,029,071	20,430
Revenue bonds payable	16,475,432	78,526,489	-	-	95,001,921	-
Total noncurrent liabilities	17,397,044	82,160,751	-	7,149,325	106,707,120	20,430
Total liabilities	20,927,456	91,957,468	293,150	9,129,856	122,307,930	3,278,488
<b>Deferred Inflows of Resources</b>						
Unamortized service agreement	-	-	335,417	-	335,417	-
Unamortized gain on sale/leaseback	-	-	-	5,663	5,663	-
Total deferred inflows of resources	-	-	335,417	5,663	341,080	-

# City of South Bend, Indiana

## Proprietary Funds Statement of Net Position (Continued) December 31, 2015

	Enterprise Funds					Governmental
						Activities
	Water Utility	Wastewater Utility	Century Center	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Net Position</b>						
Net investment in capital assets	\$ 40,782,405	\$ 74,650,027	\$ 19,463,920	\$ 7,102,032	\$ 141,998,384	\$ 1,294,520
Restricted:						
Depreciation fund	2,876,026	8,723,058	-	-	11,599,084	-
Debt service fund	4,398	804,674	-	-	809,072	-
Customer repair and deposit fund	1,509,816	1,647,834	-	-	3,157,650	-
Cash with fiscal agent	32,120	77,071	-	112,361	221,552	-
Bond reserve fund	1,604,996	4,105,623	-	-	5,710,619	-
Operating reserve fund	2,228,964	3,668,277	-	-	5,897,241	-
Capital outlay fund	-	-	1,002,072	-	1,002,072	-
Unrestricted	2,866,707	9,341,065	666,289	11,541,678	24,415,739	9,183,520
Total net position	<u>\$ 51,905,432</u>	<u>\$ 103,017,629</u>	<u>\$ 21,132,281</u>	<u>\$ 18,756,071</u>	<u>\$ 194,811,413</u>	<u>\$ 10,478,040</u>

# City of South Bend, Indiana

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2015

	Enterprise Funds					Governmental
					Proprietary	
	Water Utility	Wastewater Utility	Century Center	Non major Enterprise	Total	Internal Service Fund
<b>Operating Revenue</b>						
Metered revenue	\$ 9,477,512	\$ 35,471,904	\$ -	\$ -	\$ 44,949,416	\$ -
Convention fees	-	-	2,701,564	-	2,701,564	-
Fire protection revenue	1,988,234	-	-	-	1,988,234	-
Licenses and permits	-	3,500	-	1,839,150	1,842,650	-
Interest and penalty charges	111,049	-	-	-	111,049	-
Parking fees	-	-	115,550	968,397	1,083,947	-
Solid waste fees	-	-	-	4,859,903	4,859,903	-
Employee/Employer contributions	-	-	-	-	-	15,771,041
Charges for sales and services	-	185,069	-	6,470,435	6,655,504	7,364,529
Water leak insurance revenue	959,779	-	-	-	959,779	-
Golf course fees	-	-	-	109,949	109,949	-
Charges to other funds	1,166,640	92,955	-	-	1,259,595	-
Other	501,071	882,073	-	621,109	2,004,253	116,305
<b>Total operating revenue</b>	<b>14,204,285</b>	<b>36,635,501</b>	<b>2,817,114</b>	<b>14,868,943</b>	<b>68,525,843</b>	<b>23,251,875</b>
<b>Operating Expenses</b>						
Cost of water	5,903,635	-	-	-	5,903,635	-
Cost of sewage treatment	-	11,451,460	-	-	11,451,460	-
Other operation and maintenance	-	-	-	13,578,480	13,578,480	6,888,584
General and administration	2,030,862	2,106,138	4,039,630	1,790,220	9,966,850	1,346,631
Insurance claims and premiums	-	-	-	-	-	15,334,772
Plumbing contractors	980,149	-	-	-	980,149	-
Customer service	1,736,675	-	-	-	1,736,675	-
Depreciation	1,967,340	6,450,920	815,117	1,287,267	10,520,644	128,868
<b>Total operating expenses</b>	<b>12,618,661</b>	<b>20,008,518</b>	<b>4,854,747</b>	<b>16,655,967</b>	<b>54,137,893</b>	<b>23,698,855</b>
<b>Operating Income (Loss)</b>	<b>1,585,624</b>	<b>16,626,983</b>	<b>(2,037,633)</b>	<b>(1,787,024)</b>	<b>14,387,950</b>	<b>(446,980)</b>
<b>Nonoperating Revenue (Expenses)</b>						
Investment income	77,526	241,354	809	39,229	358,918	69,432
Hotel/Motel tax revenue	-	-	1,313,450	-	1,313,450	-
Interest expense	(863,067)	(3,419,351)	-	(394,313)	(4,676,731)	-
Other nonoperating expenses	-	(1,474,728)	-	-	(1,474,728)	-
(Loss) gain on sale of assets	(127,650)	(835,259)	-	(87,057)	(1,049,966)	(19,833)
Debt service charge	-	-	-	-	-	(345)
Other nonoperating revenue (expenses) - Charges	-	3,303	72,000	(477,668)	(402,365)	-
<b>Total nonoperating (expenses) revenue</b>	<b>(913,191)</b>	<b>(5,484,681)</b>	<b>1,386,259</b>	<b>(919,809)</b>	<b>(5,931,422)</b>	<b>49,254</b>
<b>Income (Loss) - Before contributions</b>	<b>672,433</b>	<b>11,142,302</b>	<b>(651,374)</b>	<b>(2,706,833)</b>	<b>8,456,528</b>	<b>(397,726)</b>
<b>Capital Contributions - Other capital contributions</b>	-	-	4,683,424	-	4,683,424	-
<b>Special Item - Disposal of operations</b>	-	-	-	(1,180,964)	(1,180,964)	-
<b>Transfers In</b>	-	-	-	2,663,144	2,663,144	-
<b>Transfers Out</b>	(1,942,608)	(3,497,207)	(50,000)	(19,744)	(5,509,559)	-
<b>Change in Net Position</b>	<b>(1,270,175)</b>	<b>7,645,095</b>	<b>3,982,050</b>	<b>(1,244,397)</b>	<b>9,112,573</b>	<b>(397,726)</b>
<b>Net Position - Beginning of year (restated)</b>	<b>53,175,607</b>	<b>95,372,534</b>	<b>17,150,231</b>	<b>20,000,468</b>	<b>185,698,840</b>	<b>10,875,766</b>
<b>Net Position - End of year</b>	<b>\$ 51,905,432</b>	<b>\$ 103,017,629</b>	<b>\$ 21,132,281</b>	<b>\$ 18,756,071</b>	<b>\$ 194,811,413</b>	<b>\$ 10,478,040</b>

# City of South Bend, Indiana

## Fiduciary Funds Statement of Fiduciary Net Position December 31, 2015

	Pension Trust Funds	Private- Purpose Trust Fund	Agency Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 330,099	\$ 5,781	\$ 2,752,256
Investments	1,297,145	22,717	-
Receivables - Interest	<u>2,652</u>	<u>45</u>	<u>-</u>
Total assets	1,629,896	28,543	<u><b>\$ 2,752,256</b></u>
<b>Liabilities</b>			
Accounts payable	180	-	\$ -
Accrued liabilities and other	248	-	412,690
Customer deposits payable	-	-	1,504,458
Police distribution payable	<u>-</u>	<u>-</u>	<u>835,108</u>
Total liabilities	<u>428</u>	<u>-</u>	<u><b>\$ 2,752,256</b></u>
<b>Net Position for Pension Benefits and Other Purposes</b>	<u><b>\$ 1,629,468</b></u>	<u><b>\$ 28,543</b></u>	

# City of South Bend, Indiana

## Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended December 31, 2015

	Pension Trust Funds	Private- Purpose Trust Fund
<b>Additions</b>		
Investment income - Interest and dividends	\$ 7,051	\$ 164
Contributions:		
On behalf	11,417,384	-
Other	2,729	-
Total contributions	11,420,113	-
Total additions	11,427,164	164
<b>Deductions</b>		
Benefit payments	11,520,804	-
Administrative expenses	26,716	-
Total deductions	11,547,520	-
<b>Net (Decrease) Increase in Net Position</b>	(120,356)	164
<b>Net Position - Beginning of year</b>	1,749,824	28,379
<b>Net Position - End of year</b>	<u>\$ 1,629,468</u>	<u>\$ 28,543</u>

## Statistical Section Net Position by Component Last Ten Fiscal Years

	2006 (1)	2007	2008	2009	2010	2011	2012	2013	2014 (2)	2015 (2)
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 208,509,577	\$ 200,634,954	\$ 178,178,047	\$ 178,483,535	\$ 186,771,216	\$ 196,265,413	\$ 202,779,954	\$ 192,190,446	\$ 168,275,521	\$ 157,604,691
Restricted	5,225,642	5,370,627	11,077,687	12,825,227	8,840,610	9,354,772	8,050,418	7,990,172	8,723,878	9,137,552
Unrestricted	24,900,036	47,150,229	56,786,214	82,877,695	96,539,932	82,271,482	71,992,457	86,413,227	(18,581,970)	(25,882,348)
<b>Total governmental activities net position</b>	\$ 238,635,255	\$ 253,155,810	\$ 246,041,948	\$ 274,186,457	\$ 292,151,758	\$ 287,891,667	\$ 282,822,829	\$ 286,593,845	\$ 158,417,429	\$ 140,859,895
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 97,670,533	\$ 112,194,451	\$ 124,705,327	\$ 119,607,643	\$ 122,108,095	\$ 103,463,004	\$ 113,193,929	\$ 114,506,252	\$ 136,685,811	\$ 141,998,384
Restricted	22,535,858	8,273,257	8,630,542	14,075,339	13,320,967	12,937,988	29,259,933	48,267,664	26,587,012	28,397,290
Unrestricted	7,168,852	15,793,782	9,209,917	12,597,138	19,262,192	45,733,630	26,957,505	7,906,258	22,426,017	24,415,739
<b>Total business-type activities net position</b>	\$ 127,375,243	\$ 136,261,490	\$ 142,545,786	\$ 146,280,120	\$ 154,691,254	\$ 162,134,622	\$ 169,411,367	\$ 170,680,174	\$ 185,698,840	\$ 194,811,413
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 306,180,110	\$ 312,829,405	\$ 302,883,374	\$ 298,091,178	\$ 308,879,311	\$ 299,728,417	\$ 315,973,883	\$ 306,696,698	\$ 304,961,332	\$ 299,603,075
Restricted	27,761,500	13,643,884	19,708,229	26,900,566	22,161,577	22,292,760	37,310,351	56,257,836	35,310,890	37,534,842
Unrestricted	32,068,888	62,944,011	65,996,131	95,474,833	115,802,124	128,005,112	98,949,962	94,319,485	3,844,047	(1,466,609)
<b>Total primary government net position</b>	\$ 366,010,498	\$ 389,417,300	\$ 388,587,734	\$ 420,466,577	\$ 446,843,012	\$ 450,026,289	\$ 452,234,196	\$ 457,274,019	\$ 344,116,269	\$ 335,671,308

Source - City of South Bend Comprehensive Annual Financial Reports (includes prior period adjustments)

(1) The City implemented the retroactive reporting of infrastructure assets required by GASB Statement No. 34 during 2006.

(2) The City implemented the reporting of net pension liability through GASB 68 during 2015. 2014 was restated.

Net position is defined as the difference between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources and can generally be thought of as the net worth of the City of South Bend.

# City of South Bend

## Statistical Section Changes in Net Position Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General Government	\$ (17,194,920)	\$ (13,680,203)	\$ (10,253,389)	\$ (7,903,378)	\$ (8,261,861)	\$ (16,783,351)	\$ (13,788,310)	\$ (13,200,898)	\$ (19,013,453)	\$ (21,572,776)
Public Safety	(56,600,175)	(52,751,974)	(49,728,256)	(50,800,573)	(62,106,991)	(73,530,442)	(69,977,237)	(76,023,819)	(68,783,155)	(56,528,448)
Highways and Streets	(21,813,189)	(17,904,129)	(22,292,012)	(15,042,344)	(9,526,537)	(7,574,003)	(14,639,158)	(20,915,815)	(13,031,500)	(20,045,444)
Health and Welfare	(11,131)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	-	-	-	-
Community and Economic Development	(18,813,636)	(18,206,948)	(27,299,233)	(4,335,618)	(30,744,012)	(34,648,975)	(20,217,987)	(10,069,690)	(19,780,791)	(40,727,612)
Culture and Recreation	(14,994,300)	(16,454,667)	(18,311,807)	(17,981,839)	(16,036,194)	(15,566,794)	(21,724,589)	(26,846,471)	(16,802,311)	(20,300,766)
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	(372,432)
Interest on Long-Term Debt	(5,841,032)	(5,859,102)	(7,080,166)	(8,049,610)	(7,339,548)	(6,798,531)	(6,134,406)	(5,961,124)	(2,497,849)	(4,762,714)
<b>Total governmental activities expenses</b>	<b>\$ (135,371,383)</b>	<b>\$ (124,932,023)</b>	<b>\$ (135,039,863)</b>	<b>\$ (104,113,362)</b>	<b>\$ (134,015,143)</b>	<b>\$ (154,902,096)</b>	<b>\$ (146,481,687)</b>	<b>\$ (153,017,817)</b>	<b>\$ (139,909,059)</b>	<b>\$ (164,310,194)</b>
<b>Business-type activities:</b>										
Wastewater	\$ (11,916,504)	\$ (13,061,750)	\$ (13,492,744)	\$ (12,584,679)	\$ (12,525,246)	\$ (11,972,840)	\$ (12,228,014)	\$ (15,221,865)	\$ (13,020,610)	\$ (13,609,378)
Century Center	(16,972,401)	(18,295,813)	(23,020,991)	(27,047,143)	(21,403,663)	(22,260,005)	(23,809,975)	(26,390,790)	(25,521,753)	(25,737,867)
Consolidated Building Department (1)	(3,355,531)	(3,490,103)	(3,562,285)	(3,488,266)	(2,989,586)	(3,100,484)	(2,929,268)	(4,330,656)	(4,747,838)	(4,854,747)
Parking Garage	(1,102,164)	(1,090,327)	(1,108,940)	(1,113,867)	(930,120)	(871,299)	(909,376)	(1,131,815)	(3,242,320)	(3,552,347)
Solid Waste	(1,261,942)	(1,444,146)	(1,466,200)	(1,471,960)	(1,438,288)	(1,467,646)	(1,721,655)	(1,285,056)	(1,660,596)	(2,139,182)
Blackthorn Golf Course	(4,187,706)	(4,072,910)	(4,299,846)	(4,036,001)	(4,204,056)	(4,962,157)	(5,118,806)	(5,091,588)	(5,811,526)	(5,243,972)
Emergency Medical Services (2)	(1,811,757)	(1,811,801)	(1,829,122)	(1,881,982)	(1,995,556)	(1,689,042)	(1,841,998)	(1,497,513)	(1,874,962)	(1,655,977)
<b>Total business-type activities net expenses</b>	<b>(40,608,005)</b>	<b>(43,266,850)</b>	<b>(48,780,128)</b>	<b>(51,623,898)</b>	<b>(45,486,515)</b>	<b>(46,323,473)</b>	<b>(48,559,092)</b>	<b>(54,949,283)</b>	<b>(55,879,605)</b>	<b>(61,899,676)</b>
<b>Total primary government net position</b>	<b>\$ (175,979,388)</b>	<b>\$ (168,198,873)</b>	<b>\$ (183,819,991)</b>	<b>\$ (155,737,260)</b>	<b>\$ (179,501,658)</b>	<b>\$ (201,225,569)</b>	<b>\$ (195,040,779)</b>	<b>\$ (207,967,100)</b>	<b>\$ (195,788,664)</b>	<b>\$ (226,209,870)</b>
<b>Charges for services:</b>										
General Government	\$ 6,883,104	\$ 6,553,121	\$ 6,647,223	\$ 6,855,830	\$ 6,964,269	\$ 1,165,018	\$ 2,100,103	\$ 1,939,865	\$ 1,451,438	\$ 1,188,531
Public Safety	5,132,285	4,228,405	5,035,433	5,051,827	4,916,958	4,096,566	5,079,182	5,210,272	4,992,228	529,386
Highways and Streets	44,250	-	-	5,152	28,110	227,000	291,840	451,363	728,343	676,429
Community and Economic Development	562,807	604,873	636,722	332,454	283,420	683,503	271,366	444,839	485,938	408,654
Culture and Recreation	4,940,629	5,057,076	5,300,818	5,063,896	4,995,049	4,681,536	5,224,543	5,112,019	3,815,920	3,726,359
Operating Grants and Contributions	12,452,463	15,628,287	11,356,682	12,199,444	29,467,573	32,091,246	24,937,596	21,466,622	3,203,805	2,813,481
Capital Grants and Contributions	13,793,363	960,502	1,176,783	780,137	1,472,233	2,328,468	2,468,120	1,867,213	-	-
<b>Total governmental activities program revenue</b>	<b>\$ 43,808,901</b>	<b>\$ 33,032,264</b>	<b>\$ 30,153,661</b>	<b>\$ 30,288,740</b>	<b>\$ 48,127,612</b>	<b>\$ 45,273,337</b>	<b>\$ 40,372,750</b>	<b>\$ 36,492,193</b>	<b>\$ 14,677,672</b>	<b>\$ 9,342,840</b>
<b>Business-type activities:</b>										
Charges for services:										
Water	\$ 14,757,819	\$ 15,336,891	\$ 14,926,833	\$ 14,151,289	\$ 14,194,442	\$ 14,080,592	\$ 15,409,171	\$ 15,102,462	\$ 14,373,176	\$ 14,204,285
Wastewater	18,725,903	21,349,401	23,567,973	25,012,163	26,001,156	29,407,263	30,657,698	32,474,743	34,009,117	36,638,804
Century Center	3,113,264	3,371,553	3,370,802	2,873,966	2,899,010	2,894,913	2,680,076	3,463,813	2,227,171	4,202,564
Consolidated Building Department	1,039,405	1,078,258	1,169,788	977,050	875,481	899,937	1,000,381	967,667	1,387,571	2,037,950
Parking Garage	799,350	861,307	1,003,889	1,070,519	1,047,784	1,071,078	921,044	968,868	1,017,218	968,417
Solid Waste	4,177,897	4,187,821	4,343,120	4,759,530	4,745,547	4,830,342	5,081,991	5,399,044	5,295,712	5,364,871
Blackthorn Golf Course	1,565,649	1,512,150	1,493,519	1,557,951	1,479,415	1,392,999	1,669,372	1,530,402	1,548,341	1,099,949
Emergency Medical Services	-	-	-	-	-	-	-	-	-	6,470,446
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	1,413,861	1,253,332	1,209,380	4,038,412	1,889,165	4,291,731	2,010,253	697,916	95,834	4,683,424
<b>Total business-type activities program revenue:</b>	<b>\$ 45,593,148</b>	<b>\$ 48,950,713</b>	<b>\$ 51,085,304</b>	<b>\$ 54,440,880</b>	<b>\$ 53,102,000</b>	<b>\$ 58,868,315</b>	<b>\$ 59,429,986</b>	<b>\$ 60,604,915</b>	<b>\$ 59,954,140</b>	<b>\$ 74,680,710</b>
<b>Total primary government program revenues</b>	<b>\$ 89,402,049</b>	<b>\$ 81,982,977</b>	<b>\$ 81,238,965</b>	<b>\$ 84,729,620</b>	<b>\$ 101,229,612</b>	<b>\$ 104,141,652</b>	<b>\$ 99,802,736</b>	<b>\$ 97,097,108</b>	<b>\$ 74,631,812</b>	<b>\$ 84,023,550</b>

## Statistical Section Changes in Net Position (Continued) Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (81,123,122)	\$ (102,007,599)	\$ (79,959,701)	\$ (103,726,403)	\$ (106,774,484)	\$ 45,273,337	\$ (106,108,937)	\$ (116,525,624)	\$ (125,231,387)	\$ (154,967,354)
Business-type activities	2,326,298	170,585	(538,594)	8,954,365	6,778,527	58,868,315	10,870,894	5,655,632	4,074,535	12,781,034
<b>Total primary government net expense</b>	<b>\$ (78,796,824)</b>	<b>\$ (101,837,014)</b>	<b>\$ (74,498,295)</b>	<b>\$ (94,772,038)</b>	<b>\$ (99,995,957)</b>	<b>\$ 104,141,652</b>	<b>\$ (95,238,043)</b>	<b>\$ (110,869,992)</b>	<b>\$ (121,156,852)</b>	<b>\$ (142,186,320)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property taxes	\$ 68,256,602	\$ 77,120,683	\$ 76,109,499	\$ 73,882,128	\$ 77,315,641	\$ 76,445,349	\$ 71,775,415	\$ 72,018,650	\$ 69,221,468	\$ 72,032,049
County Option Income Tax	6,410,405	8,072,623	5,813,846	10,270,179	11,502,052	13,219,723	13,748,824	13,739,325	15,025,840	14,847,338
Economic Development Income Tax	4,013,475	4,681,134	3,788,754	4,536,245	7,335,113	8,044,773	8,324,878	8,177,352	8,796,821	9,031,709
Professional Sports Development Tax	336,281	435,791	453,268	522,788	597,406	558,268	633,904	649,996	588,054	628,261
Community Revitalization District Tax	1,000,000	1,000,000	955,315	605,623	416,149	733,100	653,185	244,623	-	-
Unrestricted Grants and Contributions	5,063,541	4,032,300	5,664,011	7,597,883	4,883,081	3,964,336	3,891,810	5,893,924	28,473,888	25,487,112
Unrestricted Investment earnings	4,762,484	6,247,113	4,961,410	859,135	868,023	1,050,768	1,317,443	762,270	951,901	1,322,674
Other	3,520,138	5,016,902	2,007,821	2,781,368	2,627,341	3,483,054	6,623,313	14,285,314	6,747,199	11,214,442
Transfers	44,200	3,735	34,970	(645,992)	(648,823)	3,041,176	3,879,721	4,525,187	(683,049)	2,846,415
<b>Total governmental activities</b>	<b>\$ 93,407,126</b>	<b>\$ 106,610,281</b>	<b>\$ 99,788,894</b>	<b>\$ 100,409,357</b>	<b>\$ 104,895,983</b>	<b>\$ 110,540,547</b>	<b>\$ 110,848,493</b>	<b>\$ 120,296,641</b>	<b>\$ 129,122,122</b>	<b>\$ 137,410,000</b>
<b>Business-type activities:</b>										
Unrestricted investment earnings	\$ 906,056	\$ 1,301,348	\$ 1,514,287	\$ 271,360	\$ 146,826	\$ 206,409	\$ 285,572	\$ 138,362	\$ 128,168	\$ 358,918
Other	(44,200)	(3,735)	(34,970)	645,992	648,823	(3,041,176)	(3,879,721)	(4,525,187)	1,501,664	-
Transfers	861,856	1,297,613	1,479,317	917,352	795,649	(2,834,767)	(3,594,149)	(4,386,825)	683,049	(2,846,415)
<b>Total business-type activities</b>	<b>\$ 94,268,982</b>	<b>\$ 107,907,894</b>	<b>\$ 101,268,211</b>	<b>\$ 101,326,709</b>	<b>\$ 105,691,632</b>	<b>\$ 107,705,780</b>	<b>\$ 107,254,344</b>	<b>\$ 115,909,816</b>	<b>\$ 131,435,003</b>	<b>\$ 134,922,503</b>
<b>Special Item (Governmental activities):</b>										
Well field contamination settlement	-	-	-	-	-	-	-	-	-	-
Disposal of operations	-	-	-	-	-	-	-	-	-	(1,180,964)
<b>Change in Net Position</b>										
Governmental activities	(8,600,473)	32,650,580	524,705	(6,365,127)	150,169,320	911,788	4,739,556	3,771,016	3,890,735	(17,557,354)
Business-type activities	1,032,441	759,019	10,433,682	7,695,879	59,663,964	9,710,075	7,276,745	1,268,807	6,387,416	9,112,573
<b>Total primary government</b>	<b>\$ (7,568,032)</b>	<b>\$ 33,409,599</b>	<b>\$ 10,958,387</b>	<b>\$ 1,330,752</b>	<b>\$ 209,833,284</b>	<b>\$ 10,621,863</b>	<b>\$ 12,016,301</b>	<b>\$ 5,039,823</b>	<b>\$ 10,278,151</b>	<b>\$ (8,444,781)</b>

Excludes prior period adjustments

### Source : City of South Bend Comprehensive Annual Financial Reports

Changes in net assets is defined as the incremental difference between total assets and total liabilities as a result of operations during the fiscal year.

(1) In 2014, Code Enforcement and Animal Care and Control were consolidated with the Building Department to build efficiencies. Prior to 2014, these expenses were included in the general government activities.

(2) In 2015, Emergency Medical Services was reclassified to an enterprise fund.

## Statistical Section Fund Balances - Governmental Funds Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015
<b>General fund</b>										
Reserved	\$ 4,162,853	\$ 2,213,970	\$ 3,245,271	\$ 1,516,159	\$ 1,824,454	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,688,442	21,546,783	24,171,313	23,102,296	26,912,688	1,115,025	958,341	656,848	558,304	491,665
Nonspendable	-	-	-	-	-	327,267	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	255,287	165,389	516,506	-	466,088
Unassigned	-	-	-	-	-	26,233,637	27,671,353	26,495,559	27,029,101	29,664,303
<b>Total - General Fund</b>	<b>\$ 25,851,295</b>	<b>\$ 23,760,753</b>	<b>\$ 27,416,584</b>	<b>\$ 24,618,455</b>	<b>\$ 28,737,142</b>	<b>\$ 27,931,216</b>	<b>\$ 28,795,083</b>	<b>\$ 27,668,913</b>	<b>\$ 27,587,405</b>	<b>\$ 30,622,056</b>
<b>Other Governmental Funds</b>										
Reserved	\$ 34,251,520	\$ 36,374,517	\$ 60,213,915	\$ 56,819,802	\$ 62,230,229	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	19,348,846	25,703,180	32,054,329	36,398,024	31,996,398	-	-	-	-	-
Capital projects funds	60,447,079	66,593,906	87,571,056	78,214,132	85,237,947	-	-	-	-	-
Debt service funds	(7,828)	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	37,036,839	37,706,861	22,828,476	20,537,450	27,042,236
Restricted	-	-	-	-	-	44,754,037	78,326,567	95,387,879	100,501,274	113,004,506
Committed	-	-	-	-	-	11,829,074	11,142,045	20,697,026	12,962,745	2,238,475
Assigned	-	-	-	-	-	77,460,284	35,180,652	35,455,190	35,147,874	32,138,059
Unassigned	-	-	-	-	-	(2,777,374)	(4,219,066)	(4,852,169)	(5,700,829)	(4,218,596)
<b>Total - Other Governmental Funds</b>	<b>114,039,617</b>	<b>128,671,603</b>	<b>179,839,300</b>	<b>171,431,958</b>	<b>179,464,574</b>	<b>168,302,860</b>	<b>158,137,059</b>	<b>169,516,402</b>	<b>163,448,514</b>	<b>170,204,680</b>
<b>Grand Total - Governmental Funds</b>	<b>\$ 139,890,912</b>	<b>\$ 152,432,356</b>	<b>\$ 207,255,884</b>	<b>\$ 196,050,413</b>	<b>\$ 208,201,716</b>	<b>\$ 196,234,076</b>	<b>\$ 186,932,142</b>	<b>\$ 197,185,315</b>	<b>\$ 191,035,919</b>	<b>\$ 200,826,736</b>

(1) - The City of South Bend adopted Statement No. 54 of the Governmental Accounting Standards Board requiring new classifications for Fund Balance reporting for fiscal year 2011.

Source: City of South Bend Comprehensive Annual Financial Reports

## Statistical Section Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 84,049,414	\$ 88,695,023	\$ 96,930,953	\$ 89,139,585	\$ 101,785,765	\$ 99,001,213	\$ 95,136,206	\$ 94,829,947	\$ 93,632,183	\$ 96,033,296
Licenses, fees and permits	186,470	173,604	177,329	206,594	192,397	190,943	189,714	177,019	141,565	151,923
Fines and forfeits	444,861	437,732	412,707	423,981	409,775	636,749	334,767	660,841	563,999	454,327
Charges for services	16,931,744	15,832,139	17,030,160	16,678,584	16,585,634	13,990,267	12,442,553	12,320,498	10,628,976	5,794,168
Intergovernmental	31,275,541	21,400,166	18,196,118	20,577,464	35,822,886	34,419,714	31,297,526	29,227,759	30,663,505	30,216,059
Investment earnings	4,762,484	6,248,605	4,962,768	859,135	868,023	1,050,768	1,317,443	762,270	955,376	1,253,242
Other revenues	3,414,731	5,039,373	2,007,821	3,046,791	2,677,796	3,587,518	6,660,875	13,174,140	7,904,187	8,816,811
<b>Total revenues</b>	<b>141,065,245</b>	<b>137,826,642</b>	<b>139,717,856</b>	<b>130,932,134</b>	<b>158,342,276</b>	<b>152,877,172</b>	<b>147,379,084</b>	<b>151,152,474</b>	<b>144,489,791</b>	<b>142,719,826</b>
<b>Expenditures</b>										
General government	11,244,734	9,611,354	6,902,426	5,969,141	5,214,424	6,680,855	6,390,585	7,154,965	8,022,688	8,420,278
Public Safety	51,050,640	53,203,005	50,413,055	48,790,068	62,586,177	69,612,754	67,138,414	64,041,549	66,927,250	61,889,405
Highways and Streets	13,583,761	13,257,781	13,369,611	11,716,810	10,702,555	5,079,041	9,288,682	9,769,942	10,441,957	12,787,641
Health and Welfare	75,000	75,000	75,000	-	-	-	-	-	-	-
Community and Economic Development	9,752,254	7,710,242	9,726,718	8,938,134	17,408,376	9,698,611	3,543,180	8,068,458	7,309,130	11,068,013
Culture and Recreation	13,849,622	13,469,798	14,542,481	12,733,094	12,841,596	13,816,699	18,557,986	13,956,025	13,948,089	12,855,704
Capital Outlay	16,391,192	17,293,302	26,695,208	37,485,105	21,952,522	46,691,030	39,984,127	30,748,663	29,407,934	46,553,570
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	372,432
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	6,144,611	5,718,572	7,258,201	8,053,995	7,499,683	7,186,494	6,734,305	6,113,043	5,360,219	5,392,298
Principal	7,435,722	7,870,166	9,040,095	9,276,363	12,552,681	13,632,195	10,822,721	13,008,105	12,882,830	13,319,392
<b>Total expenditures</b>	<b>129,527,536</b>	<b>128,209,220</b>	<b>138,022,795</b>	<b>142,962,710</b>	<b>150,758,014</b>	<b>172,397,679</b>	<b>162,460,000</b>	<b>152,860,750</b>	<b>154,300,097</b>	<b>172,658,733</b>
<b>Excess of revenues over (under) expenditures</b>	<b>11,537,709</b>	<b>9,617,422</b>	<b>1,695,061</b>	<b>(12,030,576)</b>	<b>7,584,262</b>	<b>(19,520,507)</b>	<b>(15,080,916)</b>	<b>(1,708,276)</b>	<b>(9,810,306)</b>	<b>(29,938,907)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from debt issuance	14,050,557	2,920,287	45,622,808	1,771,318	5,280,314	3,478,239	5,660,897	7,801,455	8,436,905	69,426,593
Premium (discount) on debt issuance	-	-	1,626,186	80,950	146,030	26,877	1,236,364	21,576	171,851	1,919,787
Proceeds from refunding	-	-	-	7,210,000	5,327,775	38,307,431	13,595,000	3,990,000	-	-
Payments to refunded bond escrow agent	(8,371,711)	-	-	(7,591,171)	(5,538,255)	(37,300,856)	(14,613,147)	(4,376,769)	(3,482,205)	(35,698,815)
Transfers in	8,928,540	7,872,575	10,574,625	8,687,172	16,314,577	22,483,564	25,368,413	26,365,239	18,478,925	31,498,681
Transfers out	(8,884,340)	(7,868,840)	(10,539,655)	(9,333,164)	(16,963,400)	(19,442,388)	(21,488,692)	(21,840,052)	(16,522,289)	(28,652,266)
Other	-	-	-	-	-	-	-	-	28,476	1,235,744
<b>Total other financing sources (uses)</b>	<b>5,723,046</b>	<b>2,924,022</b>	<b>47,283,964</b>	<b>825,105</b>	<b>4,567,041</b>	<b>7,552,867</b>	<b>9,758,835</b>	<b>11,961,449</b>	<b>7,111,663</b>	<b>39,729,724</b>
<b>Special Item:</b>										
Well field contamination settlement	-	-	-	4,462,214	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 17,260,755</b>	<b>\$ 12,541,444</b>	<b>\$ 48,979,025</b>	<b>\$ (6,743,257)</b>	<b>\$ 12,151,303</b>	<b>\$ (11,967,640)</b>	<b>\$ (5,322,081)</b>	<b>\$ 10,253,173</b>	<b>\$ (2,698,643)</b>	<b>\$ 9,790,817</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	<b>10.8%</b>	<b>11.4%</b>	<b>12.1%</b>	<b>17.6%</b>	<b>15.4%</b>	<b>13.8%</b>	<b>12.9%</b>	<b>13.4%</b>	<b>13.5%</b>	<b>11.6%</b>

Excludes prior period adjustments  
 (1) Formula = Debt service payments (principal and interest) / (Total Governmental Fund expenditures - Governmental Fund capital outlay per reconciliation)

Source: City of South Bend Comprehensive Annual Financial Reports

# City of South Bend

## Statistical Section Property Taxes Levies and Collections Last Ten Fiscal Years

Tax Year/ Collection Year	Per DLGF Current Tax Levy	Estimated Circuit Breaker Levy Reduction	Adjusted Current Tax Levy (County Abstract)	Current Tax		Delinquent Tax Collections	Total Tax		(1)	
				Collections	as a Percent of Adjusted Tax Levy		Collections	as a Percent of Adjusted Tax Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percent of Adjusted Tax Levy
2005/2006	\$ 62,058,519	\$ -	\$ 62,058,519	\$ 58,849,337	94.83%	\$ 3,847,872	\$ 62,697,209	101.03%	\$ 5,495,442	8.86%
2006/2007	62,723,113	-	62,723,113	57,979,187	92.44%	2,289,138	60,268,325	96.09%	7,411,505	11.82%
2007/2008	65,534,282	-	65,534,282	59,589,537	90.93%	4,113,095	63,702,632	97.21%	2,831,650	4.32%
2008/2009	64,546,050	7,863,846	56,682,204	47,497,697	83.80%	3,355,161	50,852,858	89.72%	5,810,503	10.25%
2009/2010	66,929,179	14,346,110	52,583,069	41,813,442	79.52%	6,380,600	48,194,042	91.65%	10,026,236	19.07%
2010/2011	68,662,101	17,692,787	50,969,314	40,876,844	80.20%	5,791,920	46,668,764	91.56%	8,165,775	16.02%
2011/2012	70,756,844	23,965,911	46,790,933	42,598,817	91.04%	5,111,380	47,710,197	101.96%	9,550,891	20.41%
2012/2013	72,696,497	27,863,156	44,833,341	38,721,788	86.37%	5,200,000	43,921,788	97.97%	11,146,473	24.86%
2013/2014	73,981,565	27,051,751	46,929,814	41,370,637	88.15%	3,134,526	44,505,163	94.83%	8,745,941	18.64%
2014/2015	76,533,090	29,728,412	46,804,678	42,097,072	89.94%	3,168,597	45,265,669	96.71%	8,200,000	17.52%

Source - St. Joseph County Auditor's Settlement Worksheets and Abstract. City of South Bend budget forms approved by the Department of Local Government Finance (DLGF).

Data provided for General Fund, Parks & Recreation, Cumulative Capital Development, Fire Pension and Police Pension Funds. Excludes College Football Hall of Fame and Tax Increment Financing Funds.

Delinquent tax collections are not broken out by individual taxing unit. A calculation of South Bend's share of delinquent taxes has been made based on proportionate tax rates.

Total collections may exceed 100% of adjusted tax levy as prior year collections are not broken out separately by the St. Joseph County Auditor.

(1) Outstanding Delinquent Taxes are reported in the aggregate as of the end of each year and are not cumulative. Estimated for 2014/2015.

# City of South Bend

## Statistical Section Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Rate per \$100 of Net Assessed Value)

Tax Year/ Collection Year	City Direct Rates										Overlapping Rates (3)				Grand Total
	General Fund	Parks/ Recreation	Firefighters' Pension	Police Pension	Cumulative Capital Development	Total Direct	St. Joseph County	Schools Districts	Township	Library	Other (1)	Total Overlapping			
2005/2006	1.7386	0.2981	0.0554	0.0498	0.0376	2.1795	0.9899	1.6033	0.0269	0.2027	0.1501	2.9729	5.1524		
2006/2007	1.6838	0.2858	0.0531	0.0477	0.0342	2.1046	0.8711	1.5419	0.0285	0.1957	0.1737	2.8109	4.9155		
2007/2008	1.7924	0.2979	0.0579	0.0572	0.0342	2.2396	0.7576	1.5417	0.0482	0.2216	0.1944	2.7635	5.0031		
2008/2009	1.9777	0.3656	0.0117	0.0189	0.0342	2.4081	0.5693	1.0297	0.0537	0.2257	0.1733	2.0517	4.4598		
2009/2010 (2)	2.2536	0.4401	-	-	0.0342	2.7279	0.5866	1.0728	0.0406	0.2657	0.1835	2.1492	4.8771		
2010/2011	2.4381	0.4818	-	-	0.0342	2.9541	0.5424	1.2211	0.0438	0.3027	0.1958	2.3058	5.2599		
2011/2012	2.4954	0.4957	-	-	0.0328	3.0239	0.6212	1.1931	0.0464	0.2941	0.1817	2.3365	5.3604		
2012/2013	2.5678	0.5102	-	-	0.0328	3.1108	0.6731	1.3493	0.0453	0.3227	0.1971	2.5875	5.6983		
2013/2014	2.7977	0.5608	-	-	0.0328	3.3913	0.7058	1.3577	0.0505	0.3309	0.1849	2.6298	6.0211		
2014/2015	2.8313	0.5676	-	-	0.0325	3.4314	0.6866	1.2940	0.0500	0.3207	0.2125	2.5638	5.9952		

Source: St. Joseph County Auditor's Office - Certified Tax Rate Schedules - Rates presented for Portage Township in South Bend

- (1) Includes State of Indiana, Redevelopment Commission (Hall of Fame), South Bend Transportation and South Bend Regional Airport.
- (2) Firefighters' Pension and Police Pension no longer tax burden for the City of South Bend as the State of Indiana has assumed responsibility for funding these programs.
- (3) Information provided for Portage Township in the City of South Bend. Property tax rates applied to net assessed valuation. Property tax billings are also subject to "circuit breaker" property tax caps on grossed assessed valuation of 1% (homestead residential property), 2% (other residential/rental property), and 3% (nonresidential real and personal property). Therefore, an increase in stated property tax rates will not result in higher property taxes paid for many taxpayers who have reached their cap.

# City of South Bend

## Statistical Section Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

Tax Year/ Collection Year	Gross Assessed Values			Total Value	Less:		Total Net Taxable Value	(2) City Tax Rate	% Taxable
	Real Property	Personal Property	Utilities Property		Non-Taxed Property (1)	City Tax Rate			
2005/2006	\$3,789,447,190	\$655,066,401	\$98,165,420	\$4,542,679,011	\$1,707,413,121	\$2,835,265,890	2.1795	62.41%	
2006/2007	4,374,431,415	544,460,152	90,443,780	5,009,335,347	1,986,978,200	3,022,357,147	2.1046	60.33%	
2007/2008	4,420,513,240	527,383,785	92,736,090	5,040,633,115	2,064,552,317	2,976,080,798	2.2396	59.04%	
2008/2009	4,698,989,240	592,538,950	95,891,770	5,387,419,960	2,718,532,541	2,668,887,419	2.4081	49.54%	
2009/2010	4,368,497,000	604,951,450	98,433,750	5,071,882,200	2,618,376,627	2,453,505,573	2.7279	48.37%	
2010/2011	4,339,037,300	551,819,290	101,009,760	4,991,866,350	2,667,414,488	2,324,451,862	2.9541	46.56%	
2011/2012	4,255,238,900	560,331,660	95,165,650	4,910,736,210	2,529,861,602	2,380,874,608	3.0239	48.48%	
2012/2013	4,452,887,970	537,500,490	100,832,450	5,091,220,910	2,720,133,213	2,371,087,697	3.1108	46.57%	
2013/2014	4,199,757,500	552,872,520	90,252,180	4,842,882,200	2,633,155,528	2,209,726,672	3.3913	45.63%	
2014/2015	4,192,804,920	557,759,982	86,924,710	4,837,489,612	2,577,220,294	2,260,269,318	3.4314	46.72%	

(1) Non-taxed property includes adjustments for deductions and exemptions, tax exempt property, tax increment financing property, and tax abatements.

(2) Excludes Redevelopment Commission (Hall of Fame) tax rate.

Source: St. Joseph County Auditor's Office

# City of South Bend

## Statistical Section Property Tax Collections - Cash Basis 2006 - 2015

Fund Name	2006 Actual	2007 Actual	2008 Actual (2)	2009 Actual (3)	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual
General Fund	\$48,768,150	\$48,720,726	\$14,574,480	\$79,162,937	\$38,780,847	\$38,514,550	\$39,368,431	\$36,251,397	\$36,708,989	\$37,349,387
Excess Levy	-	-	-	-	-	-	-	-	3,648	-
Parks & Recreation	8,363,955	8,271,741	2,461,101	13,919,096	7,591,932	7,613,760	7,824,056	7,207,060	7,365,388	7,487,554
Redevelopment Bonds Studebaker Corridor	-	11,590	-	-	-	-	-	-	-	-
College Football Hall of Fame Debt Service	899,472	1,127,140	360,682	2,362,057	1,488,453	1,549,954	1,133,205	1,268,179	497,768	906,263
River West TIF District (1)	7,515,744	8,851,077	33,400	10,808,912	21,508,430	11,187,768	11,631,287	13,340,354	14,284,734	16,293,240
Cumulative Capital Development	1,054,963	989,824	291,600	1,420,833	587,063	540,454	517,710	463,331	430,786	428,727
Sample-Ewing TIF District (1)	732,356	778,093	-	-	-	-	-	-	-	-
South Bend Central Development Area TIF (1)	3,283,075	3,276,169	12,696	3,870,188	7,336,117	3,633,473	3,671,478	2,590,808	4,309,727	-
West Washington Street TIF District	255,510	287,095	1,785	358,844	860,049	431,085	422,715	493,608	580,987	402,911
Central Medical Service Area TIF District (1)	333,585	928,113	2,793	919,174	3,524,962	1,704,238	1,606,915	1,221,676	851,211	-
River East (Northeast) TIF District	-	13,468	-	22,191	195,400	715,063	1,351,048	841,627	1,568,240	2,421,308
Southside Development Area TIF District	28,565	457,985	1,756	355,596	4,094,135	1,808,952	2,466,203	2,404,416	2,379,212	2,205,822
Erskine Commons TIF District (5)	2,585	2,891	10	1,240,184	5,978,592	784,373	-	-	-	-
Erskine Village TIF District	305,399	775,622	2,713	1,531,403	3,759,287	1,603,182	-	-	1,311,129	19,183
Douglas Road TIF District	-	13,941	-	125,294	460,760	306,053	285,713	323,939	321,895	270,758
River East (Northeast) Residential TIF	-	-	-	-	1,815,829	2,446,103	2,514,048	2,262,765	2,725,909	3,129,681
Airport Urban Enterprise	-	-	-	-	301,430	123,165	111,721	-	-	-
Fire Department Employees Pension (4)	1,554,387	1,536,839	462,375	1,437,539	(5,867)	-	-	-	-	-
Police Department Employees Pension (4)	1,397,265	1,380,555	425,760	1,609,905	(9,479)	-	-	-	-	-
<b>Total</b>	<b>\$74,495,011</b>	<b>\$77,422,869</b>	<b>\$18,631,151</b>	<b>\$119,144,153</b>	<b>\$98,267,940</b>	<b>\$72,962,173</b>	<b>\$72,904,530</b>	<b>\$69,980,289</b>	<b>\$72,037,669</b>	<b>\$70,914,834</b>

### Source - City Accounting System

- (1) Fund 414 closed out during 2008 into Fund 324. Name changed in 2015 from TIF Airport to River West TIF due to consolidation of Central Development Area and Central Medical TIFs.
- (2) Delays in sending out property tax bills until December 19, 2008 (with an on-time due date of February 20, 2009) resulted in interfund borrowing in the General Fund (101), Parks and Recreation Fund (201) and the College Football Hall of Fame Debt Service Fund (313) at year end. The remainder of property tax revenue was received during the first half of 2009 with final settlement with the St. Joseph County Auditor in July, 2009
- (3) Includes collections of 2008 taxes as noted above. Tax Increment Financing (TIF) 2009 property tax collections were received from the County Auditor on January 21, 2010.
- (4) Property tax levy for Police and Fire pension plans eliminated. Funding provided by the State of Indiana.
- (5) Erskine Commons TIF District funds were released and outstanding bonds were paid off.

# City of South Bend

## Statistical Section Computation of Legal Debt Margin December 31, 2015

### Civil City

Net Assessed Valuation (2014 pay 2015) of Taxable Property in South Bend	\$2,260,269,318
Debt limit: 2% of one third thereof	15,068,462
Less Bonds subject to limitation:	
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 A	(860,000)
County Economic Development Income Tax Refunding Revenue Bonds, Series 2006 B	(805,000)
Economic Development Income Tax Bonds of 2015 (Parks Bond)	<u>(5,605,000)</u>
Issuance Margin	<u>\$7,798,462</u>
<b>Percentage of Debt to Debt Limit</b>	<b><u>48.25%</u></b>

### Redevelopment District

Net Assessed Valuation (2014 pay 2015) of Taxable Property in South Bend	\$2,260,269,318
Debt limit: 2% of one third thereof	15,068,462
Less Bonds subject to limitation:	
Special Taxing District Bonds of 2014	<u>(2,615,000)</u>
Issuance Margin	<u>\$12,453,462</u>
<b>Percentage of Debt to Debt Limit</b>	<b><u>17.35%</u></b>

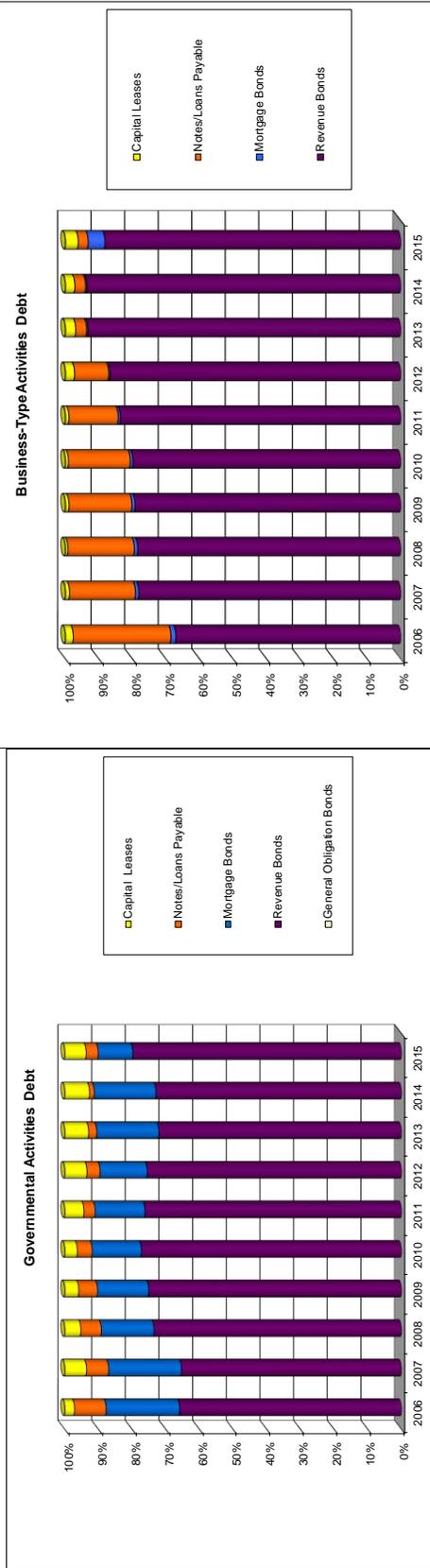
A 2% debt limit is established by the Constitution of the State of Indiana. This limit is established for general obligation bonds, Economic Development Income Tax revenue bonds, tax revenue notes and other types of indebtedness. This limitation does not include revenue bonds payable from governmental funds (excluding EDIT bonds) shown in the general long term debt account group. Indiana law allows the creation of separate municipal corporations to provide vital governmental functions. Each of these municipal corporations (including the Redevelopment Authority and Redevelopment Commission) has its own 2% debt limit, even if they have the same or similar boundaries.

## Statistical Section Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Estimated Population	Debt Per Capita	South Bend Estimated Personal Income	South Bend Debt Percent of Income
	General Obligation Bonds	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable	Capital Leases	Revenue Bonds	Mortgage Bonds	Notes/Loans Payable					
2006	\$ -	\$ 82,445,000	\$ 27,337,124	\$ 11,758,552	\$ 3,533,187	\$ 44,345,000	\$ 972,315	\$ 19,238,433	\$ 1,523,594	191,173,205	\$ 1,830	\$ 3,450,632,538	5.54%
2007	-	78,570,000	25,957,859	7,900,658	7,695,487	73,145,000	926,805	18,380,491	1,127,394	213,703,674	2,053	3,511,183,991	6.09%
2008	-	115,240,000	24,534,464	9,243,790	7,388,443	67,335,000	878,835	17,031,649	628,427	242,800,668	2,314	3,709,126,085	6.35%
2009	-	113,975,000	23,061,146	8,713,306	6,248,206	68,225,000	927,020	16,145,358	993,233	237,813,273	2,239	3,679,658,992	6.46%
2010	-	117,775,000	22,075,000	8,313,371	6,248,206	68,225,000	927,020	16,145,358	993,233	237,813,273	2,239	3,679,658,992	6.46%
2011	-	101,472,431	19,724,490	7,516,871	7,516,749	68,655,000	660,110	15,548,372	1,077,443	239,025,045	2,343	3,371,120,096	7.09%
2012	-	96,410,000	17,883,530	4,953,639	8,336,120	117,650,000	601,270	13,846,901	3,641,362	263,325,022	2,603	3,371,120,096	7.81%
2013	-	90,172,826	23,075,781	3,030,554	8,777,238	118,121,963	546,973	4,121,010	3,831,933	251,682,278	2,488	3,371,120,096	7.47%
2014	-	84,862,512	21,331,548	1,617,491	8,481,325	111,209,874	480,604	3,794,664	3,307,802	235,085,870	2,324	3,371,120,096	6.97%
2015	-	107,815,890	13,904,973	4,831,752	8,491,407	102,871,921	5,851,565	3,458,899	4,411,042	251,637,449	2,487	4,037,513,712	6.23%

Percent of Total Debt: 0.00% 42.85% 5.53% 1.92% 3.37% 40.88% 2.33% 1.37% 1.75% 100.00%

Sources: City of South Bend Comprehensive Annual Financial Reports  
 Capital Leases from the City of South Bend  
 City of South Bend estimated personal income is computed as estimated City population x 2014 South Bend Metro Area Per Capita Income (see Demographic Statistics)



# City of South Bend

## Statistical Section Computation of Direct and Overlapping Debt December 31, 2015

	Gross Debt	Percentage Applicable to South Bend	Amount Applicable to South Bend	Debt Per Capita	Ratio of Debt/ Net Assessed Value	Ratio of Debt/ Personal Income
<b>Direct Debt:</b>						
<b>City of South Bend</b>						
General Obligation Bonds						
Revenue Bonds - Governmental Activities	\$ 107,815,890	100.00 %	\$ 107,815,890			
Mortgage Bonds - Governmental Activities	13,904,973	100.00	13,904,973			
Notes Payable - Governmental Activities	4,831,752	100.00	4,831,752			
Capital Leases - Governmental Activities	8,491,407	100.00	8,491,407			
<b>Total Direct Debt and Lease Obligation Debt</b>			<b>\$ 135,044,022</b>	<b>\$ 1,335</b>	<b>5.97 %</b>	<b>3.34 %</b>
<b>Overlapping Debt (1)</b>						
South Bend Community School Corporation	\$ 153,498,692	53.34 %	\$ 81,876,202			
St. Joseph County Public Library	6,925,000	50.03	3,464,578			
St. Joseph County Airport Authority	11,770,000	28.63	3,369,751			
St. Joseph County	14,535,000	28.63	4,161,371			
Penn-Harris-Madison School Corporation	49,730,365	2.71	1,347,693			
Mishawaka-Penn-Harris Public Library	2,425,000	2.18	52,865			
German Township	340,000	60.58	205,972			
Penn Township	645,000	3.29	21,221			
<b>Total Overlapping and Underlying Direct Debt and Lease Obligations</b>			<b>\$ 94,499,652</b>	<b>\$ 934</b>	<b>4.18 %</b>	<b>2.34 %</b>
<b>Total Direct Debt and Lease Obligation Debt and Overlapping and Underlying Direct Debt and Lease Obligations</b>			<b>\$ 229,543,674</b>	<b>\$ 2,269</b>	<b>10.16 %</b>	<b>5.69 %</b>

### Ratio Factors

Net Assessed Valuation (2014 payable 2015)	2,260,269,318
Population - 2010 US Census Bureau	101,168 (2)
South Bend Metropolitan Area 2014 Per Capita Income	39,909 (3)
Estimated South Bend Total Personal Income (2 x 3)	4,037,513,712

- (1) Overlapping debt percentages are based on the net assessed value of South Bend properties in proportion to the total net assessed value.
- (2) Population statistics obtained from the U.S. Census Bureau (<http://factfinder.census.gov/ser/vlet>).
- (3) South Bend-Mishawaka, IN Metropolitan Area Profile ([www.bea.gov](http://www.bea.gov)). Latest information available.

# City of South Bend

## Statistical Section Demographic Statistics Last Ten Years

Year	City of South Bend		South Bend Metropolitan Area		South Bend Metro Area		South Bend Metro Area		City of South Bend		City of South Bend	
	Population (1)	Percent Increase/Decrease	Median Family Income (4)	Percent Increase/Decrease	Total Personal Income (3)	Percent Increase/Decrease	Per Capita Income (3)	Percent Increase/Decrease	Median Age (4)	Public School Enrollment (2)	Percent Increase/Decrease	
2006	104,457	-1.2%	\$ 39,046	2.8%	\$ 8,958	4.6%	\$ 33,034	2.2%	34.6	21,926	-0.8%	
2007	104,069	-0.4%	44,400	13.7%	8,978	0.2%	33,739	2.1%	34.6	21,715	-1.0%	
2008	104,905	0.8%	40,684	-8.4%	9,396	4.7%	35,357	4.8%	34.6	20,800	-4.2%	
2009	106,192	1.2%	43,403	6.7%	9,466	0.7%	34,651	-2.0%	32.3	20,451	-1.7%	
2010	101,168	-4.7%	40,789	-6.0%	9,289	-1.9%	34,286	-1.1%	33.4	20,066	-1.9%	
2011	101,168	0.0%	40,873	0.2%	9,768	5.2%	33,322	-2.8%	33.3	19,467	-3.0%	
2012	101,168	0.0%	40,873	0.0%	9,768	0.0%	33,322	0.0%	33.3	18,982	-2.5%	
2013	101,168	0.0%	40,873	0.0%	10,162	4.0%	38,152	14.5%	33.3	19,680	3.7%	
2014	101,168	0.0%	34,656	-15.2%	12,740	25.4%	39,909	4.6%	33.9	19,308	-1.9%	
2015	101,168	0.0%	34,656	0.0%	12,740	0.0%	39,909	0.0%	34.0	18,680	-3.3%	

### Sources:

- (1) U.S. Census Bureau 2010 Census information (<http://factfinder2.census.gov>). No 2015 information available.
- (2) South Bend Community School Corporation Administration office for enrollment on October 1, 2015.
- (3) South Bend-Mishawaka, IN\_MI Metropolitan Area Profile ([www.bea.gov](http://www.bea.gov)). 2015 information not available.
- (4) U.S. Census Bureau (<http://factfinder2.census.gov>). 2015 information not available for Median Family Income.

Population statistics are obtained from the U.S. Census Bureau population estimate table. Effective Buying Income statistics come from "Survey of Buying Power", Sales and Marketing Management, Annual editions, 1992-2003. Unemployment and labor force statistics are estimated figures obtained from the Work force Development Services. These are based on South Bend being a Metropolitan Statistical Area. This is defined as a county or group of contiguous counties with a total population of at least 100,000. The area must also contain at least one city with a population of 50,000 or more.

# City of South Bend

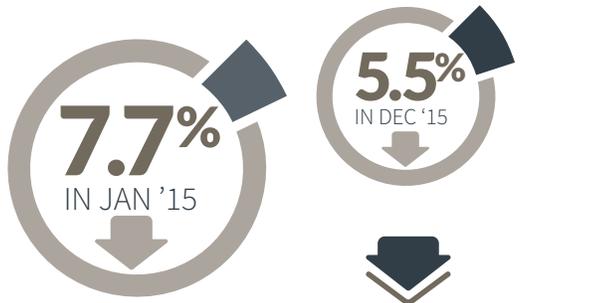
## Statistical Section Full-Time Equivalent City Government Employees by Department Last Ten Fiscal Years

Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
Mayor's Office	10.00	10.00	9.00	8.00	7.00	7.00	6.00	6.00	7.00	7.00
City Clerk's Office	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Common Council (elected officials, part-time)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Administration and Finance	32.00	31.00	29.00	26.00	26.00	27.00	22.00	20.00	21.00	18.00
Legal Department	15.00	15.00	15.00	9.00	9.00	9.00	9.00	10.00	10.00	12.00
Engineering	19.00	18.50	18.50	16.00	19.00	17.00	15.00	13.00	14.00	16.00
3 11 Call Center	-	-	-	-	-	-	-	5.00	7.00	7.00
Safety and Risk	-	-	-	-	-	-	3.00	3.00	3.00	2.00
Human Rights	-	-	-	-	-	-	6.00	6.00	6.00	6.00
<b>Public Safety</b>										
Police Department	317.00	320.00	317.00	279.00	293.00	293.00	291.00	291.00	295.00	300.00
Communication Center	31.00	30.00	30.00	37.00	38.00	35.00	35.00	33.00	34.00	0.00
Fire Department	255.00	254.00	254.00	246.00	255.00	258.00	249.00	255.00	257.00	259.00
Building Maintenance	7.00	7.00	7.00	4.00	3.00	3.00	-	-	-	-
<b>Culture and Recreation</b>										
Parks and Recreation (2)	122.00	122.00	121.00	111.00	113.00	114.00	114.00	113.00	87.00	88.00
Convention and Events Management (1)	49.00	16.00	15.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00
<b>Economic Development</b>										
Department of Community Investment	42.00	35.00	33.00	26.00	26.00	25.00	24.00	26.00	25.00	25.00
<b>Highways and Streets</b>										
Street Department	66.00	54.00	54.00	51.00	52.00	56.00	52.00	60.00	59.00	53.00
Traffic & Lighting	11.00	11.00	11.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Enterprise Funds</b>										
Water Works	86.00	86.00	80.00	82.00	75.00	74.00	73.00	70.00	68.00	67.00
Wastewater	53.00	54.50	56.50	48.00	51.00	49.00	46.00	45.00	42.00	43.00
Organic Resources (formerly in Wastewater)	-	-	-	-	-	-	6.00	6.00	6.00	6.00
Sewer	29.00	28.00	28.00	33.00	35.00	36.00	39.00	34.00	33.00	30.00
Solid Waste	31.00	26.00	26.00	26.00	26.00	23.00	24.00	26.00	22.00	21.00
Building Department	22.00	22.00	22.00	15.00	13.00	13.00	13.00	14.00	13.00	13.00
Code Enforcement (formerly General Govt)	28.00	27.00	27.00	27.00	23.00	25.00	25.00	24.00	23.00	23.00
<b>Internal Service Fund</b>										
Central Services	49.00	49.00	46.00	39.00	41.00	41.00	42.00	43.00	38.00	36.00
<b>Total Positions</b>	<b>1,288.00</b>	<b>1,230.00</b>	<b>1,213.00</b>	<b>1,116.00</b>	<b>1,132.00</b>	<b>1,133.00</b>	<b>1,122.00</b>	<b>1,131.00</b>	<b>1,098.00</b>	<b>1,060.00</b>

**City of South Bend, Indiana  
Schedule of Expenditures of Federal Awards  
December 31, 2015**

Grantor/Project Title	Federal CFDA Number	Direct or Pass Through	Award / Identifying Number	2015 Expenditures
<b><u>Department of Commerce</u></b>				
Economic Adjustment Assistance	11.307	Direct	06-19-01251	5,226,379
<b><u>Dept of Housing and Urban Development</u></b>				
Community Development Block Grants/Entitlement Grants				
Neighborhood Stabilization Grant 2008	14.218	Direct	B08-MN-18-0011	586,584
Neighborhood Stabilization Grant 2011	14.218	Direct	B11-MN-18-0011	66,593
Block Grant 2014	14.218	Direct	B14-MC-18-0011	1,004,743
Block Grant 2015	14.218	Direct	B15-MC-18-0011	804,228
Emergency Solutions Grant Program				
Hearth Emergency Shelter Grant 2013	14.231	Direct	E13-MC-18-0011	15,537
Hearth Emergency Shelter Grant 2014	14.231	Direct	E14-MC-18-0011	70,535
Hearth Emergency Shelter Grant 2015	14.231	Direct	E15-MC-18-0011	88,893
Continuum of Care Program				
	14.267	Direct	IN0009L5H001306	181,352
	14.267	Direct	IN0012L5H001306	19,000
	14.267	Direct	IN0012L5H001407	50,078
Education and Outreach Initiatives				
Fair Housing Assitance Program - State and Local	14.401	Direct	FF205K155014	59,868
<b><u>Department of Justice</u></b>				
Violent Gang/Gun Crime Reduction	16.609	Direct	2014-GP-BX-0002	8,543
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct	12DJBX0955	46,418
	16.738	Direct	14DJBX0690	19,189
Equitable Sharing Program (asset forfeiture)	16.922	Direct		164,079
<b><u>Department of Transportation</u></b>				
Federal Highway Administration	20.205	Pass-through	A249-14-320311	126,534
Highway Planning and Construction	20.205	Pass-through	A249-15-320123A	145,435
	20.205	Pass-through	A249-15-320124	95,704
	20.205	Pass-through	A249-15-320126A	98,798
	20.205	Pass-through	A249-15-320127A	74,310
<b><u>Equal Employment Opportunity Commission</u></b>				
Employment Discrimination	30.002	Direct	EECCN130031	93,639
State and Local Fair Employment Practices Agency Contracts				
<b><u>Environmental Protection Agency</u></b>				
Brownfield Assessment Grant	66.818	Direct	BF00E01371	108,597
<b>Total Federal Awards Expended</b>				<b>\$ 9,155,036</b>

# SOUTH BEND BY THE NUMBERS



**UNEMPLOYMENT DROPPED**  
A 29% REDUCTION

**\$178,793,982**

INVESTED IN SOUTH BEND CONSTRUCTION IN 2015

 **an 112%**  
INCREASE OVER 2014

MAKEOVERS FOR TWO OF SOUTH BEND'S  
**MOST ICONIC BUILDINGS:**

The Former **Chase Tower**  
will become an **Aloft**  
**hotel** and residences



The Former **College Football**  
**Hall of Fame** will become  
a **Courtyard by Marriott**

TOOK ACTION ON  
**1,122**



**ABANDONED HOUSES**  
INCLUDING 433  
HOUSES REPAIRED

South Bend has ended the crisis of  
collapsing houses, now we look  
to new opportunities to reuse and  
redevelop some of our vacant land

**\$164 M** OF PRIVATE  
INVESTMENT  
WILL CREATE 900 JOBS



DOWNTOWN WILL SEE THE ADDITION OF OVER  
**300 NEW RESIDENTIAL UNITS,**  
INCLUDING **300 NEW HOTEL ROOMS** IN 2016

**PROTECTIONS FOR ALL  
COMMUNITY MEMBERS**

City Legal updated South Bend's contracting policy  
to expand protections for all community members of  
every race, gender, or sexual orientation and identity



**70% REDUCTION**

**Smart Sewers** prevented  
**500 million gallons**  
of sewage entering the river in 2015



**LIGHT UP SOUTH BEND**



BROUGHT STREET LIGHTS TO PARTS OF  
THE CITY WITHOUT ADEQUATE COVERAGE

**70 NEW  
LIGHTS**

in Riley High School area  
bringing the program total to **146**

**AA BOND  
RATING**

Placing South Bend in the  
**TOP 5** Indiana Second Class  
cities for fiscal strength

BOND REFINANCING  
WILL SAVE TAXPAYERS  
**\$5,600,000**

**SOUTH BEND'S SMART STREETS**

**\$4.3 M**

Invested in the City's west side, in addition to **\$500,000** of  
public and private investment for **14 west side projects**  
selected under the façade matching grant program



**SOUTH BEND'S POPULATION**



EXPERIENCED ITS LARGEST  
1-YEAR EXPANSION  
**IN 20 YEARS**

**311**  
SOUTH BEND

took **142,313**  
calls in 2015

The City's resident service line is on track  
to receive its **500,000 in June**

**In 2015, South Bend neighborhoods saw**

**13,927** & **34,019**  
**NEW** linear ft of curb & **NEW** linear ft of sidewalk



The City passed an ordinance in 2015  
that added food trucks to the list of  
allowable businesses—and a real-time  
food truck tracker [bit.ly/sbftt](http://bit.ly/sbftt)