
City of South Bend, Indiana

\$5,605,000 Economic Development Income Tax Bonds of 2015

CUSIP Base 836518

(Dated August 4, 2015)

City of South Bend Building Corporation

\$6,075,000 County Option Income Tax Lease Rental Revenue Refunding Bonds of 2010

CUSIP Base 836482

(Dated February 24, 2010)

\$13,595,000 First Mortgage Revenue Refunding Bonds, Series 2012

CUSIP Base 836480

(Dated September 27, 2012)

\$5,580,000 First Mortgage Revenue Bonds, Series 2013

CUSIP Base 836480

(Dated November 7, 2013)

South Bend Redevelopment District

\$4,980,000 Taxable Revenue Bonds, Series 2010

(Recovery Zone Economic Development Bonds)

CUSIP Base 836565

(Dated December 30, 2010)

\$3,440,000 Special Taxing District Refunding Bonds of 2014

CUSIP Base 836568

(Dated June 3, 2014)

South Bend Redevelopment Authority

\$7,580,000 Taxable Lease Rental Revenue Refunding Bonds, Series 2011A

(College Football Hall of Fame Project)

CUSIP Base 836562

(Dated August 16, 2011)

\$2,980,000 Lease Rental Revenue Refunding Bonds, Series 2011B (Century Center Project)

CUSIP Base 836562

(Dated August 16, 2011)

\$3,990,000 Lease Rental Revenue Refunding Bonds, Series 2013 (Century Center Project)

CUSIP Base 836562

(Dated December 5, 2013)

\$25,000,000 Lease Rental Revenue Bonds of 2015

CUSIP Base 836562

(Dated April 9, 2015)

\$31,450,000 Lease Rental Revenue Refunding Bonds of 2015 (Eddy Street Commons Project)

CUSIP Base 836562

(Dated September 10, 2015)

Annual Information for Compliance with SEC Rule 15(c)2-12

EXHIBIT C

CERTIFICATE RE: ANNUAL DISCLOSURE

Name of Obligor: City of South Bend, Indiana
Name of Bond Issue: Economic Development Income Tax Revenue
Bonds of 2015
Date of Bonds August 4, 2015

The Obligor, pursuant to its Continuing Disclosure Undertaking Agreement, dated as of August 4, 2015 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement), or a portion thereof, which is required to be provided pursuant to the Agreement.

Dated: June 23, 2017

CITY OF SOUTH BEND, INDIANA

By: John H. Murphy
Printed: John H. Murphy
Title: Chief Financial Officer

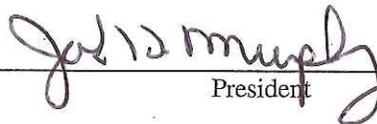
EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the City of South Bend Building Corporation and the City of South Bend, Indiana, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated February 24, 2010 (the "Agreement"), between the Obligor and Wells Fargo Bank N.A., as Counterparty, hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 3(a)(2) of the Agreement.

Dated: _____

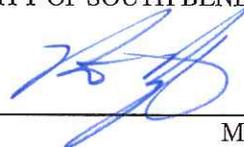
CITY OF SOUTH BEND BUILDING
CORPORATION

By: 
President

ATTEST:

By: 
Secretary

CITY OF SOUTH BEND, INDIANA

By: 
Mayor

ATTEST:

By: 
Clerk

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the City of South Bend Building Corporation and the City of South Bend, Indiana, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated September 1, 2012 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: 6-19-2017

CITY OF SOUTH BEND, INDIANA

By:



Mayor

ATTEST:

By:



Clerk

EXHIBIT A

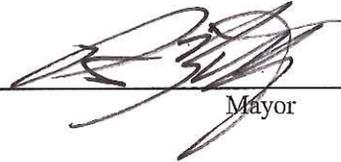
CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the City of South Bend Building Corporation and the City of South Bend, Indiana, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated November 1, 2013 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: 6-19-2017.

CITY OF SOUTH BEND, INDIANA

By:



Mayor

ATTEST:

By:



Clerk

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the South Bend Redevelopment Commission, on behalf of the South Bend Redevelopment District, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated December 1, 2010 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 3(a)(2) of the Agreement.

Dated: June 15, 2017

SOUTH BEND REDEVELOPMENT
COMMISSION

By:



President

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the South Bend Redevelopment Authority and the South Bend Redevelopment Commission, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated August 1, 2011 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: June 15, 2017

SOUTH BEND REDEVELOPMENT
COMMISSION

By: 
President

ATTEST:

By: 
Secretary

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the South Bend Redevelopment Authority and the South Bend Redevelopment Commission, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated December 1, 2013 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: June 15, 2017.

SOUTH BEND REDEVELOPMENT
COMMISSION

By: 
President

ATTEST:

By: 
Secretary

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the South Bend Redevelopment Authority and the South Bend Redevelopment Commission, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated April 1, 2015 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: June 15, 2017.

SOUTH BEND REDEVELOPMENT
COMMISSION

By:



President

ATTEST:

By:



Secretary

EXHIBIT A

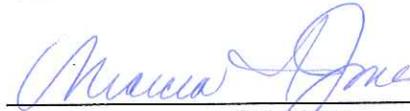
CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the South Bend Redevelopment Authority and the South Bend Redevelopment Commission, as the collective Obligor under the Continuing Disclosure Undertaking Agreement, dated as of September 1, 2015 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: June 15, 2017.

SOUTH BEND REDEVELOPMENT
COMMISSION

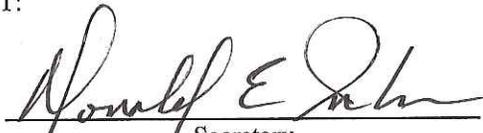
By:



President

ATTEST:

By:



Secretary

CITY OF SOUTH BEND

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the City and the taxing units within and overlapping its jurisdiction as of February 15, 2017, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Tax Supported Debt			
Economic Development Income Tax Bonds of 2015	\$5,605,000	08/01/35	\$5,295,000
Century Center Energy Conservation Bonds of 2015 (QECCB)	4,167,897	05/01/31	4,145,311
Redevelopment Authority			
Lease Rental Revenue Bonds, Series 2015	25,000,000	02/01/37	25,000,000
Lease Rental Revenue Refunding Bonds of 2015	31,450,000	02/15/33	29,420,000
Lease Rental Revenue Refunding Bonds, Series 2013	3,990,000	05/01/26	3,175,000
Taxable Lease Rental Revenue Refunding Bonds, Series 2011A	7,580,000	02/01/18	1,230,000
Lease Rental Revenue Refunding Bonds, Series 2011B	2,980,000	02/01/18	485,000
Special Program Refunding Bonds, Series 2011A (Downtown Central Development Area)	18,030,000	08/01/24	11,850,000
Special Program Refunding Bonds, Series 2011A (Airport Development Area)	10,435,000	08/01/24	6,755,000
Redevelopment District			
Special Taxing District Refunding Bonds of 2014	3,440,000	01/01/22	2,210,000
Taxable Revenue Bonds, Series 2010	4,980,000	01/15/19	1,340,000
City of South Bend Building Corporation			
First Mortgage Revenue Bonds, Series 2013	5,580,000	02/01/33	4,920,000
First Mortgage Revenue Refunding Bonds, Series 2012	13,595,000	02/01/23	8,265,000
County Option Income Tax Lease Rental Revenue Refunding Bonds of 2010	6,075,000	02/01/21	2,470,000
Leases and Loans			<u>13,048,082</u>
Subtotal			<u>119,608,393</u>

(Continued on next page)

CITY OF SOUTH BEND

SCHEDULE OF INDEBTEDNESS

(Cont'd)

	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Self-Supporting Revenue Debt (1)			
Waterworks Refunding Revenue Bonds of 2016	\$3,300,000	01/01/27	\$3,300,000
Waterworks Revenue Bonds of 2012	8,300,000	01/01/33	6,925,000
Waterworks Refunding Revenue Bonds of 2012B	3,785,000	01/01/23	2,380,000
Waterworks Revenue Bonds of 2009, Series A (SRF)	427,332	01/01/30	332,562
Waterworks Revenue Bonds of 2009, Series B	5,380,000	01/01/30	4,325,000
Sewage Works Refunding Revenue Bonds of 2015	27,440,000	12/01/25	24,965,000
Sewage Works Refunding Revenue Bonds, Series 2013A	14,765,000	12/01/24	8,050,000
Sewage Works Revenue Bonds of 2012	25,000,000	12/01/32	20,890,000
Sewage Works Revenue Bonds of 2011	21,500,000	12/01/31	17,295,000
Sewage Works Revenue Bonds of 2010	9,345,000	12/01/30	7,145,000
Sewage Works Revenue Bonds of 2009 (SRF)	3,297,000	12/01/28	2,249,643
Waterworks and Sewage Works Leases			<u>3,325,737</u>
Subtotal			<u>101,182,942</u>
Total Direct Debt			<u><u>\$220,791,335</u></u>

- (1) The City anticipates making substantial improvements to the Sewage Works over the next 20 years as part of its Long Term Control Plan and a Consent Decree entered into between the City and the U.S. Department of Justice and USEPA. The cost estimate for the Consent Decree is approximately \$600 million. The exact costs and timing of these improvements are still to be determined.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Allocable to City (2)</u>	<u>Allocable to City</u>
Tax Supported Debt			
St. Joseph County (3)	\$30,465,000	28.17%	\$8,581,991
South Bend Community School Corporation	114,089,291	52.85%	60,296,190
Penn-Harris-Madison School Corporation	36,675,073	2.68%	982,892
Mishawaka-Penn-Harris Public Library	2,475,000	2.19%	54,203
St. Joseph County Public Library	4,015,000	49.51%	1,987,827
St. Joseph County Airport Authority	12,080,000	28.17%	<u>3,402,936</u>
Tax Supported Debt			<u>75,306,039</u>
Self-Supporting Revenue Debt			
South Bend Public Transportation	875,000	62.41%	<u>546,088</u>
Self-Supporting Revenue Debt			<u>546,088</u>
Total Overlapping Debt			<u><u>\$75,852,127</u></u>

- (2) Based upon the 2016 payable 2017 net assessed valuation of the respective taxing units.
- (3) On December 30, 2014, the City of South Bend's Mayor, as the executive of the City, designated a portion of the City's distributive share of County Economic Development Income Tax to St. Joseph County (the "County"), pursuant to IC 6-3.5-7-15, in such amount as necessary to pay the annual debt service of 29.03% of the County's Economic Development Income Tax Revenue Bonds of 2014 ("County Bonds"), as long as these County Bonds remain outstanding. The principal balance outstanding attributable to the City was \$2,386,508 as of December 31, 2016, as the City prepaid some of the outstanding principal amount.

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The City makes no representation or warranty as to its accuracy or completeness.

CITY OF SOUTH BEND

DIRECT DEBT ISSUANCE LIMITATION (CITY OF SOUTH BEND)

The District is limited to the issuance of direct general obligation debt in an amount not to exceed 2% of one-third of the assessed valuation.

Certified Net Assessed Valuation - 2016 Payable 2017	\$2,317,096,240
2% of One-Third Thereof	15,447,308
Less Bonds subject to limitation:	
Economic Development Income Tax Bonds of 2015	<u>(5,295,000)</u>
Issuance Margin	<u><u>\$10,152,308</u></u>

DIRECT DEBT ISSUANCE LIMITATION (SOUTH BEND REDEVELOPMENT DISTRICT)

The District is limited to the issuance of direct general obligation debt in an amount not to exceed 2% of one-third of the assessed valuation.

Certified Net Assessed Valuation - 2016 Payable 2017	\$2,317,096,240
2% of One-Third Thereof	15,447,308
Less Bonds subject to limitation:	
Special Taxing District Refunding Bonds of 2014	(2,210,000)
Taxable Revenue Bonds, Series 2010	<u>(1,340,000)</u>
Issuance Margin	<u><u>\$11,897,308</u></u>

PER CAPITA AND DEBT RATIO ANALYSIS

Population - 2010	101,168
Certified Net Assessed Valuation - 2016 Payable 2017	\$2,317,096,240

<u>Description</u>	<u>Amount</u>	<u>Debt Per Capita</u>	<u>Ratio of Debt/Assessed Valuation</u>
Total Direct Debt and Lease Obligations	\$220,791,335	\$2,182.42	9.53%
Total Overlapping and Underlying Direct Debt and Lease Obligations	<u>75,852,127</u>	<u>749.76</u>	<u>3.27%</u>
Totals	<u><u>\$296,643,462</u></u>	<u><u>\$2,932.18</u></u>	<u><u>12.80%</u></u>

CITY OF SOUTH BEND

HOTEL-MOTEL TAX REVENUE DEBT

(As of February 15, 2017)

<u>Title</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Outstanding</u>
Lease Rental Revenue Refunding Bonds, Series 2013	2013	\$3,990,000	05/01/26	\$3,175,000
Century Center Energy Conservation Bonds of 2015 (QECB)	2015	4,167,897	05/01/31	4,145,311
Total				<u>\$7,320,311</u>

TAX INCREMENT FINANCING (TIF) REVENUE DEBT

(As of February 15, 2017)

<u>Title</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Outstanding</u>
Lease Rental Revenue Bonds, Series 2015	2015	\$25,000,000	02/01/37	\$25,000,000
Lease Rental Revenue Refunding Bonds of 2015	2015	31,450,000	02/15/33	29,420,000 (1)
Special Taxing District Refunding Bonds of 2014	2014	3,440,000	01/01/22	2,210,000 (1)
Special Program Refunding Bonds, Series 2011A (Downtown Central Development Area)	2011	18,030,000	08/01/24	11,850,000
Special Program Refunding Bonds, Series 2011A (Airport Development Area)	2011	10,435,000	08/01/24	<u>6,755,000</u>
Total				<u>\$75,235,000</u>

(1) The Bonds are payable from a Special Ad Valorem Tax; however, it is the intent of the City to pay from Tax Increment Revenues.

STATEMENT OF CITY UTILITY REVENUE DEBT

The City of South Bend owns and operates the municipal waterworks and municipal sewage works (the "Utilities") which have heretofore issued and have outstanding the following revenue bonds. All such revenue bonds constitute a lien on the revenue of the utilities and are not, pursuant to Indiana statutes, direct obligations of the City. Revenue bonds issued of the Utilities and outstanding as of February 15, 2017, were as follows:

<u>Title</u>	<u>Final Maturity</u>	<u>Outstanding</u>
Waterworks Refunding Revenue Bonds of 2016	01/01/27	\$3,300,000
Waterworks Revenue Bonds of 2012	01/01/33	6,925,000
Waterworks Refunding Revenue Bonds of 2012B	01/01/23	2,380,000
Waterworks Revenue Bonds of 2009, Series A (SRF)	01/01/30	332,562
Waterworks Revenue Bonds of 2009, Series B	01/01/30	4,325,000
Sewage Works Refunding Revenue Bonds of 2015	12/01/25	24,965,000
Sewage Works Refunding Revenue Bonds, Series 2013A	12/01/24	8,050,000
Sewage Works Revenue Bonds of 2012	12/01/32	20,890,000
Sewage Works Revenue Bonds of 2011	12/01/31	17,295,000
Sewage Works Revenue Bonds of 2010	12/01/30	7,145,000
Sewage Works Revenue Bonds of 2009 (SRF)	12/01/28	2,249,643
Waterworks and Sewage Works Leases		3,325,737

CITY OF SOUTH BEND

CERTIFIED ASSESSED VALUATION

<u>Year</u>	<u>City of South Bend</u>	<u>St. Joseph County</u>
2013	\$2,336,906,810	\$7,671,151,787
2014	2,181,510,508	7,514,198,242
2015	2,230,375,068	7,864,008,472
2016	2,257,279,248	7,906,760,026
2017	2,317,096,240	8,201,203,024

SALE & USE TAX

7% tangible personal property except food and prescription drugs.

INDIVIDUAL ADJUSTED GROSS INCOME

2013	3.4%
2014	3.4%
2015	3.3%
2016	3.3%
2017	3.23%

Personal Exemptions: \$1,000 annual exemption allowed for taxpayer and \$1,500 for each dependent child.

EXCISE TAX

	<u>Cigarettes:</u> <u>Per 20 Cigarette Pack</u>	<u>Gasoline:</u> <u>Per Gallon</u>
2013	\$0.995	\$0.18
2014	0.995	0.18
2015	0.995	0.18
2016	0.995	0.18
2017	0.995	0.18

AUTOMOBILE TAX

Excise tax in lieu of personal property tax, based on initial retail price and age of vehicle.

INNKEEPERS TAX

Additional 6% sales tax on any overnight stay in St. Joseph County.

COUNTY ECONOMIC DEVELOPMENT INCOME TAX

0.4% of adjusted gross income of St. Joseph County resident taxpayers and certain non-resident St. Joseph County taxpayers.

COUNTY OPTION INCOME TAX

0.4996% of adjusted gross income of St. Joseph County resident taxpayers and certain non-resident St. Joseph County taxpayers.

LOCAL OPTION INCOME TAX

0.6004% of adjusted gross income of St. Joseph County resident taxpayers and certain non-resident St. Joseph County taxpayers.

LOCAL OPTION INCOME TAX PUBLIC SAFETY

0.25% of adjusted gross income of St. Joseph County resident taxpayers and certain non-resident St. Joseph County taxpayers.

CITY OF SOUTH BEND

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

(As Provided by the St. Joseph County Auditor's Office)

<u>Year</u> <u>Payable</u>	<u>City of South Bend</u>				<u>St. Joseph County</u>
	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>	<u>Total</u> <u>Taxable Value</u>
2013	\$1,858,213,181	\$100,832,450	\$412,042,066	\$2,371,087,697	\$7,753,967,187
2014	1,687,672,152	90,252,180	431,802,340	2,209,726,672	7,612,534,622
2015	1,753,122,893	86,924,710	420,221,715	2,260,269,318	7,894,770,717
2016	1,737,036,616	83,786,930	456,346,197	2,277,169,743	7,993,696,892
2017	1,758,787,301	105,036,200	463,676,740	2,327,500,241	8,262,636,370

Note: See footnote (a) at the end of this report.

CITY OF SOUTH BEND

DETAIL OF NET ASSESSED VALUATION

Assessed 2016 for Taxes Payable in 2017
(As Provided by the St. Joseph County Auditor's Office)

	<u>South Bend - Centre Twp.</u>	<u>South Bend - Clay Twp.</u>	<u>South Bend - German Twp.</u>	<u>South Bend - Portage Twp.</u>	<u>South Bend - Penn Twp.</u>	<u>South Bend - Warren Twp.</u>	<u>Total</u>
Gross Value of Land	\$116,494,800	\$26,382,600	\$74,498,800	\$389,449,000	\$16,598,800	\$788,900	\$624,212,900
Gross Value of Improvements	<u>479,182,300</u>	<u>121,064,600</u>	<u>426,207,800</u>	<u>2,549,596,800</u>	<u>90,602,400</u>	<u>26,465,600</u>	<u>3,693,119,500</u>
Total Gross Value of Real Estate	595,677,100	147,447,200	500,706,600	2,939,045,800	107,201,200	27,254,500	4,317,332,400
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(235,691,261)	(34,330,396)	(100,875,591)	(949,551,196)	(31,747,228)		(1,352,195,672)
Tax Exempt Property	(50,992,150)	(8,680,106)	(28,912,020)	(364,752,352)	(9,355,400)		(462,692,028)
TIF	<u>(55,202,224)</u>	<u>(9,133,628)</u>	<u>(261,653,100)</u>	<u>(390,413,947)</u>		<u>(27,254,500)</u>	<u>(743,657,399)</u>
Net Assessed Value of Real Estate	<u>253,791,465</u>	<u>95,303,070</u>	<u>109,265,889</u>	<u>1,234,328,305</u>	<u>66,098,572</u>	<u>0</u>	<u>1,758,787,301</u>
Business Personal Property	30,220,620	9,116,950	184,526,500	405,138,080	3,095,390	6,604,470	638,702,010
Less: Deductions	<u>(4,052,152)</u>	<u>(173,130)</u>	<u>(19,522,443)</u>	<u>(149,766,135)</u>	<u>(1,511,410)</u>		<u>(175,025,270)</u>
Net Assessed Value of Personal Property	<u>26,168,468</u>	<u>8,943,820</u>	<u>165,004,057</u>	<u>255,371,945</u>	<u>1,583,980</u>	<u>6,604,470</u>	<u>463,676,740</u>
Net Assessed Value of Utility Property	<u>10,358,690</u>	<u>4,197,050</u>	<u>15,198,720</u>	<u>73,623,370</u>	<u>1,345,760</u>	<u>312,610</u>	<u>105,036,200</u>
Total Net Assessed Value	<u><u>\$290,318,623</u></u>	<u><u>\$108,443,940</u></u>	<u><u>\$289,468,666</u></u>	<u><u>\$1,563,323,620</u></u>	<u><u>\$69,028,312</u></u>	<u><u>\$6,917,080</u></u>	<u><u>\$2,327,500,241</u></u>

CITY OF SOUTH BEND

TOTAL CERTIFIED TAX RATES
 City of South Bend - Portage Township
 Per \$100 of Net Assessed Valuation

	Year Taxes Payable				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County	\$0.6731	\$0.7058	\$0.6866	\$0.6974	\$0.6950
Portage Township	0.0453	0.0505	0.0500	0.0512	0.0527
Schools	1.3493	1.3577	1.2940	1.2682	1.2049
Library	<u>0.3227</u>	<u>0.3309</u>	<u>0.3207</u>	<u>0.3549</u>	<u>0.3372</u>
<u>Corporation</u>					
General	2.5678	2.7977	2.8313	2.8703	2.8382
Park & Recreation	0.5102	0.5608	0.5676	0.5754	0.6473
Cumulative Cap Development	<u>0.0328</u>	<u>0.0328</u>	<u>0.0325</u>	<u>0.0321</u>	<u>0.0313</u>
Total Corporation	<u>3.1108</u>	<u>3.3913</u>	<u>3.4314</u>	<u>3.4778</u>	<u>3.5168</u>
Redevelopment General	0.0599	0.0379	0.0687	0.0648	0.0376
Airport	0.0330	0.0345	0.0338	0.0423	0.0285
Transportation	<u>0.1042</u>	<u>0.1125</u>	<u>0.1100</u>	<u>0.1153</u>	<u>0.1161</u>
Total Tax Rate	<u>\$5.6983</u>	<u>\$6.0211</u>	<u>\$5.9952</u>	<u>\$6.0719</u>	<u>\$5.9888</u>
Total District Certified Tax Rate (1)					
South Bend - Centre Twp.	\$5.6530	\$5.9804	\$5.9591	\$6.0315	\$5.9361
South Bend - Clay Twp.	\$5.6653	\$6.0039	\$5.9762	\$6.0517	\$5.9686
South Bend - German Twp.	\$5.6659	\$5.9839	\$5.9591	\$6.0342	\$5.9486
South Bend - Portage Twp.	\$5.6983	\$6.0211	\$5.9952	\$6.0719	\$5.9888
South Bend - Penn Twp.	\$5.3092	\$5.7143	\$5.5980	\$5.6233	\$5.5146
South Bend - Warren Twp.	\$5.6938	\$6.0117	\$5.9861	\$6.0630	\$5.9753

(1) Includes certified tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the City.

CITY OF SOUTH BEND

PROPERTY TAXES LEVIED AND COLLECTED

<u>Collection Year</u>	<u>Certified Taxes Levied</u>	<u>Circuit Breaker Tax Credit</u> (1)	<u>Certified Taxes Levied Net of Circuit Breaker Tax Credit</u>	<u>Taxes Collected</u>	<u>Collected as Percent of Gross Levy</u>	<u>Collected as Percent of Net Levy</u>
2012	\$70,756,844	(\$23,965,911)	\$46,790,933	\$47,728,794	67.45%	102.00%
2013	72,696,497	(27,863,156)	44,833,341	43,943,006	60.45%	98.01%
2014	73,981,565	(28,708,050)	45,273,515	44,540,371	60.20%	98.38%
2015	76,533,090	(31,636,141)	44,896,949	45,265,669	59.15%	100.82%
2016	78,503,658	(32,421,068)	46,082,590	47,766,833	60.85%	103.65%

Source: The St. Joseph County Auditor's Office and the DLGF Certified Budget Orders for the City.

(1) Circuit Breaker Tax Credits allocable to the City per the DLGF.

Note: See footnote (b) at the end of this report.

CITY OF SOUTH BEND

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within the City.

<u>Name</u>	<u>Type of Business</u>	<u>2016/2017 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
Indiana Michigan Power Company (2)	Electric utility	\$50,290,160	2.16%
University of Notre Dame (2)	Higher education	43,287,836	1.86%
Edward Rose of Indiana (2)	Apartment complexes	37,011,700	1.59%
Honeywell International, Inc./ Bendix Corp. (2)	Mfg. auto and aircraft parts	35,957,771	1.54%
Steel Warehouse Co., Inc./ Lock Joint Tube LLC (2)	Steel processing	33,327,984	1.43%
Indiana Bell Telephone Co, Inc./ AT&T Services, Inc. (2)	Telecommunications utility	33,185,910	1.43%
JVE Investments LLC/ The Tire Rack, Inc. (2)	Tire sales	24,703,590	1.06%
Federal-Mogul Powertrain Systems	Mfg. automotive parts	23,751,180	1.02%
Northern Indiana Public Service Company (2)	Gas & electric utility	22,260,990	0.96%
Eddy Property Development, Inc./ South Bend Clinic LLP (2)	Healthcare clinic	<u>21,728,410</u>	<u>0.93%</u>
Totals		<u><u>\$325,505,531</u></u>	<u><u>13.98%</u></u>

(1) The total net assessed valuation of the City is \$2,327,500,241 for taxes payable in 2017, according to the St. Joseph County Auditor's office.

(2) Located in a tax increment allocation area; therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

Source: County Auditor's office and the DLGF. Individual parcel data is submitted by the County Auditor to the DLGF once a year for preparation of the county abstract.

CITY OF SOUTH BEND

PROJECTED CITY OF SOUTH BEND COIT REVENUES

(0.4996% COIT Tax Rate)

<u>Year of Collection</u>	<u>Projected County Distribution</u>	<u>Projected COIT Ratio (1)</u>	<u>Projected COIT Revenues</u>
2017	\$31,321,416	32.78%	\$10,267,284
2018	31,321,416	32.78%	10,267,284
2019	31,321,416	32.78%	10,267,284
2020	31,321,416	32.78%	10,267,284
2021	31,321,416	32.78%	10,267,284
2022	31,321,416	32.78%	10,267,284

(1) Actual Certified Shares

Note: See footnotes (c) and (d) at the end of this report.

CITY OF SOUTH BEND

STATEMENT OF ESTIAMTED COIT CASH FLOW AND DEBT SERVICE COVERAGE

<u>Year of Collection</u>	<u>Estimated City COIT Revenues (1)</u>	<u>County Option Income Tax Lease Rental Revenue Refunding Bonds of 2010</u>	<u>South Bend Redevelopment District Taxable Revenue Bonds, Series 2010</u>	<u>First Mortgage Revenue Refunding Bonds, Series 2012 Lease Rental Payments</u>	<u>Estimated Excess Funds</u>	<u>Estimated Coverage</u>
2017	\$10,267,284	\$675,000	\$720,905	\$1,570,000	\$7,301,379	3.46
2018	10,267,284	675,000	706,650	1,564,000	7,321,634	3.49
2019	10,267,284	673,000		1,562,000	8,032,284	4.59
2020	10,267,284	678,000		1,567,000	8,022,284	4.57
2021	10,267,284			1,567,000	8,700,284	6.55
2022	10,267,284			1,563,000	8,704,284	6.57
Totals	\$61,603,704	\$2,701,000	\$1,427,555	\$9,393,000	\$48,082,149	

(1) COIT Revenues based on 2017 certified distribution and held constant throughout the life of the 2012 Bonds.

Note: See footnotes (c) and (d) at the end of this report.

The following schedule contains limited and unaudited financial information which is presented solely for the purpose of conveying a statement of cash and investment balances for the City of South Bend. Consequently, this schedule does not include all disclosures required by generally accepted accounting principles. Current reports are available at https://gateway.ifionline.org/report_builder/

CITY OF SOUTH BEND

STATEMENT OF RECEIPTS AND DISBURSEMENTS

(Unaudited)

	Beginning Balance <u>1/1/2016</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance <u>12/31/2016</u>
General Fund	\$30,399,044	\$56,446,383	\$52,482,276	\$34,363,151
Rainy Day Fund	8,678,882	1,487,609		10,166,491
Excess Levy	3,660	13	3,673	0
Parks & Recreation	3,913,925	11,355,394	10,778,878	4,490,441
Motor Vehicle Highway	5,210,952	9,582,759	8,671,204	6,122,507
Recreation - Nonreverting	821,640	942,047	954,996	808,692
Studebaker/Oliver Revitaliz Grants	1,105,516	283,085	535,017	853,584
Dept. Community Investment State Grants	160,350	1,895,275	1,705,246	350,379
Dept. of Community Investment Operating	1,120,584	2,623,192	2,383,619	1,360,157
Dept. of Community Investment Grants	552,313	3,143,687	3,454,687	241,313
Police State Seizures	199,434	33,900	16,110	217,224
Gift Donation Bequest	64,775	148,794	97,000	116,569
Police Curfew Violations	12,219	322		12,541
Unsafe Building Fund	0	1,142,474	770,740	371,735
Law Enforcement Continuing Education	909,540	298,482	371,885	836,137
Landlord Registration	0	1,225		1,225
Central Services	1,329,793	7,478,312	7,388,697	1,419,407
Central Services Capital	186,635	131,519	206,190	111,965
Liability Insurance	4,519,282	2,275,663	2,195,740	4,599,205
Loss Recovery	991,738	8,759	31,636	968,861
Emergency Telephone System	33,671			33,671
Public Safety LOIT	640,958	6,797,474	6,499,635	938,797
Local Road & Street	2,723,225	1,641,327	1,539,488	2,825,065
Excess Welfare Distribution	8			8
LOIT 2016 Special Distribution	0	4,347,943	322,876	4,025,066
Human Rights Grant	424,866	240,183	185,689	479,360
Eastrace Waterway	1,333	12		1,345
Morris PAC/Palais Royale Marketing	30,306	20,911	4,212	47,005
Take Home Police Vehicle	640,497	118,119	7,086	751,530
311 Call Center	0	487,897	487,897	0
Police Block Grants	3,844	34		3,879
Economic Development Revenue Bonds	27,320	244		27,564
Hazmat Fund	32,014	3,675	8,962	26,727
Indiana River Rescue	95,300	111,818	65,346	141,771
Police Grants	121,196		44,568	76,628
Regional Police Academy	70,112	22,366	16,536	75,941
Cops More Grant	121,372	308,993	193,358	237,007
Police Federal Drug Enforcement	252,752	26,720	53,413	226,058
Hall Of Fame Capital	11,396	1,548,831	1,271,000	289,227
Airport Debt Service Reserve	1,035,975	9,225	8,312	1,036,888
Subtotals	<u>\$66,446,424</u>	<u>\$114,964,665</u>	<u>\$102,755,969</u>	<u>\$78,655,121</u>

(Continued on next page)

CITY OF SOUTH BEND

(Cont'd)

STATEMENT OF RECEIPTS AND DISBURSEMENTS

(Unaudited)

	Beginning Balance <u>1/1/2016</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance <u>12/31/2016</u>
Subtotals carried forward	\$66,446,424	\$114,964,665	\$102,755,969	\$78,655,121
Coveleski Bond Debt Service Reserve	507,047	4,520		511,567
TIF-River West Development Area	32,678,602	19,964,899	20,190,461	32,453,040
SBCDA 2003 Debt Reserve	1,730,946	15,414	13,888	1,732,472
Professional Sports Development	426,724	807,908	838,051	396,580
Coveleski Stadium Capital	82,428	41,422	33,475	90,376
Zoo Endowment	49,370	440		49,811
County Option Income Tax	12,066,548	10,472,570	13,603,511	8,935,608
Park Nonreverting Capital	469,009	8,683	167,529	310,163
Cumulative Capital Development	571,090	534,943	526,737	579,295
Cumulative Capital Improvement	310,758	435,073	368,250	377,581
Economic Development Income Tax	9,859,022	10,190,554	8,914,375	11,135,200
Urban Development Action Grant	629,441	200,168	238,173	591,437
Major Moves	2,153,707	1,376,030	1,169,799	2,359,939
Morris Performing Arts Capital	515,940	106,387	33,530	588,797
TIF District - West Washington	1,504,532	467,166	14,082	1,957,615
TIF District - Leighton Plaza	208,565	135,426	157,473	186,518
TIF-River East Development Area	7,549,627	2,485,527	2,173,333	7,861,822
TIF District - Southside Development	6,086,105	2,452,568	3,924,900	4,613,772
TIF District - Erskine Village	5,294,328	44,908	489,503	4,849,734
Redevelopment Administration General	8,689	78	329	8,438
CRED Fund	2,404	635	3,039	0
TIF District - Douglas Road	151,435	346,312	341,288	156,458
TIF-River East Residential	1,617,553	4,143,870	3,369,278	2,392,145
Certified Technology Park	2,269,848	19,712	142,913	2,146,647
Palais Royale Historic Preservation	76,297	16,450		92,747
Airport Urban Enterprise Zone	379,043	3,379		382,423
Project Releaf	920,836	447,931	497,194	871,573
Hall Of Fame Depreciation	502,111	53,211	60,752	494,570
1937 Firefighter's Pension	471,586	4,875,832	5,180,140	167,278
1925 Police Pension	1,155,658	6,013,297	6,377,793	791,162
Police K-9 Unit	3,863	34	1,044	2,853
Payroll Fund	0	101,226,646	101,226,646	0
Self-Funded Health Insurance	4,362,460	18,187,045	15,830,459	6,719,046
Unemployment Compensation	268,873	91,613	74,436	286,049
State Tax Deduction	412,690	3,407,857	3,399,662	420,885
Morris / Palais Box Office	1,504,458	3,305,191	3,116,874	1,692,774
Police Distributions Payable	835,108	23,924	41,916	817,116
City Cemetery Trust	28,498	254		28,752
EMS Capital	2,568,327	2,494,417	1,433,210	3,629,534
EMS Operating	2,210,747	6,235,846	6,691,045	1,755,548
Parking Garages	639,642	999,875	670,990	968,528
Solid Waste Operations	318,912	5,523,801	5,649,709	193,005
Solid Waste Capital	442	1,225,559	890,145	335,856
Sewer Repair Insurance	1,647,834	640,812	535,716	1,752,931
Subtotals	<u>\$171,497,527</u>	<u>\$323,992,854</u>	<u>\$311,147,614</u>	<u>\$184,342,767</u>

(Continued on next page)

CITY OF SOUTH BEND

(Cont'd)

STATEMENT OF RECEIPTS AND DISBURSEMENTS

(Unaudited)

	Beginning Balance <u>1/1/2016</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance <u>12/31/2016</u>
Subtotals carried forward	\$171,497,527	\$323,992,854	\$311,147,614	\$184,342,767
Sewage Works Operations	8,996,120	38,147,195	33,853,444	13,289,872
Sewage Works Capital	8,723,058	2,558,758	4,077,475	7,204,341
Sewage Works Reserve O&M	3,668,277	994,910	35,808	4,627,379
Sewage Works Bond Sinking	804,674	9,197,427	9,187,871	814,230
Sewage Works Ds Reserve	4,105,624	6,009		4,111,633
2011 Sewer Bond	231,542	2,214	182,169	51,587
2012 Sewer Bond	13,888,878	96,136	11,103,726	2,881,288
2013A Sewer Refunding Bonds	4,499	39	4,538	0
2015 Sewer Bond Issuance	58,067	114	58,182	0
Water Works Operations	3,889,248	15,369,520	15,457,295	3,801,473
Water Works Capital	2,876,026	25,273	318,327	2,582,972
Water Works Customer Deposit	1,509,816	43,835	12,228	1,541,423
Water Works Sinking	4,398	2,053,269	2,007,598	50,069
Water Works Bond Reserve	1,637,116	344,777	556,979	1,424,915
Water Works Reserve O&M	2,228,964	248,447	19,461	2,457,950
Century Center	1,096,892	4,506,665	4,223,406	1,380,151
Century Center Capital	1,002,072	932	137,018	865,986
Cent Ctr Energy Conservation Bond	50,032	243,362	236,243	57,152
Consolidated Building Fund	1,891,132	3,948,556	3,225,899	2,613,789
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$228,163,964</u>	<u>\$401,780,293</u>	<u>\$395,845,279</u>	<u>\$234,098,978</u>

The required City of South Bend's Balance Sheets and Statements of Income are provided in the City's Comprehensive Annual Financial Report for the fiscal year ending on December 31, 2016. This report is filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System.

CITY OF SOUTH BEND

FOOTNOTES

- (a) "Net Assessed Value" or "Taxable Value" represents the "Gross Assessed Value" less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The "Net Assessed Value" or "Taxable Value" is the assessed value used to determine tax rates.

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Effective January 1, 2016, state law annually exempts from property taxation new tangible business personal property with an acquisition cost of less than \$20,000. Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. P.L. 204-2016, SEC. 3, enacted in 2016, retroactive to January 1, 2016, amends State law to provide that "true tax value" for real property does not mean the value of the property to the user and that true tax value shall be determined under the rules of the DLGF. As a result of P.L. 204-2016, the DLGF has begun the process of amending the Manual. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4, as amended by P.L. 180-2016.

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value. Lower assessed values may result in higher tax rates in order for a unit to receive its approved property tax levy.

Except for agricultural land, the Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce "accurate and uniform values throughout the jurisdiction and across all classes of property". The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

- (b) Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit").

Property taxes for residential homesteads are limited to 1% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities are limited to 2% of their gross assessed value; and property taxes for all other real and personal property are limited to 3% of gross assessed value. Additional property tax limits have been made available to certain senior citizens.

Since July 1, 2012, property tax revenue subject to reduction by the Circuit Breaker Tax Credit under Indiana Code 6-1.1-20.6-9.8 is classified as either "protected taxes" or "unprotected taxes." "Protected Taxes" include taxes levied to pay debt service or lease rental on obligations payable from ad valorem property taxes. A debt service fund containing Protected Taxes is funded first by the taxing unit before property taxes are deposited into any other funds.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute.

In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as "eligible counties" and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008 or on bonds issued or leases entered into after June 30, 2008 to refund those bonds or leases, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

- (c) In 2015, the Indiana General Assembly ("General Assembly") enacted P.L. 243-2015, as amended by P.L. 197-2016, to consolidate the various local income tax laws, including the County Adjusted Gross Income Tax ("CAGIT"), County Option Income Tax ("COIT") and Economic Development Income Tax ("EDIT") into a uniform law and to transition each county from the "former county income taxes," to a single local income tax ("LIT") under Indiana Code § 6-3.6 (the "LIT Statute"). Effective January 1, 2017, the LIT Statute repealed statutes which authorized the former county income taxes. However, except to the extent that tax rates associated with the former county income taxes are increased, decreased, or rescinded, the total tax rate imposed by a county under the former county income taxes then in effect continues after May 1, 2016 and is treated as if the former taxes were imposed under the LIT Statute.

(Continued on next page)

FOOTNOTES

The LIT Statute states that the pledge of a unit's distributive share of revenues ("LIT Revenues") generated as one of the former county income taxes to the payment of debt service on bonds shall be treated as a pledge of the related tax authorized under the LIT Statute and is binding and enforceable and remains in full force and effect as long as the debt service on any bonds remains unpaid. Those rights, duties, obligations, proceedings, or liabilities continue and will be imposed and enforced as if the LIT Statute had not been enacted and the statutes authorizing the former county income taxes had not been repealed.

If there are bonds or leases outstanding that are payable from a former county income taxes, the adopting body may not reduce the tax below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual outstanding debt service plus the highest annual lease rental payments plus any amount required to be deposited in a sinking fund or reserve ("Coverage Requirement") unless the adopting body, or a city, town or county pledges all or a part of its share of certain available LIT Revenues for the life of the bonds or the term of the lease, in an amount that is sufficient that when combined with the amount pledged by the city, town or county that issued the bonds, to produce the Coverage Requirement.

All income tax revenues imposed under the former county income taxes have been categorized by the DLGF into the appropriate rate or rates to provide revenue for all the same purposes for which revenue under a former county income tax was used in 2016. The LIT Statute combines the previous income taxes into a single income tax with three components which are a (a) special purpose rate (rate established by special legislation to fund special projects); (b) property tax relief rate (max rate 1.25%); and (c) expenditure rate (max rate 2.50% except Marion Co. - 2.75%)("Expenditure Rate").

Distributions under the Expenditure Rate must be categorized and are allocated into one or a combination of (a) certified shares (which may be used for any purposes of the civil taxing unit)("Certified Shares"); (b) public safety; and (c) economic development (may be used for same purposes as EDIT).

The LIT Statute provides that the adopting body must, before July 1 of each year, allocate revenues from the Expenditure Rate to either: (i) public safety purposes; (ii) economic development purposes; or (iii) certified shares, and provides that the allocation must be based on percentages among the civil taxing units in the county. The ordinance first applies in the following year adoption and then thereafter until it is rescinded or modified. For a county in which COIT was imposed, the adopting body is the local income tax council, which is structured in the same way as the COIT Council under the statute authorizing this former county income tax. LIT Revenues are received monthly from the county auditor.

LIT Revenues, which are for economic development and have been generated by the former county income tax known as EDIT, have been categorized as economic development revenue of the expenditure rate. LIT Revenues for economic development are also received monthly from the county auditor.

The adopting body may not reduce the proportional allocation among these uses if the reduction would allocate less to the payment of bonds or leases for which the Expenditure Rate has been pledged in accordance with law than the amount pledged and payable in that year or required under the agreements for the bonds or leases to be deposited in a sinking fund or other reserve in that year. If no portion of the Expenditure Rate is actually pledged to bonds or leases, the adopting body is not restricted in the allocation of additional revenue among the three purposes for the Expenditure Rate from year to year.

Special legislation passed by the General Assembly for a specific county to enable the county to levy an income tax for a specific purpose at a specified special rate is also consolidated under the LIT Statute. The LIT Statute allows for a county to continue to levy the tax at the same rate to be used for the same purpose as under the applicable statute authorizing this former income tax.

LIT Revenues are collected by the Indiana Department of State Revenue ("DOR"). Annually before August 2, the State of Indiana Budget Agency ("Budget Agency") provides the DLGF and the county auditor with an estimate of the LIT Revenues which are based on the actual income tax returns filed and processed from July 1 of the prior year through June 30 of the current year, adjusted for any refunds. Not later than fifteen days after receiving an estimate of the certified distribution, the DLGF shall determine for each taxing unit and notify the county auditor of the estimated amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit, and the county auditor has thirty days after receiving the DLGF's estimate to notify each taxing unit of its estimated amount. Before of October 1 of each year, the Budget Agency shall certify to the county auditor and the DLGF the amount of the county's certified distribution. Not later than 15 days from receipt of the Budget Agency's certified distribution for the DLGF shall notify the county auditor of the certified amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares and special purpose revenue that will be distributed to each taxing unit which receives LIT Revenues.

FOOTNOTES

- (d) In April 2012, the Budget Agency announced that the State had uncovered approximately \$206 million in underpayments to local units of government based upon new information from DOR regarding local option income tax collections for 2009 and 2010. The new information provided to the State Budget Agency materially affected the certified distributions for 2011 and 2012 and the State Budget Agency recertified the distributions for those years. The Indiana General Assembly enacted legislation requiring distributions to be reduced to replenish the shortfall. The State Budget Agency indicated that, effective with certified income tax distributions for 2012, the income tax distributions would generally be frozen at the 2011 certified amounts for the coming years as long as the county's income tax trust balance ("County Trust Balance") was negative. In 2016, the General Assembly enacted legislation providing for a supplemental distribution of local income taxes when the balance in a county's local income tax trust account exceeds 15% (rather than 50%, under prior law) of the certified distributions to be made to the county.

The County Trust Balance represents the income taxes held by the State, which are to be distributed to all applicable units (cities, towns, townships, libraries and county units) in the County. The Trust Balance History Report published by the State Budget Agency in September 2016 indicates that the actual COIT balance for all taxing units in St. Joseph County at the end of 2014 was \$11,833,819. The estimated balance for 2015 (as of September 2016) is \$17,236,438.